



Tong Ren Tang Technologies Co., Ltd.

北京同仁堂科技發展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 8069)

## FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR 2008

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*This announcement, for which the directors of Tong Ren Tang Technologies Co., Ltd. collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Tong Ren Tang Technologies Co., Ltd. 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 bases and assumptions that are fair and reasonable.*

## **HIGHLIGHTS**

- Revenue increased by approximately 2.15% for the three months ended 31 March 2008 as compared with that for the corresponding period in 2007.
- Net profit attributable to equity shareholders of the Company decreased by approximately 10.05% for the three months ended 31 March 2008 as compared with that for the corresponding period in 2007.
- Earnings per share for profit attributable to equity shareholders of the Company for the three months ended 31 March 2008 was RMB0.26.

## QUARTERLY RESULTS (UNAUDITED)

The Board of Directors (the “Board”) of Tong Ren Tang Technologies Co., Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereafter collectively referred to as the “Group”) and its joint ventures for the three months ended 31 March 2008 together with the unaudited comparative figures for the corresponding period in 2007, as follows:

|  |              | <b>For the three months<br/>ended 31 March</b> |                  |
|--|--------------|--|------------------|
|  |              | <b>2008</b>                                    | <b>2007</b>      |
|  | <i>Notes</i> | <b>RMB'000</b>                                 | <b>RMB'000</b>   |
| Revenue  | 3            | <b>319,558</b>                                 | 312,821          |
| Cost of sales  |              | <u><b>(182,494)</b></u>                        | <u>(180,305)</u> |
| Gross Profit   |              | <b>137,064</b>                                 | 132,516          |
| Other gains  | 4            | <b>1,180</b>                                   | 900              |
| Distribution costs   |              | <b>(42,117)</b>                                | (36,794)         |
| Administrative expenses  |              | <u><b>(26,639)</b></u>                         | <u>(29,322)</u>  |
| Operating profit   |              | <b>69,488</b>                                  | 67,300           |
| Finance costs  | 5            | <u><b>(3,306)</b></u>                          | <u>(1,229)</u>   |
| Profit before income tax   | 6            | <b>66,182</b>                                  | 66,071           |
| Income tax expense   | 7            | <u><b>(17,660)</b></u>                         | <u>(10,074)</u>  |
| Profit for the period  |              | <u><b>48,522</b></u>                           | <u>55,997</u>    |
| Attributable to:   |              |  |                  |
| Equity holders of the Company  |              | <b>50,588</b>                                  | 56,240           |
| Minority interests   |              | <u><b>(2,066)</b></u>                          | <u>(243)</u>     |
|  |              | <u><b>48,522</b></u>                           | <u>55,997</u>    |
| Earnings per share for profit attributable to equity<br>holders of the Company during the period | 8            | <u><b>RMB0.26</b></u>                          | <u>RMB0.31</u>   |

NOTES:

1. **General Information**

The Company was incorporated as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 22 March 2000 and upon the placing of its H shares, was listed on the GEM on 31 October 2000. Its ultimate holding company is China Beijing Tong Ren Tang Group Co. Ltd. ("Tong Ren Tang Holdings"), incorporated in Beijing, the PRC.

2. **Principal accounting policies**

The accompanying unaudited consolidated financial statements are prepared in accordance with the International Financial Reporting Standards as published by the International Accounting Standards Board. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

3. **Revenue**

|                    | <b>For the three months<br/>ended 31 March</b> |                       |
|--------------------|--|-----------------------|
|                    | <b>2008</b>                                    | <b>2007</b>           |
|                    | <b>RMB'000</b>                                 | <b>RMB'000</b>        |
| Sales of medicine: |  |                       |
| Domestic           | <b>314,897</b>                                 | 307,108               |
| Overseas           | <b>4,661</b>                                   | 5,713                 |
|                    | <b><u>319,558</u></b>                          | <b><u>312,821</u></b> |

