



西安海天天綫科技股份有限公司
XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 8227)

**QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2004**

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement, for which the directors (the “Directors”) of Xi’an Haitian Antenna Technologies Co., Ltd. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the requirements of the Rules Governing the Listing of Securities on 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable.*

* For identification purpose only

HIGHLIGHTS

- For the three months and nine months ended 30 September 2004, the Company's unaudited turnover decreased from approximately RMB60.2 million and RMB152.9 million for the corresponding period in 2003 to approximately RMB46.3 million and RMB138.7 million respectively.
- The decrease in turnover during 2004 was mainly due to (i) some indoor distribution system constructions had been completed but not yet certified by the customers and therefore amounts received or receivable for the constructions are not qualified for being recognized as income; (ii) selling prices of existing product models continuing to be lowered, as a result of the Company's strategy of enhancing competitiveness, which enlarged the decrease in turnover; and (iii) although new models have been launched, they were in the process of testing and yet to be certified by the customers and have not been sold in scale.
- For the three months and nine months ended 30 September 2004, the Company's unaudited net profit decreased from approximately RMB11.5 million and RMB22.7 million in 2003 to approximately RMB23,000 and RMB5.4 million respectively.
- The decrease in net profit during the nine months under review was mainly due to the increase in distribution expenses as a result of the increased in marketing effort while offset by a decrease in other operating expenses due to more capitalization of product research and development costs.
- The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2004.

QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2004

The board of Directors (the “Board”) hereby submits the unaudited operating results of the Company for the three months and nine months ended 30 September 2004, together with the unaudited comparative figures for the corresponding period in the year 2003 as follows:

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		For the three months ended 30 September		For the nine months ended 30 September	
		2004	2003	2004	2003
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	3	46,277	60,169	138,677	152,871
Cost of sales		(26,094)	(30,788)	(76,135)	(77,365)
Gross profit		20,183	29,381	62,542	75,506
Other operating income		159	326	693	762
Distribution costs		(10,735)	(6,292)	(31,726)	(18,728)
Administrative expenses		(4,587)	(4,620)	(13,794)	(12,868)
Other operating expenses		(2,906)	(3,415)	(7,195)	(12,295)
Profit from operations		2,114	15,380	10,520	32,377
Finance costs		(2,089)	(1,084)	(3,744)	(3,963)
Profit before taxation		25	14,296	6,776	28,414
Income tax expenses	4	(2)	(2,809)	(1,357)	(5,709)
Net profit for the period		<u>23</u>	<u>11,487</u>	<u>5,419</u>	<u>22,705</u>
Earnings per share – Basic, RMB	5	<u>0.0 cents</u>	<u>2.3 cents</u>	<u>0.8 cents</u>	<u>4.5 cents</u>

Notes:

1. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The Company’s books and records are maintained in Renminbi (“RMB”), the currency in which the majority of the Company’s transactions is denominated.

2. ACCOUNTING POLICIES

The quarterly financial information of the Company have been prepared under the historical cost convention and the accounting policies adopted by the Company are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2003.

3. TURNOVER

Turnover represents the amounts received and receivable for goods sold to outside customers exclusive of value added taxes, less returns and allowances, and income received and receivable from provision of services:

Turnover breakdown by nature of revenue:

	For the three months ended 30 September		For the nine months ended 30 September	
	2004 RMB'000	2003 RMB'000	2004 RMB'000	2003 RMB'000
Sales of goods	46,277	59,825	136,103	150,829
Service income	0	344	2,574	2,042
	<u>46,277</u>	<u>60,169</u>	<u>138,677</u>	<u>152,871</u>

Turnover breakdown by geographical locations:

	For the three months ended 30 September		For the nine months ended 30 September	
	2004 RMB'000	2003 RMB'000	2004 RMB'000	2003 RMB'000
PRC	39,336	59,266	120,821	148,967
Overseas	6,941	903	17,856	3,904
	<u>46,277</u>	<u>60,169</u>	<u>138,677</u>	<u>152,871</u>

4. INCOME TAX EXPENSES

	For the three months ended 30 September		For the nine months ended 30 September	
	2004 RMB'000	2003 RMB'000	2004 RMB'000	2003 RMB'000
PRC corporate income tax	<u>2</u>	<u>2,809</u>	<u>1,357</u>	<u>5,709</u>

The amount represents provision for PRC Corporate Income Tax on the Company's estimated assessable profit for the relevant period.

