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SHUANGHUA HOLDINGS LIMITED
雙樺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1241)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors ("the Board") of Shuanghua Holdings Limited ("the Company") is pleased to announce its audited consolidated results of the Company and its subsidiaries (collectively "the Group") for the year ended 31 December 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
REVENUE	4	**197,017**	261,130
Cost of sales		**(145,877)**	(217,155)
Gross profit		**51,140**	43,975
Other income and gains	4	**9,527**	14,394
Selling and distribution expenses		**(10,818)**	(11,895)
Administrative expenses		**(36,530)**	(37,204)
Other expenses		**(671)**	(22,214)
Finance costs	6	**–**	(190)
Share of profits of an associate		**–**	6,932
PROFIT/(LOSS) BEFORE TAX	5	**12,648**	(6,202)
Income tax expense	7	**(3,320)**	(17,522)
PROFIT/(LOSS) FOR THE YEAR		**9,328**	(23,724)
Attributable to:			
Owners of the parent	8	**9,327**	(23,724)
Non-controlling interests		**1**	–
		9,328	(23,724)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
– Basic and diluted	10	**1.4 cents**	(3.6) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Notes	**2014** **RMB'000**	2013 RMB'000
PROFIT/(LOSS) FOR THE YEAR		**9,328**	(23,724)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**7**	(34)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9,335**	(23,758)
Attributable to:			
Owners of the parent		**9,334**	(23,758)
Non-controlling interests		**1**	–
		9,335	(23,758)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Notes	**2014** **RMB'000**	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**142,517**	146,242
Prepaid land lease payments		**68,881**	73,687
Advance payments for property, plant and equipment		**–**	101
Available-for-sale investment		**262**	262
Deferred tax assets		**2,037**	2,802
Total non-current assets		**213,697**	223,094
CURRENT ASSETS			
Inventories		**77,561**	83,304
Trade and notes receivables	*11*	**115,172**	105,421
Prepayments, deposits and other receivables		**7,168**	12,655
Financial assets at fair value through profit or loss		**48,000**	26,000
Pledged deposits		**7,240**	5,459
Cash and cash equivalents		**165,720**	174,581
Total current assets		**420,861**	407,420
CURRENT LIABILITIES			
Trade and bills payables	*12*	**61,157**	66,279
Other payables and accruals		**20,300**	14,317
Due to a related party		**–**	1,970
Provision		**666**	2,335
Government grants		**2,021**	1,337
Tax payable		**1,177**	416
Total current liabilities		**85,321**	86,654
NET CURRENT ASSETS		**335,540**	320,766
TOTAL ASSETS LESS CURRENT LIABILITIES		**549,237**	543,860

	Notes	**2014** **RMB'000**	2013 RMB'000
NON-CURRENT LIABILITIES			
Government grants		**7,134**	11,214
Deferred tax liabilities		**561**	439
Total non-current liabilities		**7,695**	11,653
Net assets		**541,542**	532,207
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**5,406**	5,406
Reserves		**224,918**	223,203
Retained earnings		**311,213**	303,594
		541,537	532,203
Non-controlling interests		**5**	4
Total equity		**541,542**	532,207

NOTES TO FINANCIAL STATEMENTS

31 December 2014

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 19 November 2010. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The shares of the Company were listed on the Stock Exchange of Hong Kong Limited on 30 June 2011.

The Company is an investment holding company. The Group is principally engaged in the design, development, manufacture and sale of parts of auto air-conditioners.

2.1 BASIS OF PREPARATION

Statement of compliance

The Group's financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Basis of measurement

The Group's financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

Functional and presentation currency

The Group's financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The Group's financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ADOPTION OF NEW/REVISED HKFRSs

The Group has adopted the following new/revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for the current accounting period.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively. The adoption of these amendments has no material impact on the Group's financial statements as the Group does not have any offsetting arrangements.

Amendments to HKAS 36 – Recoverable Amount Disclosures for Non-Financial Assets

The amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments have had no impact on the financial position or performance of the Group.

2.3 NEW/REVISED HKFRSs NOT YET ADOPTED

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
HKFRS 9 (2014)	Financial Instruments[5]
HKFRS 15	Revenue from Contracts with Customers[4]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 January 2017
5 Effective for annual periods beginning on or after 1 January 2018

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. They include amendments to HKAS 16 Property, Plant and Equipment to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Amendments to HKAS 1 – Presentation of Financial Statements

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial statements.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

2.3 NEW/REVISED HKFRSs NOT YET ADOPTED (CONTINUED)

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation

Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the impact of these new/revised HKFRSs upon initial application. So far, the Group considers that these new/revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 DISCLOSURE REQUIREMENTS OF NEW COMPANIES ORDINANCE

The disclosure requirements of the new Companies Ordinance, Cap. 622, will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 December 2015).

