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This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Main Board Listing Rules and the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.



常茂生物化學工程股份有限公司

Changmao Biochemical Engineering Company Limited*

(a joint stock limited company established in the People's Republic of China)

(Stock code on GEM: 8208)

(Stock code on Main Board: 954)

**TRANSFER OF LISTING
FROM THE GROWTH ENTERPRISE MARKET TO
THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

Reference is made to the announcements of the Company made on 6 March 2013, 17 April 2013 and 16 May 2013 respectively and the circular dated 28 March 2013 in relation to the Transfer of Listing pursuant to Chapter 9A of the Main Board Listing Rules.

On 17 April 2013, a formal application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in, the entire 183,700,000 H Shares in issue on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board confirms that all pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and its H Shares as of the date of this announcement. The last day of dealings in the H Shares on GEM will be Thursday, 27 June 2013. Dealings in the H Shares on the Main Board will commence at 9:00 a.m. on Friday, 28 June 2013. The H Shares will be traded on the Main Board under the new stock code "954".

** for identification purposes only*

TRANSFER OF THE LISTING OF THE H SHARES FROM GEM TO THE MAIN BOARD

Reference is made to the announcements of the Company made on 6 March 2013, 17 April 2013 and 16 May 2013 respectively and the circular dated 28 March 2013 in relation to the Transfer of Listing pursuant to Chapter 9A of the Main Board Listing Rules.

On 17 April 2013, a formal application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in, the entire 183,700,000 H Shares in issue on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the Stock Exchange granted its approval-in-principle on 19 June 2013 for the H Shares to be listed on the Main Board and delisted from GEM according to Rule 9A.09(6) of the Main Board Listing Rules.

The Board confirms that all pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and its H Shares as of the date of this announcement.

The Company shall submit a written report in respect of the Transfer of Listing to the CSRC within 15 working days upon listing of and commencement of dealings in the H Shares on the Main Board.

REASONS FOR THE TRANSFER OF LISTING

The Group is principally engaged in the production and sale of organic acids. The Directors consider that the Transfer of Listing will enhance the trading liquidity of the H Shares and promote the Company's corporate profile and recognition from public investors. Therefore, the Directors are of the view that the Transfer of Listing will be beneficial to the future growth, financing flexibility and business development of the Group.

The Transfer of Listing will not involve any issue of new Shares by the Company. The Board does not contemplate any material change in the nature of the business activities of the Group following the Transfer of Listing.

DEALINGS IN THE H SHARES ON THE MAIN BOARD

The H Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 28 June 2002, the date on which the H Shares were listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the H Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the H Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the H Shares on GEM will be Thursday, 27 June 2013. Dealings in the H Shares on the Main Board will commence at 9:00 a.m. on Friday, 28 June 2013. The H Shares will be traded on the Main Board under the new stock code “954” in board lot size of 4,000 H Shares each following the Transfer of Listing. The Company will adopt “CHANGMAO BIO” as its English stock short name and “常茂生物” as its Chinese stock short name for trading purpose on the Main Board.

The Transfer of Listing will have no effect on the existing share certificates in respect of the H Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates. The H Share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited. No change will be made to the existing share certificates, the trading currency and the share registrar of the H Shares in Hong Kong in connection with the Transfer of Listing.

COMPETING INTERESTS

As at the date of this announcement, none of the Directors or their respective associates has any interest in any business which competes or potentially competes, either directly or indirectly, with the business of the Group.

REGULAR PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of financial results and will follow the relevant requirements of the Main Board Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Main Board Listing Rules.