4. **Other Gains**

|                 | <b>For the three months<br/>ended 31 March</b> |                   |
|-----------------|--|-------------------|
|                 | <b>2008</b>                                    | <b>2007</b>       |
|                 | <b>RMB'000</b>                                 | <b>RMB'000</b>    |
| Interest income | <b><u>1,180</u></b>                            | <b><u>900</u></b> |

5. **Finance costs**

|                   | <b>For the three months<br/>ended 31 March</b> |                     |
|-------------------|--|---------------------|
|                   | <b>2008</b>                                    | <b>2007</b>         |
|                   | <b>RMB'000</b>                                 | <b>RMB'000</b>      |
| Interest expenses | <b>224</b>                                     | 1,148               |
| Exchange loss     | <b><u>3,082</u></b>                            | <b><u>81</u></b>    |
|                   | <b><u>3,306</u></b>                            | <b><u>1,229</u></b> |

## 6. Profit before income tax

Profit before income tax was arrived after charging the following:

|   | For the three months<br>ended 31 March |               |
|---|--|---------------|
|   | 2008                                   | 2007          |
|   | RMB'000                                | RMB'000       |
| Depreciation of property, plant and equipment | <u>11,612</u>                          | <u>10,663</u> |

## 7. Income tax expense

The *Law of the People's Republic of China on Enterprise Income Taxes* ("New Income Tax Law") was adopted at the National People's Congress on 16 March 2007 and effective as of 1 January 2008. Under Article 4 of the New Income Tax Law, the rate of the enterprise income tax is 25%.

Under the New Income Tax Law, high-technology enterprises approved by relevant government departments and tax authorities are entitled to tax concessions. Those high-technology enterprises already approved under the former tax regime are required to be re-approved according to the requirements of under the new tax regime. Those high-technology enterprises approved by relevant government departments and tax authorities are permitted to pay taxes at a concession rate of 15% under the New Income Tax Law, while other enterprises are required to pay taxes at the standard tax rate of 25%.

In July 2006, the Company renewed its High Technology-Enterprise certificate with the Beijing Municipal Science & Technology Commission. Pursuant to Guo Shui Fa Notice No. 17 [2008] published by the State Administration of Taxation on 30 January 2008, high-technology enterprises approved prior to 1 January 2008 are required to prepay enterprise income taxes at a tax rate of 25% on a provisional basis before they are re-approved pursuant to the New Income Tax Law. As a result, the Company will prepay the income tax at a tax rate of 25% on a provisional basis for the three months ended 31 March 2008. A tax rate of 15% applied to the Company for the corresponding period of 2007.

The Company is currently making preparations for applying for re-approval as a high technology-enterprise pursuant to relevant regulations of China. Upon grant of such re-approval, the Company will continue to pay income tax at a rate of 15%.

The profits taxes of the overseas enterprises are calculated on the basis of the estimated assessable profits for the current period at the prevailing tax rates of the countries in which these enterprises are operating.

## 8. Earnings per share

The calculation of the earnings per share for the three months ended 31 March 2008 was based on the profit attributable to equity shareholders of the Company of approximately RMB50,588,000 (2007: RMB56,240,000) divided by the weighted average number of shares issued during the period of 196,000,000 shares (2007: 182,800,000 shares).

The Company had no potential dilutive shares for the three months ended 31 March 2008 (2007: Nil).

## INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2008 (2007: Nil).

## RESERVES

There was no movement of reserves for the relevant periods in 2008 and 2007 except retained earnings disclosed as below:

|  | <b>Retained earnings</b>                   |                       |
|--|--|-----------------------|
|  | <b>For the three months ended 31 March</b> |                       |
|  | <b>2008</b>                                | <b>2007</b>           |
|  | <b>RMB'000</b>                             | <b>RMB'000</b>        |
| Balances as of 1 January                       | <b>463,874</b>                             | 395,295               |
| Final dividend declared                        | <b>(78,400)</b>                            | (73,120)              |
|  | <b>385,474</b>                             | 322,175               |
| Net profit for the three months ended 31 March | <b><u>50,588</u></b>                       | <b><u>56,240</u></b>  |
| Balances as of 31 March                        | <b><u>436,062</u></b>                      | <b><u>378,415</u></b> |

