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中國汽車內飾集團有限公司

CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on GEM: 8321)

(Stock Code on Main Board: 48)

TRANSFER OF LISTING FROM GEM TO MAIN BOARD

Financial adviser

AMASSE CAPITAL
寶 積 資 本

Reference is made to the announcement issued by the Company dated 17 March 2014 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing.

The Board is pleased to announce that the approval in principle for the Transfer of Listing has been granted on 15 August 2014. The last day of dealings in the Shares on GEM will be Friday, 22 August 2014. It is expected that dealings in the Shares on the Main Board of the Stock Exchange (stock code: 48) will commence at 9:00 a.m. on Monday, 25 August 2014.

The Board confirms pursuant to Rule 9A.02 of the Main Board Listing Rules that as at the date of this announcement, all the pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change is proposed to be made to the share certificate, the board lot size which is 10,000 Shares each, the trading currency of the Shares which is Hong Kong dollars, and the share registrar of the Company which is Tricor Investor Services Limited.

Reference is made to the announcement issued by the Company dated 17 March 2014 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to Chapter 9A of the Main Board Listing Rules.

TRANSFER OF LISTING

An application was made by the Company to the Stock Exchange for the listing of, and permission to deal in 1,152,000,000 Shares in issue on the Main Board by way of the Transfer of Listing.

The Board is pleased to announce that the approval in principle for the Transfer of Listing of the Shares on the Main Board has been granted on 15 August 2014. The last day of dealings in the Shares on GEM will be Friday, 22 August 2014. It is expected that dealings in the Shares on the Main Board of the Stock Exchange (stock code: 48) will commence at 9:00 a.m. on Monday, 25 August 2014.

The Board confirms pursuant to Rule 9A.02 of the Main Board Listing Rules that as at the date of this announcement, all the pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 29 September 2010, the date on which the Shares were first listed on GEM. Subject to continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change is proposed to be made to the share certificate, the board lot size which is 10,000 Shares each, the trading currency of the Shares which is Hong Kong dollars, and the Hong Kong branch share registrar and transfer agent of the Company which is Tricor Investor Services Limited. No change will be made to the English and Chinese stock short names of the Company.

REASON FOR THE TRANSFER OF LISTING

The Board believes that the Transfer of Listing will enhance the profile of the Company and increase the trading liquidity of the Shares and recognitions by potential investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth and business development of the Company. There is no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve issue of any new Shares by the Company.

GEM SHARE OPTION SCHEME

Pursuant to the terms of the GEM Share Option Scheme, the operation of the GEM Share Option Scheme was conditionally terminated by the Board on 15 August 2014. Upon the listing of the Shares being transferred from GEM to the Main Board, the termination of the GEM Share Option Scheme will become effective and no further options may be offered or granted under the GEM Share Option Scheme.

The Company may consider adopting a new share option scheme which will be in compliance with the Main Board Listing Rules in future and will then make further announcement and obtain the approval of the Shareholders in accordance with the Main Board Listing Rules.

As at the date of this announcement, the Group does not have any options, warrants or similar rights or convertible equity securities in issue which will be transferred to the Main Board.

NEW TRADING BUSINESSES AFTER THE INITIAL PUBLIC OFFER OF THE SHARES

A. Rubber Trading Business

Since rubber related products have been broadly used for automotive parts, such as tyres and seal circle, the Group commenced trading of rubber since last quarter of 2012 on a small scale trial basis. Based on such trial run, the Group got the experience that rubber trading would yield a stable return with lower risk level. As such, the Group stepped further into the business of rubber trading by carrying out the acquisition of the rubber trading business (“**Rubber Group**”) from another listed company in Hong Kong on 26 March 2013 with the long term strategy to supply rubber for tyres manufacturers in the PRC and expanding its business by offering the products to upstream manufacturers in the automotive industry. In the short run, a trading business model will serve as a safe way for the Group to explore the potential of such industry.

The total consideration for the acquisition of the Rubber Group was HK\$28 million in cash, which was only approximately 9.5% of the Group’s total assets as at 31 December 2012. The consideration for such acquisition was not material to the then financial position of the Group, which the Board considered it to be affordable for a sensible investment at that time. Further, the Group committed a maximum of approximately RMB19.8 million internal funding to support its rubber trading business during 2013. Currently, since most of the trades were carried out on a back-to-back basis in 2014, the Board considered that the risk profile was low in this segment.