PUBLIC FLOAT

The Directors confirm that approximately 37.04% of the total issued share capital of the Company, including the entire H Share capital which represents approximately 34.68% of the total issued share capital of the Company, is held by the public (as defined in the Main Board Listing Rules) as at the close of trading on 14 June 2013. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

As of the date of this announcement, the Company does not have any other options, warrants or similar rights or convertible equity securities in issue which will be transferred to the Main Board.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for viewing on the Stock Exchange’s website at <http://www.hkexnews.hk> and the Company’s website at <http://www.cmbec.com.hk>:

- (a) the Directors’ report and the annual report of the Company for the financial year ended 31 December 2010;

- (b) the Directors' report and the annual report of the Company for the financial year ended 31 December 2011;
- (c) the Directors' report and the annual report of the Company for the financial year ended 31 December 2012;
- (d) the interim report of the Company for the six months ended 30 June 2012;
- (e) the first quarterly report of the Company for the three months ended 31 March 2013;
- (f) the Articles of Association;
- (g) the circular of the Company dated 28 March 2013 in respect of the Transfer of Listing, Articles Amendment and the authorisation to the Board to appoint Directors;
- (h) the circular of the Company dated 19 March 2013 in respect of the renewal of general mandate, re-election of directors and supervisors and notice of annual general meeting and class meetings;
- (i) the circular of the Company dated 2 April 2012 in respect of a discloseable and connected transaction; and
- (j) a copy of each of the announcements and other corporate communications made by the Company as required under the GEM Listing Rules and the Main Board Listing Rules.

BIOGRAPHICAL DETAILS OF THE DIRECTORS, SUPERVISORS AND COMPANY SECRETARY

The Company discloses below the biographical information of each current Director, Supervisor and Company secretary:

Directors

Executive Directors

Mr. Rui Xin Sheng (芮新生), aged 56, is the chairman of the Board, an executive Director, the general manager and the compliance officer of the Company. He is a researcher and a senior engineer of the Company. He was one of the founders of the Company in December 1992. Mr. Rui graduated from Jiangsu Institute of Technology (江蘇化工學院) with a bachelor degree in organic synthesis in 1982. He obtained an executive master of business administration in the Nanjing University (南京大學) in 2005. He is the vice chairman of the Committee of Biochemical Engineering of the Chemical Industry and Engineering Society of China (中國化工學會生物化工專業委員會), the deputy managing director of the Association of Biochemistry of China (中國生物化工協會), the deputy managing director of Jiangsu Commission of Biotechnology (江蘇省生物技術協會) and a part-time professor at the Nanjing University of Technology (南京工業大學). Owing to his significant achievement in the field of biochemistry, Mr. Rui received numerous awards including the First Class Award of Scientific Development and Technology Improvement in Changzhou (常州市技術改造一等獎) and the Second Prize of Changzhou City Scientific and Technological Achievement (常州市科技進步二等獎) in 1997.

The concurrent production technology for the production of fumaric acid and malic acid (the “**Concurrent Production Technology**”) invented by Mr. Rui, Ms. Leng Yi Xin and Mr. Jiang Jun Jie obtained patent in the PRC in 1998. Other awards obtained by Mr. Rui include the Fourth Annual Excellent Scientists of Changzhou City (常州市第四屆傑出科技人員) in 1999, DuPont Innovation Award and Youth Expert with Excellent Contribution in Jiangsu Province (江蘇省有突出貢獻的中青年專家) in 2000, the First Class Award of State Technological Achievement (國家科技進步一等獎) in 2001, Innovative Entrepreneur of Jiangsu Province (江蘇省創新創業人才獎), the Second Class Award of Petrol Chemical Industry Technological Achievement in the PRC (中國石油化學工業行業科技進步二等獎) in 2003 and the First Class Award of Jiangsu Province Technological Achievement (江蘇省科學技術進步一等獎) in 2005. He is currently a director of Changzhou Shuguang Chemical Factory (常州曙光化工廠) (“**Shuguang Factory**”). Mr. Rui is the spouse of Ms. Leng Yi Xin (a non-executive Director).

The current term of office of Mr. Rui as an executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Rui is entitled to an annual determined annual salary (on the basis of 12 calendar months per year) of RMB800,000 for 2013, subject to adjustment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Mr. Rui is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company’s matters. Apart from and in addition to the above salary, Mr. Rui is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

As of the date of this announcement, Mr. Rui is interested in 2,500,000 Domestic Shares (representing 100% of the shareholding in the Domestic Shares) and 135,000,000 (representing 39.30% of the shareholding in the Foreign Shares), which in aggregate represent approximately 25.96% of shareholding in the registered capital of the Company.