5. EARNINGS PER SHARE – BASIC

The calculation of the basic earnings per share are based on the unaudited net profit for the three months and the nine months ended 30 September 2004 of approximately RMB23,000 and RMB5,419,000 respectively (2003: approximately RMB11,487,000 and RMB22,705,000 respectively) divided by the number of 647,058,824 shares in issue (2003: 500,000,000).

No diluted earnings per share has been presented because there is no potential ordinary shares outstanding during either period.

6. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the nine months ended 30 September 2004 (corresponding period of 2003: nil).

7. RESERVES

	Share premium RMB'000 (unaudited)	Statutory surplus reserve RMB'000 (unaudited)	Statutory public welfare fund RMB'000 (unaudited)	Accumulated profits RMB'000 (unaudited)	Total RMB'000 (unaudited)
As at 1 January 2003	–	5,831	3,338	32,810	41,979
Net profit for the six months ended 30 June 2003	–	–	–	11,218	11,218
As at 30 June 2003	–	5,831	3,338	44,028	53,197
Net profit for the three months ended 30 September 2003	–	–	–	11,487	11,487
As at 30 September 2003	<u>–</u>	<u>5,831</u>	<u>3,338</u>	<u>55,515</u>	<u>64,684</u>
As at 1 January 2004	71,229	9,503	5,174	70,311	156,217
Final dividend for the year 2003 declared	–	–	–	(3,235)	(3,235)
Net profit for the six months ended 30 June 2004	–	–	–	5,396	5,396
As at 30 June 2004	71,229	9,503	5,174	72,472	158,378
Net profit for the three months ended 30 September 2004	–	–	–	23	23
As at 30 September 2004	<u>71,229</u>	<u>9,503</u>	<u>5,174</u>	<u>74,495</u>	<u>158,401</u>