The directors consider that there will be no impact on the Group's financial position or performance, however the new Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements. The Statement of Financial Position of the Company will be presented in the notes rather than a separate statement and the related notes need not be included, while generally the statutory disclosures will be simplified.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and the Group has only one reportable operating segment which is the design, development, manufacture and sale of parts of auto air-conditioners. Management monitors the operating results of the operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) *Revenue from external customers*

	2014	2013
	RMB'000	*RMB'000*
PRC (place of domicile)	**158,018**	183,912
United States of America	**12,070**	28,136
Canada	**18,688**	27,647
Asia	**7,217**	13,379
Others	**1,024**	8,056
	197,017	261,130

The revenue information above is based on the location of the customers.

(b) *Non-current assets*

All non-current assets of the Group are located in PRC (place of domicile).

The Company's country of domicile is the PRC where most of the Group's operations are located.

Information about major customers

For the year ended 31 December 2014, revenues from two customers individually accounted for more than 10% of the Group's total revenue. Revenues from these two customers were RMB43,728,000 and RMB18,844,000 respectively.

For the year ended 31 December 2013, revenue from one customer individually accounted for more than 10% of the Group's total revenue. Revenue from this customer was RMB58,789,000.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of value-added tax and government surcharges, and after allowances for returns.

An analysis of revenue, other income and gains is as follows:

	2014	2013
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**197,017**	261,130
Other income		
Bank interest income	**4,304**	447
Government grants	**2,021**	1,374
Written back of amount due to a related party	**1,931**	–
Others	**171**	271
	8,427	2,092
Gains		
Gain on disposal of investments at fair value through profit or loss	**757**	812
Foreign exchange gain, net	**343**	–
Gain on disposal of property, plant and equipment	**–**	597
Gain on disposal of an associate *(Note)*	**–**	10,893
	1,100	12,302
	9,527	14,394

Note: On 6 September 2013, Automart Holdings Limited ("Hong Kong Automart"), a wholly-owned subsidiary of the Company, entered into an agreement pursuant to which Hong Kong Automart conditionally agreed to sell its 49% equity interest in Macs (Baoding) Auto A/C Systems Co., Ltd. to Great Wall Motor Co., Ltd. and Billion Sunny Development Limited for an aggregate consideration of RMB29,907,000. The disposal consideration had been fully received and the resulted gain on disposal of RMB10,893,000 was credited to other income and gains.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2014	2013
	RMB'000	*RMB'000*
Cost of inventories sold	**145,877**	217,155
Depreciation	**14,975**	17,027
Amortisation of land lease payments	**1,825**	1,737
Research and development costs	**6,061**	8,277
Operating lease expenses	**1,979**	2,284
Product warranty provision	**–**	959
Auditors' remuneration	**784**	1,076
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**29,908**	34,404
Pension scheme contributions	**6,552**	7,348
Staff welfare expenses	**2,952**	1,908
	39,412	43,660
Foreign exchange (gain)/loss, net	**(343)**	1,641
Impairment of property, plant and equipment (i)	**–**	19,997
Impairment of inventories	**2**	6,543
(Reversal of impairment)/impairment of trade receivables *(Note 11)*	**(49)**	488
Impairment of other receivables	**–**	85
Gain on disposal of investments at fair value through profit or loss	**(757)**	(812)
Loss/(gain) on disposal of property, plant and equipment	**893**	(597)
Loss on de-registration of a subsidiary (ii)	**209**	–

Notes:

(i) The impairment of property, plant and equipment is included in "Other expenses" in the consolidated statement of profit or loss.

(ii) On 16 December 2014, the Group's indirect wholly-owned subsidiary, Guangzhou Automobile, established in the PRC was de-registered. The loss on de-registration of RMB209,000 was charged to "Other expenses" in the consolidated statement of profit or loss.

6. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on bank loans wholly repayable within five years	**–**	190

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The income tax expense of the Group during the year are analysed as follows:

	2014	2013
	RMB'000	*RMB'000*
Current		
– Corporate income tax	**2,433**	2,178
– Capital gain tax	**–**	2,244
Deferred	**887**	13,100
Total tax charge for the year	**3,320**	17,522

Incorporated in the Cayman Islands, the Company is not subject to corporate income tax ("CIT") as the Company does not have a place of business (other than a registered office only) or carry on any business in the Cayman Islands.

