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C CHENG HOLDINGS LIMITED

思城控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8320)

ANNOUNCEMENT OF THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of C Cheng Holdings Limited (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 (the “GEM Listing Rules”) 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.

FINANCIAL HIGHLIGHTS

For the nine months ended 30 September 2014, the financial results of the Group were as follows:

- Revenue of the Group reached HK\$293,959,000 (2013: HK\$221,839,000), representing an increase of 32.5% from the same period of previous financial year;
- Profit was HK\$21,217,000, as compared to HK\$7,687,000 in the same period of previous financial year, representing an increase of 176.0%;
- Basic earnings per share based on weighted average number of ordinary shares of approximately 180,000,000 (nine months ended 30 September 2013: 135,000,000) in issue was HK11.9 cents (nine months ended 30 September 2013: HK4.1 cents);
- Diluted earnings per share based on weighted average number of ordinary shares of approximately 180,356,577 in issue was HK11.9 cents (nine months ended 30 September 2013: N/A); and
- No interim dividend was declared.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2014, together with the comparative unaudited figures for the corresponding period in 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2014

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Revenue	3	110,375	73,331	293,959	221,839
Cost of services		(75,487)	(61,432)	(202,701)	(166,657)
Gross profits		34,888	11,899	91,258	55,182
Other income		433	773	644	819
Other gains and losses		(574)	85	(1,740)	1,627
Administrative expenses		(27,632)	(9,702)	(60,951)	(33,682)
Listing expenses		–	(3,540)	–	(10,621)
Finance costs		(24)	(41)	(67)	(115)
Profit (loss) before taxation		7,091	(526)	29,144	13,210
Income tax expense	4	(764)	385	(7,927)	(5,523)
Profit (loss) for the period		6,327	(141)	21,217	7,687
Other comprehensive (expense) income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation		514	285	(352)	885
Total comprehensive income for the period		6,841	144	20,865	8,572
Profit (loss) for the period attributable to:					
Owners of the Company		6,656	431	21,471	5,484
Non-controlling interests		(329)	(572)	(254)	2,203
		6,327	(141)	21,217	7,687
Total comprehensive income (expense) for the period attributable to:					
Owners of the Company		7,169	643	21,120	6,266
Non-controlling interests		(328)	(499)	(255)	2,306
		6,841	144	20,865	8,572
Earnings per share (expressed in HK cents)					
– Basic	5	3.7	0.3	11.9	4.1
– Diluted		3.7	N/A	11.9	N/A

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2014

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Statutory reserve HK\$'000 (Note a)	Share option reserve HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000			
At 1 January 2013 (audited)	1,020	–	2,165	–	336	6,733	43,988	54,242	2,370	56,612
Profit for the period	–	–	–	–	–	–	5,484	5,484	2,203	7,687
Exchange differences arising on translation	–	–	–	–	–	782	–	782	103	885
Total comprehensive income for the period	–	–	–	–	–	782	5,484	6,266	2,306	8,572
Transfer to statutory reserve	–	–	661	–	–	–	(661)	–	–	–
Acquisition of LWK Design (Macau) Limited (Note b)	(20)	–	–	–	94	–	–	74	(103)	(29)
Acquisition of additional interest in 深圳市梁黃廟藝恒建築設計有限公司 (Note c)	–	–	–	–	809	–	–	809	(4,405)	(3,596)
Recognition of equity-settled share-based payments (Note d)	–	–	–	–	5,210	–	–	5,210	–	5,210
At 30 September 2013 (unaudited)	1,000	–	2,826	–	6,449	7,515	48,811	66,601	168	66,769
At 1 January 2014 (audited)	1,800	83,682	2,826	114	(47,070)	7,920	52,305	101,577	153	101,730
Profit for the period	–	–	–	–	–	–	21,471	21,471	(254)	21,217
Exchange differences arising on translation	–	–	–	–	–	(351)	–	(351)	(1)	(352)
Total comprehensive (expense) income for the period	–	–	–	–	–	(351)	21,471	21,120	(255)	20,865
Recognition of equity-settled share-based payments	–	–	–	974	–	–	–	974	–	974
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	7	7
At 30 September 2014 (unaudited)	1,800	83,682	2,826	1,088	(47,070)	7,569	73,776	123,671	(95)	123,576