Mr. Pan Chun (潘春), aged 43, is an executive Director and a deputy general manager of the Company. He obtained a bachelor degree in industrial analysis from the department of applied chemistry of the Nanjing University of Technology (南京工業大學) in 1993. Mr. Pan is recognised as a senior engineer by the Jiangsu Provincial Personnel Department (江蘇省人事廳). Mr. Pan is responsible for the management of production, safety, environment protection, equipment management, purchasing and domestic sales of the Company. Mr. Pan received the First Class Award of Changzhou Technological Achievement (常州市技術改造一等獎) in 1997. Mr. Pan received the First Class Award of Technological Invention (技術發明一等獎) from China Petroleum and Chemical Industry Association (中國石油和化學工業協會) in 2003, May 1st Labour Medal of Changzhou City (常州市五一勞動獎章) in 2011 and Model Worker of China Light Industry (中國輕工行業勞動模範) in 2012. Mr. Pan joined the Company in August 1993.

The current term of office of Mr. Pan as an executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Pan is entitled to an annual determined annual salary (on the basis of 12 calendar months per year) of RMB250,000 for 2013, subject to adjustment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Mr. Pan is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above salary, Mr. Pan is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Non-executive Directors

Mr. Zeng Xian Biao (曾憲彪), aged 70, is a non-executive Director. Mr. Zeng graduated from Nanjing Petrochemistry School (南京石油工業學校) in 1961. He has extensive experience engaging in research, development and production management in the field of chemistry. Mr. Zeng received various awards including the Golden Prize of Technological Improvement-Maleic Anhydride 2000t/a (順酐 2000t/a 技改省金牛獎) from the State Economic Commission (國家經濟委員會), Maleic Anhydride 3000t/a Technology Improvement (3000t/a 順酐重點技改先進個人), Municipal Contribution Award for the Ninth Five-year Period and the Millennium (市九五跨世紀奉獻獎) and the Second Annual State Award for Technological Development (省第二次合理化建議科技成果獎). Mr. Zeng joined the Company in December 1992.

The current term of office of Mr. Zeng as a non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Zeng will for the year 2013 (on the basis of 12 calendar months each year) be paid a Director's fee of RMB50,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Zeng is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Zeng is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Mr. Yu Xiao Ping (虞小平), aged 57, is a non-executive Director. Mr. Yu graduated from East China Normal University (華東師範大學) with a bachelor degree in English in 1977. He holds directorships in various pharmaceutical and investment companies in the PRC. Besides his experience in trading of pharmaceutical products, he has experience in promoting and facilitating the inspection and approval from the U.S. Food and Drug Administration for various PRC pharmaceutical products, of which he became the executive agent for these pharmaceutical products and has established a trading business in the United States of America. Mr. Yu joined the Company in December 1992.

The current term of office of Mr. Yu as a non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Yu will for the year 2013 (on the basis of 12 calendar months each year) be paid a Director's fee of RMB50,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Yu is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Yu is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

As of the date of this announcement, Mr. Yu is interested in 66,000,000 Foreign Shares (representing 19.21% of the shareholding in the Foreign Shares), which represent approximately 12.46% of shareholding in the registered capital of the Company.

Ms. Leng Yi Xin (冷一欣), aged 52, is a non-executive Director. She graduated from the Jiangsu Institute of Technology (江蘇化工學院) with a bachelor degree in organic synthesis in 1982 and subsequently obtained a master degree in chemical engineering from Nanjing University of Technology (南京工業大學) in 1996 and obtained a doctorate in bio-chemical engineering from Nanjing University of Technology in 2005. She is also a professor of the department of chemical engineering of the School of Petrochemical Engineering in Changzhou University (常州大學石油化工學院). Ms. Leng has participated in various research projects and published more than 50 theses. As mentioned above, Ms. Leng is one of the inventors of the Concurrent Production Technology. She obtained the Second Class Award of Technological Invention (技術發明二等獎) from China Petroleum and Chemical Industry Association (中國石油和化學工業協會) in 2004. She also obtained the First Class Award of Jiangsu Province Technological Achievement (江蘇省科學技術進步一等獎) in 2005 and the Third Class Award of Jiangsu Province Technological Achievement (江蘇省科學技術進步三等獎) in 2010. She is the spouse of Mr. Rui (the chairman of the Board and an executive Director). She joined the Company in June 2001.