The subsidiary incorporated in the British Virgin Islands ("BVI") is not subject to CIT as such subsidiary does not have a place of business (other than a registered office only) or carry on any business in the BVI.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits are subject to tax ("Profits Tax") at the rate of 16.5% (2013: 16.5%) in Hong Kong. No provision of Profits Tax has been made for Hong Kong Automart and Shuanghua Hong Kong Limited ("Hong Kong Shuanghua") as Hong Kong Automart and Hong Kong Shuanghua had no taxable income derived from Hong Kong during the year.

Shanghai Shuanghua Autoparts Co., Ltd. ("Shanghai Shuanghua") was accredited as a "Shanghai High and New Technology Enterprise" for three years starting from December 2008 and such qualification expired on 24 December 2011. In October 2011, Shanghai Shuanghua obtained the renewed "Hi-tech Enterprise" qualification for three years, effective from 2011 to enjoy a preferential CIT rate of 15%. Such qualification expired and was renewed on 23 October 2014 for another three years and Shanghai Shuanghua can continue to enjoy a preferential CIT rate of 15%.

Shanghai Shuanghua Machinery Manufacturing Co., Ltd. ("Shuanghua Machinery"), Shanghai Shuanghua Auto Components Co., Ltd. ("Shuanghua Auto Components"), Shanghai Shuanghua Machinery Sales Co., Ltd. ("Shuanghua Machinery Sales"), Guangzhou Shuanghua Automobile Parts Co., Ltd. ("Guangzhou Automobile"), Shanghai Eagle Star Investment Limited (Formerly known as Shanghai Eagle Automotive Service Ltd) ("Eagle Star Investment") and Shanghai Youshen Industry Co., Ltd. ("Youshen Industry") were subject to CIT at the rate of 25% during the year (2013: 25%).

7. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rate in PRC to the tax expense at the effective tax rate is as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit/(loss) before tax	**12,648**	(6,202)
Tax charge/(credit) at statutory tax rate 25% in PRC	**3,162**	(1,551)
Lower tax rates for specific provinces or enacted by local authority	**(2,038)**	(2,532)
Profits attributable to an associate	**–**	(1,144)
Income not subject to tax	**(1,026)**	(2,442)
Additional deduction on research and effect of tax concession and allowances	**(455)**	(607)
Expenses not deductible for tax	**107**	223
Effect of withholding tax at 5% (2013: 5%) on the distributable profits of the Group's PRC subsidiaries and an associate	**122**	3,399
Temporary differences not recognised	**1,097**	5,763
Tax losses not recognised	**1,586**	4,207
Reversal of tax losses and temporary differences from previous years	**765**	9,962
Tax effect of capital gain	**–**	2,244
Tax charge at the Group's effective rate	**3,320**	17,522

The share of tax charge attributable to an associate amounting to RMB2,293,000 for the year ended 31 December 2013 was included in "Share of profits of an associate" in the consolidated statement of profit or loss.

8. LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2014 includes a loss of RMB103,000 (2013: RMB5,101,000) which has been dealt with in the financial statements of the Company.

9. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the year of 2014 (2013: Nil).

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 650,000,000 (2013: 650,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the two years ended 31 December 2014 and 2013.

The calculation of basic earnings/(loss) per share is based on:

	2014	2013
	RMB'000	*RMB'000*
Earnings/(loss)		
Profit/(loss) attributable to owners of the parent	**9,327**	(23,724)

	Number of shares	
	2014	2013
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the year	**650,000**	650,000

11. TRADE AND NOTES RECEIVABLES

	Group	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**73,346**	75,198
Notes receivables	**42,900**	31,346
	116,246	106,544
Impairment	**(1,074)**	(1,123)
	115,172	105,421

The Group's trading terms with its customers are mainly on credit. The credit period for trade receivables is generally 30 to 90 days. Each customer has a maximum credit limit. The credit period for notes receivable is up to 190 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and notes receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and notes receivables balances. Trade and notes receivables are non-interest-bearing.

11. TRADE AND NOTES RECEIVABLES (CONTINUED)

An aged analysis of the trade and notes receivables of the Group at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within 1 month	**49,178**	46,275
1 to 2 months	**11,740**	19,739
2 to 3 months	**13,839**	11,398
3 to 12 months	**38,801**	27,420
Over 12 months	**1,614**	589
	115,172	105,421

The movements in the provision for impairment of trade receivables are as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
At beginning of year	**1,123**	635
(Reversal of impairment)/impairment losses recognised *(note 5)*	**(49)**	488
At end of year	**1,074**	1,123

At 31 December 2014, the Group's trade receivables of RMB1,074,000 (2013: RMB1,123,000) were individually determined to be impaired, These receivables have been long outstanding and management assessed then to be irrecoverable.