- Note a:* The statutory reserve is non-distributable and the transfer to this reserve is determined by the board of directors of the subsidiaries in the People's Republic of China (the "PRC") in accordance with the relevant laws and regulations of the PRC. Appropriation to such reserve is made out of net profit after taxation reported in the statutory financial statements of the PRC subsidiaries while the amount and allocation basis is decided by their respective boards of directors annually. This reserve can be used to offset accumulated losses or to increase capital upon approval from the relevant authorities.
- Note b:* On 11 June 2013, LWK & Partners (HK) Limited ("LWK Hong Kong") and LWK Conservation Limited ("LWK Conservation"), both wholly owned subsidiaries of the Company, acquired the entire quota capital of LWK Design (Macau) Limited ("LWK Macau") from Mr. Ronald Liang ("Mr. Liang") and Mr. Fu Chin Shing ("Mr. Fu") at a cash consideration of MOP30,000 (equivalent to approximately HK\$29,000). Other reserve represents (i) the difference between the consideration and the attributable net assets of LWK Macau at the date of transfer and; (ii) the transfer of the quota capital of LWK Macau attributable to owners of the Company. After the acquisition, LWK Macau became a wholly owned subsidiary of LWK Hong Kong.
- Note c:* On 21 June 2013, LWK Hong Kong entered into equity transfer agreement with Mr. Wang Jun You ("Mr. Wang") to acquire additional 24% interest in 深圳市梁黃顧藝恒建築設計有限公司, a non-wholly owned subsidiary of LWK Hong Kong, for a consideration of RMB2,830,000 (equivalent to approximately HK\$3,596,000) which was completed on 28 August 2013.
- Note d:* On 10 June 2013, Mr. Liang and Mr. Fu transferred 79,310 and 33,990 shares of LWK Hong Kong (representing, in aggregate, 11.33% of the entire issued share capital of LWK Hong Kong), respectively, to Mr. Wang for a total consideration of HK\$8.28 million. The amount of HK\$5,210,000 recognised in other reserve represents the effect of the share based payment to Mr. Wang estimated by reference to difference between the consideration and the fair value of the 11.33% of LWK Hong Kong at the date of transfer.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2014

1. GENERAL INFORMATION

The Company was incorporated on 13 May 2013 in the Cayman Islands under the Companies Law, Chapter 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 December 2013 (the “Listing Date”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company is an investment holding company and its subsidiaries are mainly engaged in the provision of comprehensive architectural service.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial information for the nine months ended 30 September 2014 have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institutes of Certified Public Accountants (“HKICPA”) as well as with applicable disclosures requirements of Chapter 18 of the Rule Governing the Listing of Securities of the GEM Listing Rules.

The condensed consolidated financial information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial information for the nine months ended 30 September 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2013.

In the current period, the Group has applied, for the first time, a new interpretation and certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current period.

The application of the new interpretation and amendments in the current period has had no material effect on the amounts reported in the condensed consolidated financial information and/or disclosures set out in the condensed consolidated financial information.

The condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

3. REVENUE

Revenue represents the contract revenue for comprehensive architectural service recognised during the period.

	Three months ended 30 September		Nine months ended 30 September	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Architecture	96,401	68,320	269,599	206,271
Landscape architecture, town planning, Interior design and heritage conservation	13,974	5,011	24,360	15,568
	110,375	73,331	293,959	221,839

4. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
The income tax expense comprises:				
Hong Kong Profits Tax	716	1,452	716	3,084
PRC Enterprise Income Tax ("EIT")	(3,846)	1,920	5,793	8,099
	(3,130)	3,372	6,509	11,183
Deferred tax:				
Current period	3,894	(3,757)	1,418	(5,660)
	764	(385)	7,927	5,523

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

According to Sui Yue Guo Shui Jian Bei (穗越國稅減備) (2013) 100136, the tax rate of 廣州梁黃顧建築有限公司, a wholly owned subsidiary of the Company, is 20% on one-half of the profit chargeable to EIT for the nine months ended 30 September 2014 and 2013.

According to the State Council Circular on Transitional Policy of Enterprise Income Tax (Guo Fa [2007] No. 39), the income tax rate applicable to 梁黃顧設計顧問(深圳)有限公司, a wholly owned subsidiary of the Company, and 深圳市梁黃顧藝恒建築設計有限公司 is 25% for the nine months ended 30 September 2014 and 2013.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings:				
Earnings for the purposes of basic and diluted earnings per share:				
Profit for the period attributable to the owners of the Company	<u>6,656</u>	<u>431</u>	<u>21,471</u>	<u>5,484</u>
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>180,000,000</u>	135,000,000	<u>180,000,000</u>	135,000,000
Effect of dilutive potential ordinary shares in respect of share options outstanding	<u>514,579</u>	<u>N/A</u>	<u>356,577</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>180,514,579</u>	<u>N/A</u>	<u>180,356,577</u>	<u>N/A</u>

The calculation of the weighted average number of shares outstanding during the nine months ended 30 September 2013 has been adjusted for the effect of the Share Swap (as defined in Note 2 to 2013 Audited Financial Statements) and the Capitalisation Issue (as defined in Note 29 to 2013 Audited Financial Statements).

No diluted earnings per share is presented for the three months and the nine months ended 30 September 2013 as there were no potential ordinary shares outstanding during the period.

6. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group maintained its market position as one of the leading comprehensive architectural service providers in Hong Kong and the People's Republic of China (the "PRC").

During the nine months ended 30 September 2014, the Group maintained a steady growth of 32.5% in revenue when compared with that in corresponding period of 2013, and secured 92 new contracts with contract sums of approximately HK\$296,000,000 in Hong Kong, the PRC and other markets. As at 30 September 2014, the Group had remaining contract sums of approximately HK\$1,028,000,000. Architecture, contributing 91.7% of the revenue, continued to be the mainstream of practice of the Group.

Besides architecture, the service of: (a) landscape architecture; (b) town planning; (c) interior design; and (d) heritage conservation maintained its stable contribution to revenue of the Group.

The proven track record and investment in latest technology put the Group in a strong position to take advantage of the business opportunities ahead, and reinforce its leading market position amid the intense competition.

Financial Review

Revenue

Revenue for the nine months ended 30 September 2014 was HK\$293,959,000, when compared with that of HK\$221,839,000 in corresponding period of 2013, representing an increase of 32.5%. The increase was attributable by the growth in revenue generated by the provision of service of architecture, landscape architecture, town planning, interior design and heritage conservation over the period.

Cost of services

Cost of services for the nine months ended 30 September 2014 amounted to HK\$202,701,000, when compared with that of HK\$166,657,000 in corresponding period of 2013, representing an increase of 21.6%. The increase was mainly driven by the rise in direct labour costs and overhead costs as a result of the expansion of the Group in the period.

Gross profit and gross profit margin

The gross profit for the nine months ended 30 September 2014 amounted to HK\$91,258,000, when compared with that of HK\$55,182,000 in corresponding period of 2013, representing an increase of 65.4%.

The gross profit margin of the Group for the nine months ended 30 September 2014 was 31.0%, which maintained stable when compared with the corresponding period of 2013.

Administrative expenses

Administrative expenses for the nine months ended 30 September 2014 amounted to HK\$60,951,000, when compared with that of HK\$33,682,000 in corresponding period of 2013, representing an increase of 81.0%. The increase was mainly due to (i) a growth in staff costs as a result of an increase of average salary, bonus and headcount; (ii) expenses on promotion of investor relations and professional fee on general legal and compliance advisory for listing matters; and (iii) rental and other office expenses on expansion of our offices and teams in the period.

Profit

The profit for the nine months ended 30 September 2014 was HK\$21,217,000, as compared to HK\$7,687,000 in corresponding period of 2013, representing an increase of 176.0%.

OUTLOOK

The Directors believe that the Group's accumulated experience, gathered in both design and project execution, is invaluable. Moreover, the effective application of experience and knowledge in the Group's multi-centre operations model will enhance the Group's market position and ensure its growth remains sustainable. The Group had established a 3D printing technology company and a themed experience and entertainment design company. The Group is actively exploring further areas of expansion opportunities, such as 5-star high-end hospitality interior design service and art-branding solutions, more branch offices and joint ventures.

The Directors believe that the new establishments could help the Group to increase the capacity to undertake new clientele and for new business development. Taking the PRC and Hong Kong markets as a foundation, the Group has attached great importance to expanding its business to overseas markets stage by stage, in order to strengthen the network and increase our participation in the overseas market to strive for greater accomplishments.

DIRECTORS' AND CHIEF EXECUTIVES INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, the interests and short positions of the Directors and the chief executive in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, were as follows:

(1) Long positions

Name of Director	Company/name of associated company	Nature of interest	Number of shares held	Approximate of percentage of shareholding
Liang Ronald	The Company	Interest in a controlled corporation	83,068,000	46.15%
	The Company	Beneficial interest	800,000 (<i>Note 1</i>)	0.44%
Fu Chin Shing	The Company	Interest in a controlled corporation	36,632,000	20.35%
	The Company	Beneficial interest	800,000 (<i>Note 1</i>)	0.44%
Wang Jun You	The Company	Interest in a controlled corporation	15,300,000	8.5%
	The Company	Beneficial interest	800,000 (<i>Note 1</i>)	0.44%
	The Company	Interest of spouse	100,000 (<i>Note 2</i>)	0.06%
	LWK Yiheng	Equity interest	–	1.00%
Lo Kin Nang	The Company	Beneficial interest	800,000 (<i>Note 1</i>)	0.44%
Ng Kwok Fai	The Company	Beneficial interest	800,000 (<i>Note 1</i>)	0.44%
He Xiao	The Company	Beneficial interest	800,000 (<i>Note 1</i>)	0.44%

Note: (1) These represent the shares to be issued and allotted by the Company upon exercise of the options granted under the pre-IPO share option scheme.

(2) Mr. Wang Jun You, being spouse of Ms. Li Min, is deemed to be interested in 100,000 shares held by Ms. Li under the SFO.