MANAGEMENT DISCUSSION AND ANALYSIS

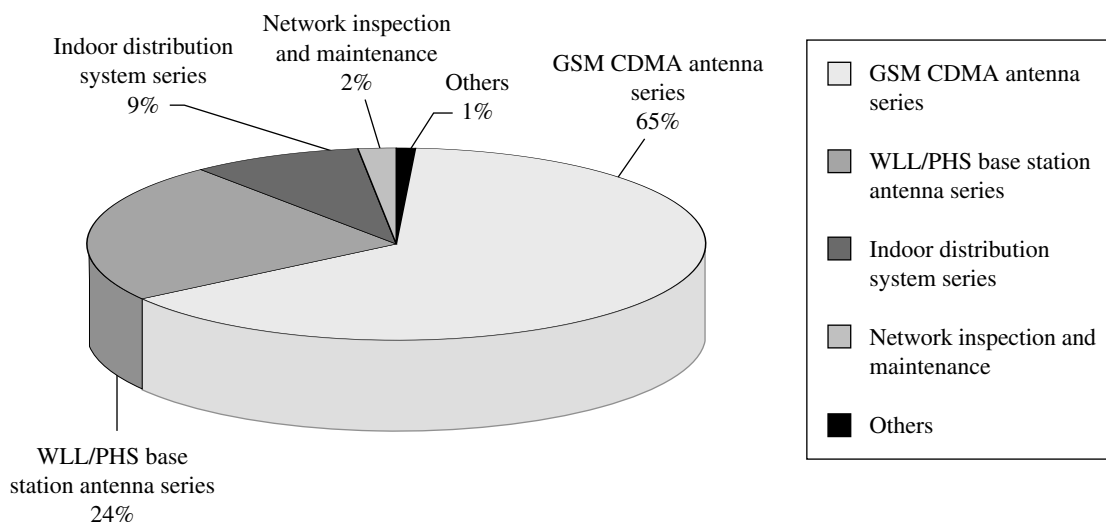
Business Review

Turnover

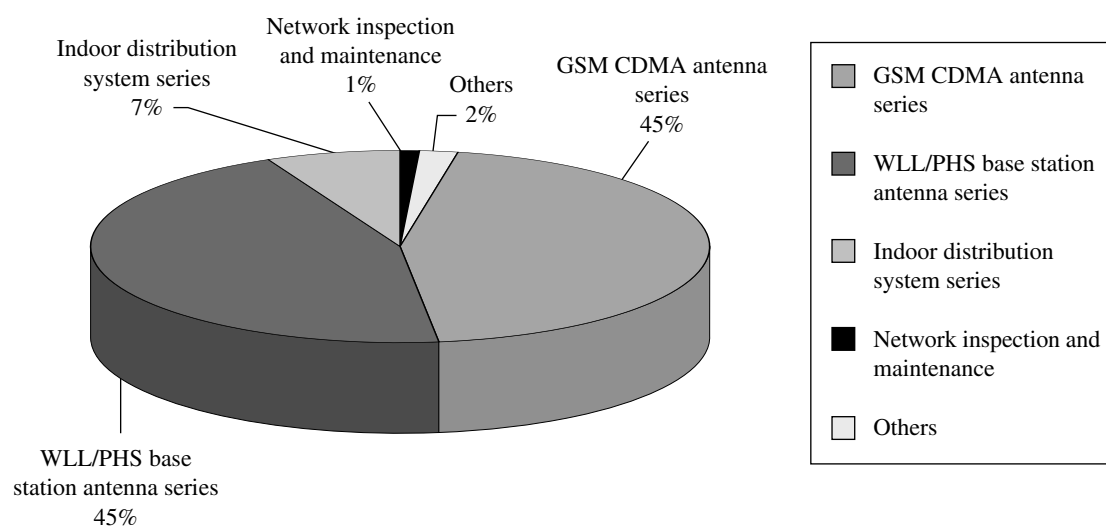
The Company recorded an unaudited turnover of approximately RMB46.3 million and RMB138.7 million respectively for the three months and the nine months ended 30 September 2004, representing a decrease of approximately 23.1% and 9.3% respectively as compared with the unaudited turnover for the corresponding periods in the year 2003. The decrease was mainly due to (i) some indoor distribution system constructions had been completed but not yet certified by the customers and therefore amounts received or receivable for the constructions are not qualified for being recognized as income; (ii) selling prices of existing product models continued to be lowered, as a result of the Company's strategy of expanding its market share, which enlarged the decrease in turnover; and (iii) although new models have been launched, they were in the process of testing and yet to be certified by the customers and have not been sold in scale. However, export sales increased significantly for the nine months ended 30 September 2004 and amounted to approximately RMB17.9 million, increased by approximately RMB14.0 million or 357% comparing with the corresponding period in the year 2003. The increase in export sales was the result of the Company's effort of exploring overseas markets in the past three years.

Composite of turnover by product lines for the nine months ended 30 September 2004, together with the comparative figures for the corresponding period in the year 2003, are provided as follows:

For the nine months ended 30 September 2004 (by product lines)