The aged analysis of the trade and notes receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**105,198**	92,854
Less than 1 month past due	**2,981**	6,407
1 to 2 months past due	**1,982**	1,564
2 to 3 months past due	**729**	1,025
3 to 12 months past due	**2,668**	2,983
Over 12 months past due	**1,614**	588
	115,172	105,421

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Board is of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. TRADE AND BILLS PAYABLES

	Group 2014 *RMB'000*	2013 *RMB'000*
Trade payables	**50,657**	50,979
Bills payable	**10,500**	15,300
	61,157	66,279

An aged analysis of the trade and bills payables at the end of the reporting period, based on the invoice date, is as follows:

	Group 2014 *RMB'000*	2013 *RMB'000*
Within 1 month	**34,365**	22,329
1 to 2 months	**8,791**	17,091
2 to 3 months	**5,359**	10,434
3 to 6 months	**9,788**	15,276
6 to 12 months	**1,309**	605
12 to 24 months	**1,545**	28
Over 24 months	**–**	516
	61,157	66,279

Trade and bills payables are non-interest-bearing and have an average credit term of one to six months.

As at 31 December 2014, bills payable of RMB10,500,000 (2013: RMB15,300,000) were secured by the Group's pledged deposits with a carrying amount of RMB7,240,000 (2013: RMB5,459,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group remained in a phase of transition during 2014. In order to ensure well-conducted operations of the Group with a view to realising the goal of achieving a positive turnaround set at the beginning of the year, the Group made painstaking efforts in maintaining profitability for existing businesses and exploring new ones. For maintaining profitability for existing business, the Group optimised its production flow and improved its production processing such that both production efficiency and product quality underwent enormous enhancement, leading to a decrease in production costs. Furthermore, the Group actively improved the order composition and client base of its automobile heat exchangers. In particular, orders with low or negative profitability were decreased while orders and customers with higher returns were consolidated and ramped up. In so doing, the sales profit of the Company was secured. For exploring new businesses, the Group was actively engaged in developing its businesses in sales of automobile lubricants and auto maintenance services. In 2014, subsidiaries were established by the Group which specialised in the sales of automobile lubricants and auto maintenance, laying the basic groundwork for the business despite the lack of recorded economic benefit. The Group reported operating revenue of RMB197.0 million for the year ended 31 December 2014, decreasing by RMB64.1 million compared to the same period of 2013. Due to the streamlined order composition, a decrease in production costs and the absence of any provision for asset impairment during the year, net profit for the year ended 31 December 2014 amounted to RMB9.3 million, an increase of RMB33.0 million compared to net loss of RMB23.7 million for the same period in 2013. Analyzed by product segment, revenue from sales of evaporators, condensers, heaters and others for the year ended 31 December 2014 amounted to RMB98.6 million, RMB59.6 million, RMB11.7 million and RMB27.1 million respectively. Analyzed by market segment, our domestic business for the year ended 31 December 2014 reported sales revenue of RMB158.0 million, while our international business for the year ended 31 December 2014 reported sales revenue of RMB39.0 million.

Sales in the Domestic Original Equipment Manufacturing ("OEM") Market

For the year ended 31 December 2014, the volume of the Group's evaporators, condensers and heaters sold in the domestic OEM market decreased by 4.3%, 18.3% and 52.9%, respectively, as compared to the same period in 2013. The notable decline in sales volume was attributable mainly to: (i) significantly reduced purchases from the Company by Macs (Baoding) Auto A/C Systems Co., Ltd., BYD Automobile Co., Ltd. and Wuhu Bonaire Automotive Electrical Systems Co., Ltd., our major customers, as they enlarged the proportion of their self-manufactured production; and (ii) the adjustment in the Company's sales policies to decrease orders of low or negative profitability. Lower average selling prices for the year ended 31 December 2014 as compared to the same period in 2013, coupled with the notable decrease in sales volume, resulted in the decline of revenue from sales of evaporators, condensers and heaters in the domestic OEM market for the year ended 31 December 2014 by approximately 11.6%, 17.9% and 51.4%, respectively, as compared to the same period in 2013.

Other revenue from sales to the domestic market comprised primarily the sales of self-manufactured oil coolers, intercoolers and aluminium waste.