(2) Short positions

At 30 September 2014, none of the Directors or the chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Save as disclosed below, as at 30 September 2014, no person other than the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

Long positions in the shares of the Company:

Name of Shareholder	Capacity	Total number of shares	Percentage of total issued share capital in the Company
Rainbow Path International Limited	Beneficial owner (<i>Note 1</i>)	75,868,000	42.15%
Veteran Ventures Limited	Beneficial owner (<i>Note 1</i>)	7,200,000	4.00%
Vivid Colour Limited	Beneficial owner (<i>Note 2</i>)	36,632,000	20.35%
Jun Ming Investments Limited	Beneficial owner (<i>Note 3</i>)	15,300,000	8.5%
Liang Sharon	Interest of spouse (<i>Note 4</i>)	83,868,000	46.59%
Chung Wai Chi, Connie	Interest of spouse (<i>Note 5</i>)	37,432,000	20.79%
Li Min	Interest of spouse (<i>Note 6</i>) Beneficial owner (<i>Note 7</i>)	16,100,000 100,000	8.94% 0.06%

Notes:

1. Rainbow Path International Limited and Veteran Ventures Limited are 100% owned by Mr. Liang Ronald.
2. Vivid Colour Limited is 100% owned by Mr. Fu Chin Shing.
3. Jun Ming Investments Limited is 100% owned by Mr. Wang Jun You.
4. Ms. Liang Sharon, being spouse of Mr. Liang Ronald, is deemed to be interested in the 83,868,000 shares held by Mr. Liang under the SFO.
5. Ms. Chung Wai Chi, Connie, being spouse of Mr. Fu Chin Shing, is deemed to be interested in the 37,432,000 shares held by Mr. Fu under the SFO.
6. Ms. Li Min, being spouse of Mr. Wang Jun You, is deemed to be interested in the 16,100,000 shares held by Mr. Wang under the SFO.
7. It represents the shares to be issued and allotted by the Company upon exercise of the options granted under the pre-IPO share option scheme.

SHARE OPTION SCHEMES

The Company operates two share option schemes providing incentives or rewards to eligible persons of the Group for their contribution to the Group, including a share option scheme (the “Share Option Scheme”) and a pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”). Details of these two share options schemes have been set out in the Company’s 2013 annual report. The movement during the period and the options outstanding as at 30 September 2014 were as follows:

Pre-IPO Share Option Scheme

	As at 1 January 2014	Granted	Lapsed	Exercise	As at 30 September 2014	Exercise price	Exercise period
Directors							
Liang Ronald	800,000	–	–	–	800,000	0.83	<i>Note 1</i>
Fu Chin Shing	800,000	–	–	–	800,000	0.83	<i>Note 1</i>
Wang Jun You	800,000	–	–	–	800,000	0.83	<i>Note 1</i>
Lo Kin Nang	800,000	–	–	–	800,000	0.83	<i>Note 1</i>
Ng Kwok Fai	800,000	–	–	–	800,000	0.83	<i>Note 1</i>
He Xiao	800,000	–	–	–	800,000	0.83	<i>Note 1</i>
	4,800,000	–	–	–	4,800,000		
Others							
Employees	7,725,000	–	–	–	7,725,000	0.83	<i>Note 2</i>
	12,525,000	–	–	–	12,525,000		

Note 1: The share options can be exercised from the third anniversary date of the Listing Date to the fourth anniversary date of the Listing Date (both dates inclusive).

Note 2: The share options can be exercised from the second anniversary date of the Listing Date to the third anniversary date of the Listing Date (both dates inclusive).

Share Option Scheme

During the nine months ended 30 September 2014, there is no option granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30 September 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the nine months ended 30 September 2014.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of provisions of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors confirmed that they have complied with such code of conduct and the required standard of dealings regarding securities transactions by the Directors during the nine months ended 30 September 2014.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rule during the nine months ended 30 September 2014.

INTERESTS OF THE COMPLIANCE ADVISER

As at 30 September 2014, as notified by the Company's compliance adviser, China Everbright Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 16 December 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

In compliance with Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee comprising independent non-executive Directors, namely Mr. Lo Wai Hung, Mr. Wang Julius and Mr. Yu Chi Hang and has adopted terms of reference governing the authorities and duties of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls of the Group. The audit committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2014.

By Order of the Board
C Cheng Holdings Limited
Liang Ronald
Chairman

Hong Kong, 6 November 2014

As at the date of this announcement, the executive Directors are Mr. Liang Ronald, Mr. Fu Chin Shing, Mr. Wang Jun You, Mr. Lo Kin Nang, Mr. Ng Kwok Fai and Mr. He Xiao, and the independent non-executive Directors are Mr. Lo Wai Hung, Mr. Wang Julius and Mr. Yu Chi Hang.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at www.cchengholdings.com.