Business model

The Rubber Group initially traded rubber by leveraging on the Group's financial position. It was then gradually shifted to trade in a more conservative manner on a back-to-back way in 2014 so as to reduce the risk on the fluctuation of rubber price. Before entering into the purchase orders with the suppliers, the Group generally identified the customers to lock up the profit margin. Operationally, after entering into the purchase contracts with the suppliers, the Group will issue letter of credit or pay purchase deposit to the suppliers. After obtaining the shipping document of the orders, the Group will enter into sales contracts with the customers and request a letter of credit or deposit for security. As cost and revenue of the order is already lock-up at this point of time, the Group will not expose to rubber price fluctuation afterward. As no credit terms were generally provided to the customers of rubber trading, the counterparty default risk could be minimized. However, profit margin is also low in this segment.

Pricing

The purchase price of rubber was generally quoted in the rubber commodity markets, such as Singapore Commodity Exchange, Japan Commodity Exchange and Shanghai Futures Exchange. The Group will identify potential suppliers which are willing to supply the rubber on the quoted price before quoting the respective selling prices to its potential customers. The selling price of the rubber to the Group's customers was generally determined by the cost of the rubbers, the transportation cost and cost of funding of each order and a profit margin of ranging from US\$5 to US\$10 per Metric Tons (MTs).

Suppliers and customers

The major suppliers of the business are the rubber traders in the PRC and Asian countries, such as Thailand and Singapore. Major customers are also rubber traders in the PRC. Based on the vast industry experience and connection of the Rubber Group's management team over the years, the Rubber Group has maintained close communications network with its customers and suppliers. This is the reason why the Rubber Group could act as a middleman to match those rubber trading businesses.

Inventory

It is not the current and usual strategy of the Rubber Group to pile up inventory. However, it has maintained a minimum inventory level of approximately 100 MTs (approximately RMB 1.6 million) for the domestic sales in the PRC.

Funding

The Group allocated a maximum financial resources of approximately RMB19.8 million to the operation of this business unit and as at 30 June 2014, a fixed deposit of US\$1 million (approximately RMB6.1 million) was pledged to the bank and a corporate guarantee was provided by the Company to obtain the bank facilities of approximately US\$5 million (approximately RMB30.6 million) for this business segment.

Management team

The team of the Rubber Group comprised 6 members and headed by Mr. Ni Bin, a former director of the Company, from 21 May 2013 to 21 November 2013. Mr. Ni graduated from China University of Petroleum in 1992, specializing in petroleum processing and had over 20 years of experience in the petrochemical industry. After Mr. Ni's resignation as director of the Company, the team was headed by Ms. Xu Xiaoting. Before joined the Group, Ms. Xu Xiaoting worked in a chemical distributor in the PRC for 3 years and she have 6 years of relevant experience on rubber trading. The remuneration package for the Rubber Group was a basic salary and commission ranging from RMB4,000 to RMB15,000 per person per month.

Financial performance

	For the year ended 31 December 2013 RMB'000
Rubber Group	
Turnover	313,576
Segment results	1,101

The financial performance of the Rubber Group for the year ended 31 December 2013 stated above was the performance of the Rubber Group for the period from the date of completion of the acquisition of the Rubber Group as at 21 May 2013 to 31 December 2013. Based on the current business model, a net margin of only 0.35% was yield from this segment after deducting all relevant expenses of the Rubber Group.

B. Garment Accessories Trading Business

The Group announced on 15 May 2013 of the acquisition of garment accessories trading business (“**Accessory Group**”) at a consideration of HK\$42 million, representing approximately 14.2% of the Group's total assets as at 31 December 2012. Such consideration was satisfied by HK\$7,600,000 cash; HK\$14,400,000 consideration shares; and HK\$20,000,000 promissory note.

The Board decided to conduct this acquisition based on the background that the Group's production requires polyester fibers and therefore the management team of the Group has extensive experience and profound knowledge on the polyester fibers industry. Thus, by leveraging its experience and expertise on polyester fibers, the Directors consider that such acquisition represents a good opportunity for the Company to strengthen its income stream of the Group and also creates synergy effect with the Accessory Group.

The consideration for such acquisition was not material to the then financial position of the Group. Apart from the consideration paid for the acquisition of the Accessory Group, no further capital has been committed for its operation. As a result, the Board considered that the risk profile was low in this segment.