Sales in the Domestic After-sale Maintenance ("AM") Market

For the year ended 31 December 2014, the volume of the Group's evaporators and condensers sold in the domestic AM market decreased by approximately 31.6% and 6.7%, respectively, as compared to the same period in 2013, while the average unit selling prices of these two products also decreased at various rates. The decline was mainly attributable to the intense competition in the market and the Company's adjustment in its sales policies to decrease orders of low or negative profitability. As a result of the dwindled sales volume and unit selling prices, revenue from sales of evaporators and condensers in the domestic AM market for the year ended 31 December 2014 decreased by 19.6% and 20.0%, respectively, as compared to the same period in 2013. However, a positive turnaround was achieved by the sales of condensers in terms of gross profit from the loss recorded in 2013 with gross profit of RMB5.9 million for the year ended 31 December 2014. Gross profit of evaporators increased slightly to RMB4.0 million for the year ended 31 December 2014 from RMB3.9 million in 2013. Sales volume of heaters in this market was insignificant.

Sales to International Markets

Our sales to international markets comprised primarily sales to the North American market. For the year ended 31 December 2014, the unit selling prices of the Group's self-manufactured evaporators, condensers and heaters in international markets remained stable with a slight decrease as compared to the same period in 2013. Sales volume of evaporators and condensers decreased by 43.3% and 43.6% respectively, as compared to the same period in 2013. Revenue from sales of these two products decreased by approximately 47.9% and 45.9%, respectively, which is mainly due to less purchases from our major customers as a result of the lack of customer diversification. Sales volume of heaters for the year ended 31 December 2014 increased significantly by 47.3% as compared to the same period in 2013 and exceeded 120,000 units sold, bringing in an increase in revenue by 46.0%. This is mainly attributable to the enlarged purchases by customers from the Company due to the Group's effective improvement in the production processes of our heaters in 2014 which enhanced our production efficiency, ensured timely delivery and product quality, and gained confidence of our customers. Due to the Group's adjustment in its sales policies and the decrease in production costs, increases at different rates were recorded in the gross profit margins of evaporators, condensers and heaters.

For the year ended 31 December 2014, there was no revenue recorded from sales of the Group's self-manufactured compressors to international markets. It is mainly attributable to the temporary termination of production and sales of self-manufactured compressors starting from March 2013 as a result of the proposed adjustment of the Group to its compressor projects by relocation and upgrade of facilities.

For the year ended 31 December 2014, the Group only recorded a minimal amount of sales in traded compressors. The substantial decline in the sales of traded compressors was mainly attributable to the move of the major supplier of the Group's traded compressors started to operate its own compressor trading and sales business since the latter half of 2013, resulting in the significantly reduced quantity of traded compressors purchased by the Group from this supplier.

Other revenue from sales to international markets comprised primarily self-manufactured oil coolers, intercoolers, oil-water separators, evaporators and condenser cores, pipes and thermostats.

Outlook and Strategy

With the continued growth of private automobile ownership in China, the prolonged growth in the after-sales auto service market and the high profits that this market is able to bring as compared to those of the automobile manufacturing market will result in enormous market potential and development opportunities for after-sales auto accessories and service providers.

In the future, we will carry on with the enhancement of production efficiency of our factories and the improvement of our production flow and product portfolio in our Group. Costs will be minimised in order to increase the profitability of our automobile heat exchangers. Meanwhile, a sound distribution and service network will be set up in the course of our expansion in the sales of automobile lubricants and auto maintenance services in order to create economies of scale and enhance their economic returns. We will also set a firm footing as we did in the capital market by identifying targets for the purpose of acquisition, investment, joint venture or entering into strategic alliances in order to accelerate our vertical and horizontal expansions.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2014, revenue was approximately RMB197.0 million, a decline of approximately RMB64.1 million, representing a year-on-year decline of 24.5% with that of the corresponding period of 2013 of approximately RMB261.1 million.