## BUSINESS REVIEW

In 2008, in line with the requirements in the “Development, Mechanism and Cultural Innovation” strategy set by the Board, the Company will seek development through innovation and improve stability through development for enhancing the profitability of its products and the presence of its branding. Despite the adverse impact of the snowstorms that hit extensive parts of China in the first quarter of 2008, the management and the staff of the Company at all levels worked diligently amid obstacles so that production operations remained stable and various tasks progressed in a positive direction. The Company smoothly achieved its objective set for the revenue and net profit for the first quarter of the year. As at 31 March 2008, the Company’s revenue amounted to RMB319,558,000, representing an increase of approximately 2.15% over the corresponding period last year; profit before tax amounted to RMB66,182,000, representing an increase of 0.17% from RMB66,071,000 for the corresponding period last year. There was a change in the amount of income tax due to the Company’s prepayment of income tax at a rate of 25% for the first quarter of the year, resulting in profit attributable to the equity shareholders of the Company amounting to RMB50,588,000 during the period, representing a decrease of 10.05% over the corresponding period last year.

During the reporting period, the Company commenced the setup of a distribution system and an end-user system, consolidated the sales channels in the principal sales regions, stepped up regional accountability, optimized the sale network and channels, established a presence in other regions and consolidated and expanded regional sales volume. The Company responded positively to the national and local policies for restricting and reducing the prices of medicines by regulating the market prices through control over the prices of its major products. Focusing the enforcement and strengthening of branding, product and profitability, the Company made aggressive efforts to keep abreast with the market with a keen sense of market updates in order to capture the market share and coverage of its products.

The Company continued to carry out planning and design for its product portfolios in all aspects and in line with the theme events held at different times by staging promotional campaigns in various forms that featured its product portfolios for carrying out a large-scale development of its product portfolios. The gross sales of three of our major products accounted for more than 50% of the Company's revenue in the first quarter. Of these major products, Liuwei Dihuang Pills (六味地黃丸) series increased by 1.88% in sales; Niu Huang Jiedu Tablets (牛黃解毒片) series increased by 6.20%; and Ganmao Qingre Granule (感冒清熱顆粒) series increased by more than 15%, over the corresponding period last year. There was a remarkable increase in the sales of some other product series as compared to the corresponding period last year, which included, among others, Jin Kui Shenqi Pills (金匱腎氣丸) series, Zhibai Dihuang Pills (知柏地黃丸) series, Qiju Dihuang Pills (杞菊地黃丸) series, Xihuang Pills (西黃丸) series and Shengmai Oral Liquor (生脈飲口服液) series.

## **PROSPECTS**

The competition in the medicinal market is growing more intense as a result of the rising prices of raw materials, the policy of the National Development and Reform Commission over the reduction of the prices of medicines and the imposition of restrictions on the retail prices of medicines in various Chinese cities. However, the market will become more prosperous, regulated and orderly due to China's further enforcement of the special action aimed at consolidating, rectifying and regulating the order of the market, and the opportunity arising from the upcoming Olympic Games. In this respect, the Company will continue to focus on its profitability and capitalize on its competitiveness over the Tong Ren Tang brand, product portfolio, stable product quality and good market reputation to carry out marketing planning carefully by promoting strategies featuring "New Liuwei and New Start" ("新六味、新起點") as its major innovated product portfolios, expanding network channels, carrying out end-user development extensively and implementing a regional accountability system for driving product demand. The Company is committed to optimize the composition of its sales teams, raise the overall quality of the sales teams, revise its internal business and performance appraisal policies, step up branding management, minimize operating risks and enhance business quality and profitability.