Business model

The Accessory Group was founded by Mr. Cheung Ngai since 1990. The products of trading of garment accessories are mainly nylon tape, polyester tape and polyester string. The Accessory Group engages a traditional trading business model all along its trading history. Contrary to the Rubber Group, the Accessory Group takes orders first before securing the sources from suppliers, based on the understanding that supply of similar products are huge in the PRC and that price fluctuation is not materially swift over a short period of time.

Suppliers and customers

The major customers are the Hong Kong buying office of overseas garment manufacturers and the major suppliers are the manufacturers of garment accessories in the PRC.

Pricing

Upon the request of a price quote on the products from customers, the Accessory Group will determine the price on the basis of a number of factors including the cost of materials, the complexity of the manufacturing process, its estimated production and delivery time based on its experience, and add on a profit margin ranging from 15% to 20%. After a sales contract is entered with the customers, the Group will provide the production requirements and standards of the products to certain suppliers identified for purchasing price quotation.

Inventory

In general, the Accessory Group will not keep stock (garment accessories) for resale purpose.

Funding

The Accessory Group finances its operations by internal cash resources and bank financing. As at 30 June 2014, the Accessory Group obtained bank loans and bank overdrafts of approximately HK\$8.5 million.

Management team

The Accessory Group is managed by Mr. Cheung Ngai who has over 20 years of relevant experience on trading of garment accessories and is entitled to an annual remuneration package of HK\$260,000.

Financial performance

**For the
year ended
31 December
2013
RMB '000**

Turnover	20,922
Segment results	1,983

The financial performance of the Accessory Group for the year ended 31 December 2013 stated above was the performance of the Accessory Group for the period from the date of completion of the acquisition of the Accessory Group as at 27 May 2013 to 31 December 2013. The transaction volume of each sales order was generally ranged from HK\$50,000 to HK\$200,000. The trading terms with the customers are mainly on credit. The trading of garment accessories are on credit term of 120 days, while an extension of credit period (beyond the 120 days) would be granted by the Accessory Group to certain customers with good payment history and frequent transactions with the Accessory Group.

COMPETING INTEREST

As at the date of this announcement, none of the Directors, controlling shareholders of the Company and their respective associates has an interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09 (10) of the Main Board Listing Rules.

REGULAR PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of financial results and will follow the relevant requirements of the Main Board Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Main Board Listing Rules.

USE OF PROCEEDS FROM FUND RAISING ACTIVITIES SINCE LISTING IN 2010

Set out below are the use of proceeds from fund raising activities conducted by the Company since 21 September 2010, being the date of the prospectus in relation to the initial public offering of the Shares of the Company and up to 30 June 2014:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
21 September 2010	Initial public offering of the Shares	Approximately HK\$30.6 million	(i) Expansion of production capacity; and (ii) development of new products *	(i) Approximately HK\$24.8 million was applied for expansion of production capacity; and (ii) approximately HK\$5.8 million was applied for development of new products.
17 October 2011	Placing of new Shares under the general mandate at the placing price of HK\$0.25 per placing share (the “ Placing ”)	Approximately HK\$9.0 million	(i) To finance any opportunistic investments should appropriate opportunities arise and where the Directors consider it is in the interest of the Company to do so; and (ii) for general working capital of the Group	(i) Approximately HK\$7.8 million was applied for the payment of administrative expenses for the Group; and (ii) approximately HK\$1.2 million was applied for the repayment of a loan.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
23 March 2012	Open offer on the basis of 1 offer share for every 2 shares held at the subscription price of HK\$0.1 per offer share (“First Open Offer”)	Approximately HK\$10.5 million	(i) To finance any future possible acquisition activities as identified by the Group from time to time and/or (ii) for general working capital of the Group**	Approximately HK\$10.5 million was applied for the acquisition of the Rubber Group on 26 March 2013.
5 July 2012	Open offer on the basis of 2 offer share for every 1 shares held at the subscription price of HK\$0.1 per offer share (“Second Open Offer”)	Approximately HK\$68.8 million	(i) To finance any future possible acquisition activities as identified by the Group from time to time and/or (ii) for general working capital of the Group**	(i) Approximately HK\$17.5 million was applied for the acquisition of the Rubber Group on 26 March 2013; (ii) approximately HK\$7.6 million was applied for the acquisition of the Accessory Group on 15 May 2013; (iii) approximately HK\$3.7 million was applied for the payment of administrative expenses for the Group; and (iv) approximately HK\$20 million was applied for the repayment of the promissory note on 27 May 2014. As at 30 June 2014, the remaining net proceeds from the Second Open Offer of approximately HK\$20 million was placed as bank deposits.