The following table sets forth the breakdown of our revenue by products during the reporting period:

	For the year end 31 December 2014 *RMB'000*	**% of revenue**	For the year end 31 December 2013 *RMB'000*	% of revenue
Domestic – OEM – self-manufactured				
Evaporators	**73,630**	**37.4%**	83,317	31.9%
Condensers	**30,969**	**15.7%**	37,697	14.4%
Heaters	**4,219**	**2.2%**	8,688	3.3%
Others	**10,302**	**5.2%**	13,925	5.4%
Sub-total	**119,120**	**60.5%**	143,627	55.0%
Domestic – AM – self-manufactured				
Evaporators	**11,561**	**5.9%**	14,377	5.5%
Condensers	**16,793**	**8.5%**	20,978	8.0%
Heaters	**860**	**0.4%**	622	0.2%
Others	**9,684**	**4.9%**	4,304	1.6%
Sub-total	**38,898**	**19.7%**	40,281	15.3%
International – AM – self-manufactured				
Evaporators	**13,435**	**6.8%**	25,765	9.9%
Condensers	**11,809**	**6.0%**	21,816	8.4%
Heaters	**6,597**	**3.3%**	4,518	1.7%
Compressors	**–**	**–**	1,802	0.7%
Others	**4,061**	**2.1%**	5,907	2.3%
Sub-total	**35,902**	**18.2%**	59,808	23.0%
International – AM – trading				
Compressors	**95**	**0.1%**	751	0.3%
Others	**3,002**	**1.5%**	16,663	6.4%
Sub-total	**3,097**	**1.6%**	17,414	6.7%
Total	**197,017**	**100.0%**	261,130	100.0%

Gross profit and gross margin

For the year ended 31 December 2014, overall gross profit increased to approximately RMB51.1 million from RMB44.0 million for 2013. Gross profit from sales to domestic market was approximately RMB39.4 million, roughly equal to that of last year. Gross profit from sales to international market was approximately RMB11.8 million, representing an increase of approximately RMB7.6 million over the same period of last year. The decrease in our production cost and the Group's adjustment in its sales policies to decrease orders of low or negative profitability and consolidate those of high profitability led to an overall increase during the period in the Group's gross profit of RMB7.2 million over the same period of last year.

For the year ended 31 December 2014, overall gross margin was 26.0%, representing an increase from last year's overall gross margin of 16.8% in the same period of 2013.

The following table sets forth the breakdown of our gross profit by products during the reporting period:

Gross Profit	**For the year end 31 December 2014 RMB'000**	For the year end 31 December 2013 RMB'000
Domestic – OEM – self-manufactured		
Evaporators	**25,771**	30,273
Condensers	**700**	4,744
Heaters	**607**	2,126
Others	**190**	272
Sub-total	**27,268**	37,415
Domestic – AM – self-manufactured		
Evaporators	**3,999**	3,894
Condensers	**5,928**	(2,460)
Heaters	**(764)**	(11)
Others	**2,955**	946
Sub-total	**12,118**	2,369
International – AM – self-manufactured		
Evaporators	**5,859**	7,557
Condensers	**2,392**	4,464
Heaters	**2,492**	714
Compressors	**–**	(11,603)
Others	**216**	177
Sub-total	**10,959**	1,309
International – AM – trading		
Compressors	**10**	(168)
Others	**785**	3,050
Sub-total	**795**	2,882
Total	**51,140**	43,975

Other income and gains

Other income and gains decreased substantially by approximately RMB4.9 million from approximately RMB14.4 million for the year ended 31 December 2013 to approximately RMB9.5 million for the year ended 31 December 2014. This is mainly attributable to the gain from the disposal of an associate by the Group in 2013.

Share of profits of an associate

Our share of profits of an associate decreased from approximately RMB6.9 million for the year ended 31 December 2013 to nil for the year ended 31 December 2014. The decrease was attributable to the Group's disposal of all of its 49% equity interest of Macs on 31 October 2013 to the other shareholder of Macs, Great Wall Motor Co., Ltd., and its wholly-owned subsidiary, Billion Sunny Development Limited.

Selling and distribution costs

Selling and distribution costs comprised primarily staff-related costs, sales transportation fees, operating lease rental expenses, entertainment and travelling expenses. Selling and distribution costs decreased for the year ended 31 December 2014 mainly because: (a) the decrease in sales of the Group caused a decrease in sales-related transportation expenses, and (b) our effective streamlining of our staff led to a decrease in staff-related costs.

Administrative and other expenses

Administrative and other expenses comprised primarily staff-related costs, various local taxes and education surcharges, depreciation, amortization of land use rights, operating lease rental payments, agency service fees, research and development expenses and miscellaneous expenses. Administrative and other expenses for the year ended 31 December 2014 remained stable as compared to that for the year ended 31 December 2013.

Finance costs

Finance costs were nil for the year ended 31 December 2014 and RMB0.2 million for the corresponding period in 2013. The decrease in finance costs was mainly because the Group had no bank borrowings this year.