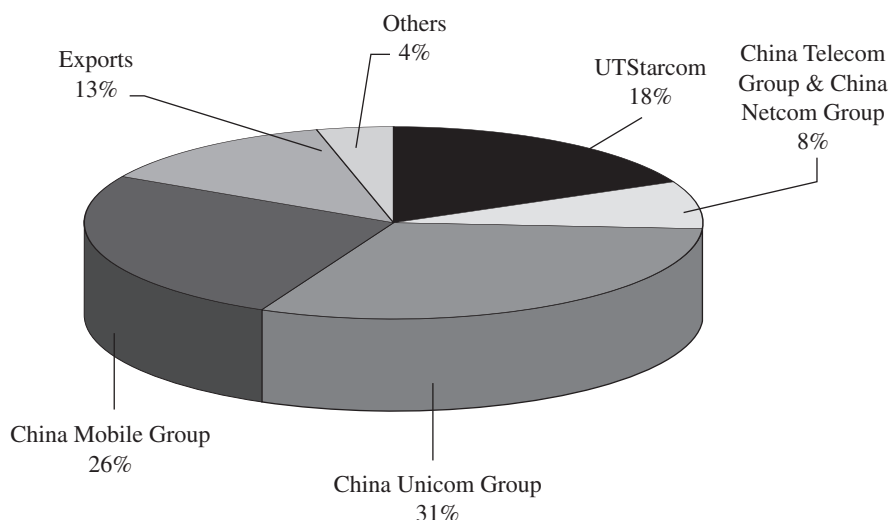


For the nine months ended 30 September 2003 (by product lines)

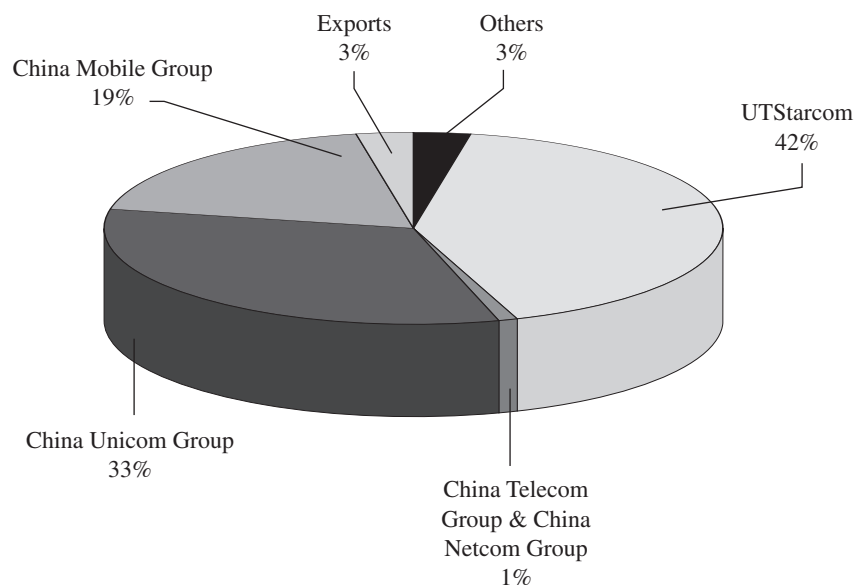


Composite of turnover by major customers for the nine months ended 30 September 2004, together with the comparative figures for the corresponding period in the year 2003, are provided as follows:

For the nine months ended 30 September 2004 (by major customers)



For the nine months ended 30 September 2003 (by major customers)



Legend:

UTStarcom: UT斯達康通訊有限公司 (UTStarcom Telecom Co., Ltd.) (“UTStarcom”)

China Telecom Group & China Netcom Group: 中國電信集團公司 (China Telecommunications Corporation) and its subsidiaries and branch companies (collectively “China Telecom Group”) and 中國網絡通信有限公司 (China Netcom Corporation Limited) and its subsidiaries and branch companies (collectively “China Netcom Group”)

China Unicom Group: 中國聯合通信有限公司 (China United Telecommunications Corporation) and its subsidiaries and branch companies (collectively “China Unicom Group”)

China Mobile Group: 中國移動通信集團公司 (China Mobile Communications Corporation) and its subsidiaries and branch companies (collectively “China Mobile Group”)

Gross Profit

For the nine months ended 30 September 2004, unaudited gross profit amounted to approximately RMB62.5 million. Gross profit margin was approximately 45.1%, decreased by approximately 4 percentage points comparing with the gross profit margin of 49.8% for the corresponding period in the year 2003. The decrease was mainly due to the high level of competition in the market. Accordingly, the Company continued to lower the selling prices of existing product models to compete with other manufacturers. It resulted in the lowering of the Company's gross profit margin for WLL/PHS base station antenna series and GSM/CDMA antenna series. The Company has successfully maintained and expanded its market share by using the strategy of lowering selling prices of existing product models, as well as using the strategy of changing composite of sale revenue in terms of product lines and major customers.