The current term of office of Ms. Leng as a non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Ms. Leng will for the year 2013 (on the basis of 12 calendar months each year) be paid a Director's fee of RMB50,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Ms. Leng is determined by the Remuneration Committee, with reference to her contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Ms. Leng is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

As of the date of this announcement, Ms. Leng is interested in 2,500,000 Domestic Shares (representing 100% of the shareholding in the Domestic Shares) and 135,000,000 (representing 39.30% of the shareholding in the Foreign Shares), which in aggregate represent approximately 25.96% of shareholding in the registered capital of the Company.

Mr. Wang Jian Ping (王建平), aged 52, is a non-executive Director. He graduated from Shanghai Jiao Tong University (上海交通大學) with a bachelor of engineering degree in 1983 and subsequently obtained a master of engineering degree from Shanghai Jiao Tong University (上海交通大學) in 1986. Mr. Wang is currently a general manager of Shanghai Science & Technology Investment Company Limited (上海科技創業投資股份有限公司). Mr. Wang has been a director of the 704 Research Centre of the Seventh Institute of the China Shipping Company (中國船舶總公司七院 704 研究所) and a visiting scholar of the department of energy in the University of Leeds. Mr. Wang was first appointed as a non-executive Director in June 2007.

The current term of office of Mr. Wang as a non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Wang will for the year 2013 (on the basis of 12 calendar months each year) be paid a Director's fee of RMB50,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Wang is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Wang is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Independent non-executive Directors

Prof. Ouyang Ping Kai (歐陽平凱), aged 67, is an independent non-executive Director. He graduated from Tsinghua University (清華大學) with a bachelor degree in 1968 and subsequently obtained a master degree in chemistry research from the same university in 1981. From 1985 to 1987, he was a visiting scholar of the University of Waterloo, Ontario, Canada. Prof. Ouyang is an academician of the Chinese Academy of Engineering (中國工程院). He was the President of Nanjing University of Technology (南京工業大學) and instructed dozens of master and doctorate students. He also holds memberships and positions in various science and academic institutions. Prof. Ouyang obtained various awards including the First Prize of the State Technological Achievement (國家科技進一等獎) in 2001, the Technology Achievement Award from the Ho Leung Ho Lee Foundation, Dupont Innovation Award and several other awards of national level. Prof. Ouyang published more than 180 theses and two publications. Prof. Ouyang was first appointed as an independent non-executive Director in June 2001.

The current term of office of Prof. Ouyang as an independent non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Prof. Ouyang will for the year 2013 (on the basis of 12 calendar months each year) be paid a Director's fee of RMB60,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Prof. Ouyang is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters.

Prof. Yang Sheng Li (楊勝利), aged 72, is an independent non-executive Director. Prof. Yang is a researcher of Shanghai Research Center of Biotechnology Chinese Academy of Science (中國科學院上海生物工程研究中心). In 1997, he became the academician of the Chinese Academy of Engineering (中國工程院). Prof. Yang has long been engaging in research relating to genetic function and structure and genetic engineering. He instructed dozens of master students and doctorate students and published more than 80 theses. Prof. Yang received the First Class Award of Technological Achievement (科技進步一等獎) from the Chinese Academy of Science (中國科學院) in 1988, the Second Prize of Yilide Technology (第二屆億利達科技獎) from the Chinese Academy of Science (中國科學院) in 1989, and the First Prize of Innovative Worker (先進工作者一等獎) from the Committee of the Ministry of Science and Technology of the PRC (中國科技部委員會). Prof. Yang was first appointed as an independent non-executive Director in June 2001.