## **CORPORATE GOVERNANCE**

For the three months ended 31 March 2008, the Company complied with the provisions set out in Appendix 15 of the Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on the GEM.

## Audit Committee

Up to the date of this report, one meeting had been conducted by the audit committee in 2008. The meeting was held on 27 February 2008 to review and discuss the operating results, financial position, major accounting policies and internal audit issues of the Company for the year ended 31 December 2007 and to take advice from auditors.

The audit committee has reviewed the first quarterly report of 2008. The audit committee concluded the meeting with agreement to the contents of the quarterly report.

## OTHER INFORMATION

### Directors' and Chief Executives' Interests in Shares

As at 31 March 2008, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the GEM, were as follows:

### Long positions in shares

#### The Company

| <b>Names</b>     | <b>Type of interests</b> | <b>Capacity</b>  | <b>Number of shares (Note)</b> | <b>Percentage of domestic shares</b> | <b>Percentage of total registered share capital</b> |
|------------------|--------------------------|------------------|--------------------------------|--------------------------------------|---|
| Mr. Yin Shun Hai | Personal                 | Beneficial Owner | 500,000                        | 0.460%                               | 0.255%  |
| Mr. Mei Qun      | Personal                 | Beneficial Owner | 500,000                        | 0.460%                               | 0.255%  |

*Note:* All represented domestic shares.



## Beijing Tongrentang Company Limited (“Tongrentang Ltd.”)

| <b>Names</b>       | <b>Type of interests</b> | <b>Capacity</b>  | <b>Number of shares (Note)</b> | <b>Percentage of total registered share capital</b> |
|--------------------|--------------------------|------------------|--------------------------------|---|
| Mr. Yin Shun Hai   | Personal                 | Beneficial Owner | 38,850                         | 0.009%  |
| Mr. Mei Qun        | Personal                 | Beneficial Owner | 31,081                         | 0.007%  |
| Mr. Kuang Gui Shen | Personal                 | Beneficial Owner | 22,700                         | 0.005%  |

*Note:* All represented A shares.

## Beijing Tong Ren Tang International Co., Limited

| <b>Names</b>       | <b>Type of interests</b> | <b>Capacity</b>  | <b>Number of shares</b> | <b>Percentage of total registered share capital</b> |
|--------------------|--------------------------|------------------|-------------------------|---|
| Mr. Yin Shun Hai   | Personal                 | Beneficial Owner | 39,000                  | 0.125%  |
| Mr. Mei Qun        | Personal                 | Beneficial Owner | 78,000                  | 0.250%  |
| Ms. Ding Yong Ling | Personal                 | Beneficial Owner | 39,000                  | 0.125%  |

## Beijing Tong Ren Tang Nature-Pharm Co. Ltd.

| <b>Names</b>  | <b>Type of interests</b> | <b>Capacity</b>  | <b>Number of shares</b> | <b>Percentage of total registered share capital</b> |
|---------------|--------------------------|------------------|-------------------------|---|
| Mr. Wang Quan | Personal                 | Beneficial Owner | 200,000                 | 0.400%  |

Save as disclosed above, as at 31 March 2008, none of the directors and chief executives of the Company has any interests and short positions 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 under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2008, the following persons (other than the directors and chief executives of the Company) had interests and short positions or shares in a lending pool in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