Operating Costs and Expenses

Further, distribution costs for the nine months ended 30 September 2004 amounted to approximately RMB31.7 million, representing an increase of approximately RMB13.0 million or approximately 69.4% comparing with the corresponding period in the year 2003. In order to increase marketing effort of the Company's new products and to enhance the Company's business relation with customers including China Telecom Group and China Netcom Group, the Company employed more salespersons and engaged more agency services to stimulate sales and provided continuous after-sale services. Hence, there was an increase in salespersons' payroll expenses, agency fees and installation expenses leading to an increase in distribution costs. Administrative expenses increased by approximately RMB0.9 million or 7.2% comparing with the corresponding period in the year 2003, amounting to approximately RMB13.8 million. Slight increase of administrative expenses was mainly due to the increase of social insurance expenses and the increase in professional fees because more professionals were engaged to enhance corporate governance of the Company. Due to the capitalisation of product research and development costs of approximately RMB12.4 million (2003: nil) offsetting the other operating expenses amounted to approximately RMB19.6 million during the nine months, other operating expenses in aggregate decreased by approximately RMB5.1 million, or approximately 41.5%, comparing with the corresponding period in the year 2003 to approximately RMB7.2 million. Finance costs slightly decreased comparing with the corresponding period in the year 2003, amounting to approximately RMB3.7 million. The Company has repaid part of the loans advanced for financing working capital and advanced loans to finance the construction of building for the testing centre and increased interests paid and capitalized for the loans amounted to approximately RMB1.4 million (2003: nil). Therefore, interest expenses decreased even the total amount of bank borrowings increased.

PROSPECTS

For the nine months ended 30 September 2004, while quantity sold to China Mobile Group and China Unicom Group continued to increase, sales to China Telecom Group and China Netcom Group also increased. Although gross profit margin decreased on average and distribution costs increased, the Company achieved an increase in quantity sold to telecommunication network operators. The Directors believe the increase of quantity sold to telecommunication network operators will continue. It would help the Company's new products in getting a bigger market share.

For the nine months ended 30 September 2004, the Company's export sales increased significantly and cooperation with global telecommunication equipment vendors/integrators was strengthened at the same time. Settlement of export sales is generally quicker and selling price of export sales is relatively more

stable than sales within the PRC. The Directors believe the trend of export sales will continue and it helps diversifying the Company's market to the global market.

For the nine months ended 30 September 2004, although amounts received or receivable for some indoor distribution system constructions completed but not yet accepted by the customers were not recognized as income, the Company's sales of indoor distribution system series resumed growth. The Directors expect the sales of this product line will continue to increase and form a bigger portion in the Company's sales revenue.

The Company on one hand will continue to lower the selling prices of existing product models to maintain and expand its market share, and on the other hand, the Company will continue to improve its gross profit margin or at least reduce the rate of decrease of gross profit margin by measures of launching new products and increasing the proportion of sales of products of higher profit margin in the total turnover.

The Directors have identified areas of improvement in management and have been taking measures to solve the problems identified. Measures taken included improving procedures of credit sales to control trade receivables and restructuring the Company's organization to minimize expenses.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 September 2004, the interests and short positions of the Directors, members of the supervisory committee ("Supervisors") (as if the requirements applicable to Directors under the Securities and Futures Ordinance ("SFO") (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company (including their respective associates) in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of GEM Listing Rules were as follows:

Long position in the shares of the Company

Name of Director	Type of interest	Capacity	Number of the issued domestic shares of RMB0.10 each held	Approximate percentage in the issued share capital of the Company
Professor Xiao Liangyong ("Professor Xiao")	Personal	Beneficial owner	180,000,000	27.8%

Other than as disclosed above, none of the Directors, Supervisors and chief executives of the Company nor their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules as at 30 September 2004.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE H SHARES