* *The Board announced the change in use of net proceeds from the initial public offering of the Shares on 22 November 2011.*

** *The Board announced the change in use of net proceeds from the First Open Offer and Second Open Offer of the Shares on 10 January 2013.*

BANK FACILITIES

As at 30 June 2014, the Group obtained the bank facilities of up to an aggregate principal amount of approximately RMB70.6 million and the Group has unutilized bank facilities of approximately RMB37.5 million as follows:

	Trading of garment accessories <i>RMB'000</i>	Trading of rubber <i>RMB'000</i>	Manufacture of nonwoven fabric <i>RMB'000</i>	Total <i>RMB'000</i>
Total bank facilities	15,541	30,552	24,500	70,593
— Utilized	8,545	0	24,500	33,045
— Unutilized	6,996	30,552	0	37,548

DOCUMENTS AVAILABLE FOR VIEWING

Copies of the following documents will be made available for viewing on the Company's website at www.joystar.com.hk and on the website of the Stock Exchange at www.hkexnews.hk:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the first quarter reports of the Group for the three months ended 31 March 2013 and 2014;
- (c) the interim reports of the Group for the six months ended 30 June 2013 and 2014;
- (d) the third quarter report of the Group for the nine months ended 30 September 2013;
- (e) the Directors' report and the annual report of the Group for the year ended 31 December 2013;
- (f) the circular of the Company dated 15 April 2013 in relation to general mandates to issue and repurchase Shares, re-election of Directors and refreshment of scheme mandate limit of the share option scheme;
- (g) a prospectus and circular of the Company dated 21 August 2012 and 25 July 2012 respectively in respect of an open offer of 720,000,000 offer shares on the basis of two offer shares for every one existing Share and refreshment of scheme mandate limit of the share option scheme;
- (h) the circular of the Company dated 27 April 2012 in relation to general mandates to issue and repurchase Shares and re-election of Directors;
- (i) a prospectus of the Company dated 19 April 2012 in respect of an open offer of 120,000,000 offer shares on the basis of one offer share for every two existing Shares;

- (j) a circular of the Company dated 22 September 2011 in respect of the proposed removal of a Director;
- (k) the circular of the Company dated 28 March 2011 in relation to general mandates to issue and repurchase Shares and re-election of Directors; and
- (l) a copy of each of the announcements and other corporate communications made by the Company as required under the GEM Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Mr. Zhuang Yuejin, aged 51, is the Chairman of the Board, Chief Executive Officer of the Company and one of the founders of the Group. He was appointed as an executive Director on 12 April 2010. He has over 11 years of experience in the nonwoven textile industry. He is responsible for formulating the Group's corporate strategy, overseeing its production operations and the overall steering of the Group's strategic development.

Mr. Zhuang graduated from Xiamen Fisheries College in 1981 and was approved as a qualified engineer by the Intermediate Level Adjudication Committee of Xiamen City Marine Engineering Department in 1990. From 1997 to 2001, Mr. Zhuang was the director and the general manager of Xiamen Marine Industries (Group) Co., Limited, a PRC incorporated company and was previously listed on the Shenzhen Stock Exchange. Mr. Zhuang is the spouse of Ms. Ruan Bixia, a manager of the Company's wholly-owned subsidiary.

Mr. Zhuang owns 359,370,000 Shares, representing 31.2% of the total issued share capital of the Company. Mr. Zhuang is entitled HK\$450,000 per annum, as director's fee and also receives other annual remuneration, which is determined with reference to his duties and responsibilities within the Group, and the prevailing market conditions.

Mr. Pak Ping, aged 54, was appointed as an executive Director on 12 April 2010. Mr. Pak has over 17 years of experience in the nonwoven material and carpet industry. He is primarily responsible for coordinating the marketing activities and formulating product development strategies for the Group. With extensive experience and profound knowledge on the nonwoven product industry, Mr. Pak co-founded the Group with Mr. Zhuang Yuejin in 2003. Mr. Pak owns 14,910,000 Shares, representing 1.29% of the total issued share capital of the Company.