## Long positions in shares

| Name of shareholder                             | Capacity                             | Number of shares             | Percentage of domestic shares | Percentage of H shares | Percentage of total registered share capital |
|---|--------------------------------------|------------------------------|-------------------------------|------------------------|--|
| Tongrentang Ltd.                                | Beneficial owner                     | 100,000,000                  | 92.013%                       | –                      | 51.020%                                      |
| Tongrentang Holdings<br>(Note 2)                | Interest of a controlled corporation | 100,000,000                  | 92.013%                       | –                      | 51.020%                                      |
|   | Beneficial owner                     | 1,580,000                    | 1.454%                        | –                      | 0.806%                                       |
| Hamon Asset Management Limited (Note 3)         | Investment manager                   | 1,197,000(L)                 | –                             | 1.371%                 | 0.611%                                       |
| Hamon U.S. Investment Advisors Limited (Note 3) | Investment Manager                   | 2,852,000(L)                 | –                             | 3.266%                 | 1.455%                                       |
| Hamon Investment Management Limited (Note 3)    | Investment Manager                   | 1,000,000(L)                 | –                             | 1.145%                 | 0.510%                                       |
| The Hamon Investment Group Pte Limited (Note 3) | Interest of a controlled corporation | 5,049,000(L)                 | –                             | 5.782%                 | 2.576%                                       |
| Atlantis Investment Management Ltd              | Investment Manager                   | 7,041,000(L)                 | –                             | 8.063%                 | 3.592%                                       |
| Templeton Asset Management                      | Investment Manager                   | 5,236,000(L)                 | –                             | 5.996%                 | 2.671%                                       |
| JPMorgan Chase & Co.                            | Investment Manager                   | 5,386,000(L)<br>5,386,000(P) | –<br>–                        | 6.168%<br>6.168%       | 2.748%<br>2.748%                             |

*Notes:*

- (1) (L) – Long position, (S) – Short position, (P) – Lending pool
- (2) Such shares were held through Tongrentang Ltd.. As at 31 March 2008, Tongrentang Ltd. was owned as to 55.24% by Tongrentang Holdings. According to Part XV of the SFO, Tongrentang Holdings is deemed to be interested in the 100,000,000 shares held by Tongrentang Ltd..
- (3) The Hamon Investment Group Pte Limited owns 100% interest in Hamon Asset Management Limited, Hamon U.S. Investment Advisors Limited and Hamon Investment Management Limited.

Accordingly, the Hamon Investment Group Pte Limited is deemed under Part XV of the SFO to be interested in 1,197,000 shares held by Hamon Asset Management Limited, 2,852,000 shares held by Hamon U.S. Investment Advisors Limited and 1,000,000 shares held by Hamon Investment Management Limited.

Save as disclosed above, as at 31 March 2008, the directors were not aware of any other person (other than the directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## **COMPETING INTERESTS**

### **Direct competition with Tongrentang Ltd. and Tongrentang Holdings**

Traditional Chinese medicines produce a broad range of curative effects as they can be used to treat the external symptoms of a disease and regulate other functions of the body that directly or indirectly give rise to such disease. To find the specific ways to treat a disease, it is necessary to consider a number of variables such as the state of illness, gender, age and constitution of a patient, the weather and the curative effects on the implicit problems of the patients. As such, a single type of traditional Chinese medicine usually has several curative effects, some of which may be similar to those of other products with different names or types. Given this nature of traditional Chinese medicine, there may be a direct competition between the products of the Company and those of Tong Ren Tang Holdings and Tong Ren Tang Ltd.

The Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings are all engaged in the manufacturing of Chinese Patent Medicines. Their businesses are classified by the forms of medicine they produce. Tong Ren Tang Ltd. mainly produces Chinese Patent Medicines in traditional forms such as pill, powder, ointment and medicinal wine. It also has some minor production lines for the production of granules and pills. On the other hand, the Company focuses on manufacturing products in forms of granules, pills, tablets and soft capsules. Tong Ren Tang Ltd.'s main products include Angong Niu Huang Pills (安宮牛黃丸), Tongren Wuji Baifeng Pills (同仁烏雞白鳳丸), Tongren Dahuolu Pills (同仁大活絡丸) and Guogong Wine (國公酒).