So far as was known to any Directors, Supervisors or chief executives of the Company, as at 30 September 2004, none of the Directors, Supervisors or chief executives of the Company or any of their spouses and children under 18 years of age had any interest in, or had been granted, or exercised, any rights to subscribe for H shares (or warrants or debentures, if applicable) or to acquire H shares of the Company.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

(A) Substantial shareholders

As at 30 September 2004, the following person or entities had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO and were directly or indirectly interested in 10% or more of the shares of the Company:

Name of Substantial Shareholder	Type of interest	Capacity	Number of the issued shares of RMB0.10 each held	Approximate percentage in the issued share capital of the Company
Domestic Shares				
Professor Xiao	Personal	Beneficial owner	180,000,000	27.8%
西安解放集團股份有限公司 Xi'an Jiefang Group Joint Stock Co., Ltd.*	Corporate	Beneficial owner	100,000,000	15.5%
西安國際信託投資有限公司 Xi'an International Trust & Investment Co., Ltd.*	Corporate	Beneficial owner	70,151,471	10.8%
西安市財政局 Xi'an Finance Bureau*	Corporate	Held by controlled corporation	70,151,471 (Note 1)	10.8%
陝西保升國際投資 有限責任公司 Shaanxi Baosheng International Investment Company Limited*	Corporate	Held by controlled corporation	70,151,471 (Note 1)	10.8%

* For identification purpose only

Note:

- The domestic shares of the Company were held by Xi'an International Trust & Investment Co., Ltd.* ("XITIC"). By virtue of the SFO, Xi'an Finance Bureau and Shaanxi Baosheng International Investment Company Limited which respectively holds more than one third of voting rights of XITIC were deemed to be interested in the same 70,151,471 domestic shares of the Company held by XITIC.

(B) Other persons who are required to disclose their interests pursuant to Divisions 2 and 3 of Part XV of the SFO

As at 30 September 2004, save for the person or entities disclosed in sub-section (A) above, the following person or entities had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Type of interest	Capacity	Number of the issued shares of RMB0.10 each held	Approximate percentage in the issued share capital of the Company
Domestic Shares				
北京京泰投資 管理中心 Beijing Holdings Investment Management Co., Ltd.*	Corporate	Beneficial owner	54,077,941	8.4%
京泰實業(集團) 有限公司 Beijing Holdings (Group) Limited*	Corporate	Held by controlled corporation	54,077,941 (Note 1)	8.4%
陝西絲綢進出口公司 Shaanxi Silk Import & Export Corporation*	Corporate	Beneficial owner	45,064,706	7.0%
陝西省財政廳 Shaanxi Finance Bureau*	Corporate	Held by controlled corporation	45,064,706 (Note 2)	7.0%
H Shares				
Sinopac Capital Limited	Corporate	Beneficial owner	11,048,000	1.7% (Note 3)
Ms. Song Ying	Personal	Beneficial owner	8,800,000	1.4% (Note 4)

* for identification purpose only

Notes:

1. The domestic shares of the Company were held by Beijing Holdings Investment Management Co., Ltd.* (“BJ Holdings”). By virtue of the SFO, Beijing Holdings (Group) Limited* which holds more than one third of voting rights of BJ Holdings was deemed to be interested in the same 54,077,941 domestic shares of the Company held by BJ Holdings.
2. The domestic shares of the Company were held by Shaanxi Silk Import & Export Corporation* (“Shaanxi Silk”). By virtue of the SFO, Shaanxi Finance Bureau* which holds more than one third of voting rights of Shaanxi Silk was deemed to be interested in the same 45,064,706 domestic shares of the Company held by Shaanxi Silk.
3. The 11,048,000 H shares of the Company held by Sinopac Capital Limited were equivalent to approximately 6.8% of H shares of the Company in issued.
4. The H shares of the Company held by Ms. Song Ying were equivalent to approximately 5.4% of H shares of the Company in issued.

Save as disclosed above, as at 30 September 2004, the Directors were not aware of any person (other than the Directors, Supervisors, and chief executives of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded on 30 September 2004 in the register required to be kept under Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined in GEM Listing Rules) of the Company had an interest in any business which competes or may compete, directly or indirectly, with the business of the Company nor any conflicts of interest which has or may have with the Company.