Mr. Pak is entitled HK\$180,000 per annum, as director's fee, which is determined with reference to his duties and responsibilities within the Group, and the prevailing market conditions.

Mr. Wong Ho Yin, aged 44, was appointed as an executive Director and company secretary on 30 June 2011. He graduated from Hong Kong Polytechnic University with a Master of Corporate Governance Degree and a Bachelor of Arts Degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.

Prior to joining the Group, Mr. Wong was the financial controller and company secretary of Ching Hing (Holdings) Limited (currently known as China Household Holdings Limited) (Stock Code: 692) from September 2006 to October 2010. He has extensive experience in accounting and corporate compliance.

Mr. Wong is entitled HK\$360,000 per annum, as director's fee, which is determined with reference to his duties and responsibilities within the Group, and the prevailing market conditions.

Independent non-executive Directors

Mr. Mak Wai Ho, aged 41, was appointed as an independent non-executive Director on 9 September 2011. He was graduated from the Hong Kong University of Science and Technology with a Bachelor degree in Business Administration in Finance. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a practising member of the Hong Kong Institute of Certified Public Accountants. He is a practising certified public accountant and has more than 15 years of experience in finance, accounting and auditing.

Mr. Mak is currently an independent non-executive director of Xinhua Winshare Publishing and Media Co., Ltd., (Stock Code: 811) and was the company secretary and financial controller of Kong Sun Holdings Limited (Stock Code: 295) from September 2005 to November 2009.

Mr. Mak is entitled HK\$120,000 per annum, as director's fee, which is determined with reference to his duties and responsibilities within the Group, and the prevailing market conditions.

Mr. Feng Xueben, aged 66, was appointed as an independent non-executive Director on 12 April 2010. Mr. Feng was approved as a qualified engineer specialising in textile machinery design by the Textile Industry Department of the People's Republic of China in 1989. Since 2003, Mr. Feng has been the chief engineer of Wuxi Jiayuan Nonwovens Technology Research Institute.

Mr. Feng was an independent director of Fujian Nanfang Textile Co., Ltd (Stock Code: 600483), a company listed on the Shanghai Stock Exchange, from June 2002 to May 2008. He was the deputy director of Nonwoven Textile Machinery Professional Committee of China Textile Machinery Association from 2007 to 2009. Since February 2010, Mr. Feng has also been an independent non-executive director of CECEP COSTIN New Materials Group Limited (Stock Code: 2228), a company listed on the Main Board of the Stock Exchange.

Mr. Feng is entitled HK\$60,000 per annum, as director's fee, which is determined with reference to his duties and responsibilities within the Group, and the prevailing market conditions.

Ms. Sung Kwan Wun, aged 48, was appointed as an independent non-executive Director on 19 August 2013. She engaged in import and export industry for more than 25 years. She hold management positions in several trading companies and was responsible for regional marketing strategy and internal staff training. Ms. Sung has extensive knowledge in corporate operation management, and in marketing in the PRC and Europe. Moreover, she is experienced in investing in real estate and commodity futures.

Ms. Sung is entitled HK\$60,000 per annum, as director's fee, which is determined with reference to her duties and responsibilities within the Group, and the prevailing market conditions.

None of the Directors has any written service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Save as disclosed above, none of the Directors (i) has held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) as at the date of this announcement, has any interest in the Shares which required to be disclosed under Part XV of the Securities and Future Ordinance; and (iii) has any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Main Board Listing Rules and the Board is not aware of any other matter that needs to be brought to the attention of the Shareholders in relation to their directorships.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	The board of Directors
“Company”	China Automotive Interior Decoration Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are currently listed on the GEM
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Directors”	Directors of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“GEM Share Option Scheme”	the share option scheme adopted by the Company on 13 September 2010 and amended from time to time
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the proposed transfer of the listing of the Shares from GEM to Main Board
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
China Automotive Interior Decoration Holdings Limited
Zhuang Yuejin
Chairman

Hong Kong, 15 August 2014

As at the date hereof, the executive directors are Mr. Zhuang Yuejin, Mr. Pak Ping, and Mr. Wong Ho Yin, and the independent non-executive directors are Mr. Mak Wai Ho, Mr. Feng Xueben and Ms. Sung Kwan Wun.

This announcement for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.