To ensure that the business classification between the Company, Tongrentang Holdings and Tong Ren Tang Ltd. are properly documented and established, Tong Ren Tang Holdings and Tong Ren Tang Ltd. undertake, pursuant to an undertaking dated 19 October 2000 committed by Tong Ren Tang Holdings and Tong Ren Tang Ltd. in favor of the Company (“October Undertaking”), that other than Angong Niuhuang Pills (安宮牛黃丸), Tong Ren Tang Holdings, Tong Ren Tang Ltd. and their respective subsidiaries will not produce in future any products that bear the same names or bear the same names with different forms as those pharmaceutical products of the Company. Only one of the products – Angong Niuhuang Pills (安宮牛黃丸) are manufactured by both the Company and Tong Ren Tang Ltd.. The directors consider that other than Angong Niuhuang Pills (安宮牛黃丸) produced by the Company and Tong Ren Tang Ltd., there is no any other direct competing business among the Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings. The Directors consider that as Angong Niuhuang Pills (安宮牛黃丸) only represents a small percentage of the Company’s turnover and is not one of the major forms of medicine for development by the Company, the Company will continue to manufacture and sell Angong Niuhuang Pills (安宮牛黃丸). Save as mentioned herein, the directors confirm that none of products of the Company is in competition with Tongrentang Ltd. or Tongrentang Holdings.

## **RIGHT OF FIRST REFUSAL**

Although the Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings are all engaged in the production, manufacturing and sale of traditional Chinese medicine, the principal products of each of these companies are different. The Company focuses on new forms of products which are more competitive against western pharmaceutical products, while Tong Ren Tang Ltd. and Tong Ren Tang Holdings continue to focus on development of existing forms of traditional Chinese Medicines.

To procure that the Company focuses on development of the four major forms of products (namely granules, pills, tablets and soft capsules), Tongrentang Holdings and Tongrentang Ltd. have granted the Company, pursuant to the October Undertaking, a right of first refusal to manufacture and sell any of the new products which is developed by Tong Ren Tang Holdings, Tong Ren Tang Ltd. or any of their respective subsidiaries and which is one of the four main forms of the Company. Upon exercise of the right of first refusal, both Tong Ren Tang Ltd. and Tong Ren Tang Holdings or their respective subsidiaries are not allowed to manufacture any of such new products. In the event the Company develops any new product based on the existing products of Tong Ren Tang Holdings, Tong Ren Tang Ltd. or their respective subsidiaries, and such new product is one of the major forms of the Company, the Company will be entitled to manufacture such new product and Tong Ren Tang Holdings, Tong Ren Tang Ltd. and their respective subsidiaries will not be allowed to manufacture such new product. The directors believe that the above undertaking would clarify that both Tong Ren Tang Ltd. and Tong Ren Tang Holdings would support the Company in its development of the four major forms of products in the future.

To procure that Company conducts an independent review of the research and development of new products and the development capability, the Company confirms that the among the independent non-executive Directors, a reputable person in the traditional Chinese medicine sector will determine whether to exercise the right of first refusal granted by Tong Ren Tang Holdings or Tong Ren Tang Ltd. to develop any proposed new products which is one of the major forms (namely, granules, pills, tablets and soft capsules) of the Company. In the event that the Company refuses the right of first refusal offered by Tongrentang Ltd. and/or Tongrentang Holdings, terms of the option to be offered to independent third party should not be more favourable than that originally offered to the Company. Failing which the Company should be given an opportunity to re-consider the option under the new terms. The above undertaking would no longer be valid in the event that the direct or indirect aggregate shareholdings of Tong Ren Tang Holdings or Tong Ren Tang Ltd. in the Company falls below 30%.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the period ended 31 March 2008, the Company has not purchased, sold or redeemed any of the Company's listed shares.

By the Order of the Board  
**Tong Ren Tang Technologies Co., Ltd.**  
**MEI QUN**  
*Chairman*

Beijing, the PRC, 25 April 2008

*As at the date of this announcement, the Board comprises Mr. Mei Qun, Mr. Zhang Sheng Yu, Mr. Kuang Gui Shen, Mr. Yin Shun Hai, Mr. Wang Quan and Ms. Ding Yong Ling, as executive directors; and Ms. Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin ShiYuan as independent non-executive directors.*

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