DISCLOSURE OBLIGATIONS UNDER CHAPTER 17 OF GEM LISTING RULES

As at 30 September 2004, trade receivables due from members of China Unicom Group (in aggregate), members of China Mobile Group (in aggregate) and other trade customers (in aggregate) amounted to approximately RMB118.4 million, RMB48.2 million and RMB46.4 million respectively. Such trade receivables in an aggregate amount of approximately RMB213.0 million were owed by 50 trade customers who are independent third parties not connected with the Directors, Supervisors and chief executives of the Company or any of their respective associates.

All of the above trade receivables are unsecured and repayable in accordance with terms specified in the contracts governing the relevant transactions. No collateral is required to be made by the two customers and no interest is charged on such balances. The balances due from China Unicom Group (in aggregate) and China Mobile Group (in aggregate) as at 30 September 2004 represented approximately 25.7% and 10.5% respectively, exceeding 8%, of the Company’s total assets as per the latest published unaudited half year financial statements as at 30 June 2004 or represented approximately 40.7% and 16.6% respectively, exceeding 8%, of the Company’s market capitalization as at 30 September 2004. Both cases constitute disclosure obligations of the Company pursuant to Rule 17.15 of GEM Listing Rules.

According to the Directors, the Company has not encountered any negative impact to its operations or business despite the Company's significant exposure to China Unicom Group and China Mobile Group. In addition, the Directors believe that with the strong backing of these customers, the Company is able to further expand its business as one of the leading providers of the base station antennas and related products in the PRC.

Save for the above, as at 30 September 2004, so far as was known to the Directors, there is no other advance which would give rise to disclosure obligation under Rules 17.15 and 17.17 of GEM Listing Rules.

SPONSOR'S INTEREST

As notified and updated by Core Pacific-Yamaichi Capital Limited ("CPY Capital"), the Company's sponsor, pursuant to Rules 6.36 and 18.63 of GEM Listing Rules, as at 30 September 2004, the spouse of a director of Core Pacific-Yamaichi International (H.K.) Limited, an associate (as referred to in Note 3 to the Rule 6.35 of GEM Listing Rules) of CPY Capital, held 100,000 H Shares in the Company. Save as disclosed herein, neither CPY Capital nor its directors or employees or associates had any interests in share capital of the Company. Pursuant to an agreement dated 24 October 2003 (the "Agreement") entered into between CPY Capital and the Company, CPY Capital received and will receive fees for acting as the Company's retained sponsor for the periods from 5 November 2003 up to 31 December 2004 and from 1 January 2005 up to 31 December 2005 or until the Agreement is terminated upon the terms and conditions set out therein.

AUDIT COMMITTEE

An audit committee was established on 4 April 2003 with terms of reference in compliance with GEM Listing Rules. As at 30 September 2004, the audit committee of the Company comprised Mr. Wang Pengcheng and Mr. Gong Shuxi, both are independent non-executive Directors, and Mr. Li Wenqi, a non-executive Director. The Company's unaudited third quarterly operating results for the nine months ended 30 September 2004 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

CORPORATE GOVERNANCE

The Company has complied with board practices and procedures as set out in Rules 5.34 to 5.45 of GEM Listing Rules throughout the period from 1 January 2004 to 30 September 2004.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any listed securities of the Company during the period from 1 January 2004 to 30 September 2004.

By order of the Board
Xiao Bing
Chairman

10 November 2004
Xi'an, the PRC

As at the date of this announcement, the Board comprises Mr. Xiao Bing, Professor Xiao Liangyong, Professor Guo Weisheng being the executive Directors, Mr. Wang Ke, Mr. Wang Quanfu, Ms. Wang Jing, Mr. Liu Yongqiang and Mr. Li Wenqi being the non-executive Directors; and Mr. Zhou Tianyou, Mr. Gong Shuxi and Mr. Wang Pencheng being the independent non-executive Directors.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the day of its posting.