Income tax

For the year ended 31 December 2014, our overall income tax expense was approximately RMB3.3 million. We recorded a higher income tax expense of RMB17.5 million in 2013 because the Group disposed of its 49% equity interest in Macs in 2013, incurring capital gains tax of RMB2.2 million. Deferred income tax assets of prior years recognised by our subsidiaries, namely Shanghai Shuanghua Machinery Manufacturing Co., Ltd. and Shuanghua Hong Kong Limited, were reversed, resulting in deferred tax expense of RMB10.0 million for the year ended 31 December 2013.

Profit/(loss) for the year

Profit attributable to the owners of the parent was approximately RMB9.3 million for the year ended 31 December 2014, while the loss attributable to the owners of the parent over the same period of last year was approximately RMB23.7 million.

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets

Our net current assets increased from approximately RMB320.8 million as at 31 December 2013 to approximately RMB335.5 million as at 31 December 2014. The increase in net current assets was primarily attributed to the increase in receivables and the decrease in payables.

Financial position and bank borrowings

As at 31 December 2014, the Group's cash and bank balances, most of which were denominated in RMB, amounted to approximately RMB165.7 million. As at 31 December 2013, the Group's cash and bank balances, most of which were denominated in RMB, amounted to approximately RMB174.6 million. As at 31 December 2014, the Group had no interest-bearing bank borrowings balance (31 December 2013: nil). As at 31 December 2013 and 2014, our gearing ratio, presented as a percentage of total interest-bearing liabilities divided by total assets, was 0.0%.

Save as aforesaid or otherwise disclosed in the notes to the financial statements, and apart from intra-group liabilities, as at the close of business on 31 December 2014, we did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities.

Our Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of our Group since 31 December 2013.

Working capital

As at 31 December 2014, our gross inventories, mainly comprising raw materials, work-in progress and finished products, amounted to approximately RMB77.6 million, and approximately RMB83.3 million as at 31 December 2013. Our marketing team reviews and monitors our inventory level on a regular basis. For the year ended 31 December 2014, the average inventory turnover days was 201.2 days (for the year ended 31 December 2013: 141.6 days). Inventory turnover days are arrived at by dividing the arithmetic means of the opening and ending balances of inventory for the relevant period by cost of sales of the same period and multiplying the quotient by 365 days. The increase in inventory turnover was mainly attributable to the fact that sales declined amidst weak market sentiments.

For the year ended 31 December 2014, average turnover days of trade and notes receivables was 204.3 days (for the year ended 31 December 2013: 151.5 days). Trade and notes receivables turnover days are arrived at by dividing the arithmetic means of the opening and ending balances of trade and notes receivables for the relevant period by revenue of the same period and multiplying the quotient by 365 days. Increase in turnover days of trade and notes receivables was primarily attributable to increase in the percentage of sales to local customers, which generally requested for longer credit periods from us and more customers used notes receivables with maturity period of 6 months to settle their outstanding amounts.

For the year ended 31 December 2014, average turnover days of trade and bills payables was 159.4 days (for the year ended 31 December 2013: 104.1 days). The actual payment period for our purchases was extended, as the Group slowed down its payment to suppliers in tandem with the slowdown of the Group's collection from customers, in order to maintain a sound level of cash flow.

CAPITAL EXPENDITURES, CAPITAL COMMITMENTS AND HUMAN RESOURCES

For the year ended 31 December 2014, capital expenditures were approximately RMB12.7 million, and approximately RMB24.3 million for the year ended 31 December 2013. Capital expenditures decreased approximately RMB11.6 million as compared to the same period of 2013, which is mainly attributable to the decrease in land rental expenses.

As at 31 December 2014, the Group had approximately 504 full-time employees including the management, sales, logistics supports and other ancillary personnel. The Group's total wages and salaries amounted to approximately RMB39.4 million for the year ended 31 December 2014. Our remuneration policy is primarily based on the job responsibilities, work performance and number of years of service of each employee and the current market conditions.

Pursuant to the relevant PRC labour laws and regulations, the Group has to pay contributions to a number of staff social insurance schemes (including medical, maternity, work injury, unemployment and pension insurances) and staff housing reserve funds. We provide social insurances and pay contributions to housing reserve funds for our employees in accordance with the interpretations to the relevant PRC labour laws and regulations given, and policies and measures executed by local government departments. We have established various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the existing policy requirements of the local government. Welfare benefits expenses for the year ended 31 December 2014 amounted to approximately RMB6.6 million. We have complied, in all material respects, with all statutory requirements on retirement contribution in the jurisdictions where our Group operates. The basic salary of each of our executive and non-executive Directors will be reviewed by the Audit Committee of the Board at the end of each financial year.

