

**CNC HOLDINGS LTD:
ARE YOU HOLDING ANY SHARES IN THIS
PRC, GOVERNMENT-CONTROLLED COMPANY ?**

Most likely, it was hardly a surprise, last Wednesday (May 15, 2013), when the shareholders of CNC Holdings Ltd () (Code: 8356, The Growth Enterprise Market [The GEM], The Stock Exchange of Hongkong Ltd) received the news that their company had, once again, suffered a Loss Attributable to Shareholders.

By now, they should be well accustomed to the news that the fortunes of their company are going down ... down ... down.

The Wednesday's four-paragraph announcement of May 15, 2013, stated that, for the Financial Year, ended March 31, 2013, CNC Holdings had recorded '*a narrowed loss compared to last year.*'.

The loss had come about, Mr Zou Chen Dong (), Chief Executive Officer, explained due to:

- '*the significant impairment loss on the Group's available-for-sale financial assets*';
- '*the amortisation of television broadcasting rights after completion of the acquisition of the entire issued share capital of Xinhua TV Asia-Pacific Operating Co., Limited () (the "Acquisition") in December 2011*'; and,
- '*the incurrence of interest expenses on the convertible notes issued at completion of the Acquisition ...*'.

On the positive side of the picture, Mr Zou Chen Dong said that the Group's waterworks business '*is expected to remain profitable ...*'.

In the Beginning was the Word...

When this Company went public on The GEM on August 30, 2010, it was called Tsun Yip Holdings Ltd () and it was engaged in the provision of waterworks and the laying of water pipes.

For the three Financial Years, ended March 31, 2011, the Company had an unbroken record of earning profits for its shareholders as the following little table, prepared by TOLFIN (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, illustrates:

	Financial Year, Ended March 31		
	2011	2010	2009
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Turnover	184,307	148,844	87,696

Profit From Operations	12,005	21,030	14,187
Finance Costs	(341)	(634)	(455)
Net Profit Attributable To Shareholders	9,746	16,838	11,405
Shareholders' Funds	45,780	22,340	24,072
Debt-To-Equity Ratio	19 percent	51 percent	Not Available

The flotation of Tsun Yip Holdings on The GEM with the Placement of 24.80 million shares at \$HK1.28 per share netted the Company about \$HK20.20 million.

That amount of money was, with the exception of the repayment of a Shareholder's Loan of \$HK4.04 million and the repayment of finance leases (\$HK1.70 million), to be utilised in the Company's core activities, including the purchasing of equipment and machinery.

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