The determination of the remuneration to our Directors is based on remuneration of directors of comparable companies in the industry, time commitment, duties and responsibilities of our Directors in our Group and our operational and financial performance.

Material acquisitions and disposals

For the year ended 31 December 2014, save for the Group's contribution of RMB10.2 million to Shanghai Citgo Petroleum Co. Ltd, (上海希戈石油有限公司) on 25 December 2014, the Group had no material acquisitions and disposals.

Foreign exchange risk

The Group's operations are located in the PRC with RMB as the functional and presentation currency. The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the unit's functional currency. The currency exposure of the Group mainly comes from the appreciation of RMB against USD for overseas sales transactions denominated in USD. For the year ended 31 December 2014, approximately 22.1% of the Group's sales and no costs were denominated in currencies other than the functional currency of operating units making the sales and purchases. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, the management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

Contingent liabilities

As at 31 December 2014, the Group did not have any material contingent liabilities.

Pledge of assets

As at 31 December 2014 and 31 December 2013, the Group did not pledge any buildings or lands to secure our banking facilities granted.

As at 31 December 2014, the Group's cash and bank balances of RMB7,240,000 were pledged to secure bills payable of RMB10,500,000. As at 31 December 2013, the Group's cash and bank balances of RMB5,459,000 were pledged to secure bills payable of RMB15,300,000.

SHARE OPTION SCHEME

As at 31 December 2014, no share options were granted or exercised pursuant to the share option scheme adopted on 8 June 2011.

SCOPE OF WORK OF SHU LUN PAN UNION (HK) CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Company's auditors, Shu Lun Pan Union (HK) CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by Shu Lun Pan Union (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Shu Lun Pan Union (HK) CPA Limited on the preliminary announcement.

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

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFER

The balance of proceeds from the Initial Public Offer of the Company as at 31 December 2013 was approximately RMB20.0 million. As announced in the announcement of the Group dated 18 June 2013 and 25 August 2014, the remaining proceeds from the Initial Public Offer of the Group of RMB20.0 million would be utilised for the relocation of its compressor projects. Among which RMB9.0 million for the construction of the main building of the plant; RMB3.0 million for the installation of facilities, utilities and security equipment; RMB3.0 million for the relocation, upgrade and decoration of equipment, and RMB5.0 million for working capital. Currently, the construction of the main building of the plant has been completed. A balance of approximately RMB10.0 million of the proceeds from the Initial Public Offer of the Company remained unutilised.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2014 (31 December 2013: nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted all the requirements of the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Corporate Governance Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Corporate Governance Code during the year ended 31 December 2014, except the deviation from provision A.2.1 as explained below.

Under provision A.2.1 of the Corporate Governance Code, the roles of the chairman and the chief executive officer ("CEO") of the Group should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the CEO of the Group should be clearly established and set out in writing.

The roles of the chairman and the CEO of the Group are not separated and are performed by the same individual. Mr. Zheng Ping acted as both the chairman and CEO throughout the period under review. The Directors met regularly to consider major matters affecting the operations of the Group. The Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, Mr. He Binhui, Mr. Zhao Fenggao and Mr. Chen Lifan. The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control systems.

A meeting of the Audit Committee has been held to discuss matters relating to the audit, internal control and financial reporting of the Company, including (i) review of the accounting policies and matters relating to accounting practices adopted by the Company; (ii) review of nature and scope of the audit; and (iii) discussion with the external auditors and the management in respect of possible accounting exposures. In addition, the Audit Committee also reviewed the audited consolidated financial statements for the year ended 31 December 2014.

This annual results announcement of the Group for the year ended 31 December 2014 has been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules has been adopted by the Company as the code of conduct for securities transactions by its Directors. The Directors have also been reminded of their responsibilities under the Model Code regularly by the Company. Having made specific enquiries with them, all Directors confirmed that they have complied with the required standards of the Model Code during the year ended 31 December 2014.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or any of their respective associates (as defined under the Listing Rules) has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as at the date of this announcement.

ANNUAL GENERAL MEETING

The date of annual general meeting of the Company will be announced shortly, notice of which will be published and despatched to the shareholders as soon as practicable in accordance with the Company's articles of association and the Listing Rules.

By order of the Board
Shuanghua Holdings Limited
Zheng Ping
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the Board comprises Mr. Zheng Ping and Ms. Tang Lo Nar, executive Directors; Ms. Kong Xiaoling, non-executive Directors; and Mr. Zhao Fenggao, Mr. He Binhui and Mr. Chen Lifan, independent non-executive Directors.