The current term of office of Prof. Yang as an independent non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Prof. Yang will for the year 2013 (on the basis of 12 calendar months each year) be paid a Director's fee of RMB60,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Prof. Yang is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters.

Ms. Wei Xin (衛新), aged 46, is an independent non-executive Director. Ms. Wei is a certified public accountant in the PRC. She graduated from Soochow University (蘇州大學) in accountancy in 1989. She has over fifteen years of experience in auditing and accounting. Ms. Wei is currently the partner of a certified public accounting firm in the PRC. Ms. Wei was first appointed as an independent non-executive Director in September 2004.

The current term of office of Ms. Wei as an independent non-executive Director commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Ms. Wei will for the year 2013 (on the basis of 12 calendar months each year) be paid a director's fee of RMB60,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Ms. Wei is determined by the Remuneration Committee, with reference to her contribution of time, effort and expertise on the Company's matters.

Each of Prof. Ouyang, Prof. Yang and Ms. Wei has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. Prof. Ouyang and Prof. Yang have served as independent non-executive Directors since June 2001 and Ms. Wei has served as an independent non-executive Director since September 2004. During his/her years of appointment, each of Prof. Ouyang, Prof. Yang and Ms. Wei has demonstrated his/her ability to provide an independent view to the Company's matters. Notwithstanding his/her years of service as independent non-executive Directors, the Board is of the view that Prof. Ouyang, Prof. Yang and Ms. Wei are able to continue to fulfill their roles as required. Furthermore, the Company is of the view that each of Prof. Ouyang, Prof. Yang and Ms. Wei meets the independence guidelines set out in Rule 3.13 of the

Main Board Listing Rules and Rule 5.09 of the GEM Listing Rules, and is independent in accordance with the terms of the guidelines.

Ms. Au Fung Lan (歐鳳蘭), aged 38, is an independent non-executive Director. Ms. Au has 12 years of experience in investment banking in Hong Kong. Ms. Au holds a bachelor degree of commerce from the University of Toronto in 1997. Ms. Au is currently the executive director of an investment bank in Hong Kong.

Ms. Au was first appointed as an independent non-executive Director on 20 June 2013 by the Board as it has been so authorised pursuant to the resolutions passed at the extraordinary general meeting of the Company, the class meeting of the holders of the Domestic Shares and Foreign Shares and the class meeting of the holders of the H Shares held on 16 May 2013 for a term of one year from 20 June 2013 until the conclusion of the next following annual general meeting of the Company to be held in 2014. Ms. Au is an ordinarily resident in Hong Kong. Her appointment is made, in view of the Transfer of Listing, in order to comply with the requirements set out under Rule 19A.18(1) of the Main Board Listing Rules, which requires that at least one of the independent non-executive Directors must be ordinarily resident in Hong Kong.

Ms. Au will be paid a Director's fee of RMB60,000 per her term of office. The remuneration payable to Ms. Au is determined by the Remuneration Committee, with reference to her expected contribution of expertise on the Company's matters.

Supervisors

Supervisors nominated by Shareholders

Ms. Zhou Rui Juan (周瑞娟), aged 58, is a Supervisor and the chairman of the supervisory committee of the Company. She graduated from Changzhou Light Industrial School (常州輕工學校) majoring in corporate management in 1988. Ms. Zhou passed the State Examination for Assistant Accountant in 1997. She was a financial accountant, the vice manager of the labour department and the director of the administrative department of the Company. Ms. Zhou was recognised as an activist of the labour union (工會積極分子) and an advanced worker (先進生產者) of the Company. She joined the Company in January 1993.

The current term of office of Ms. Zhou as a Supervisor commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Ms. Zhou is entitled to (in addition to her remuneration of not more than RMB250,000 per annum in respect of her office with the Company) an annual Supervisor's fee (on the basis of 12 calendar month per year) of RMB15,000 for the calendar year 2013, subject to adjustment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Ms. Zhou is determined by the Remuneration Committee, with reference to her contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Ms. Zhou is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Mr. Lu He Xing (陸和興), aged 68, is a Supervisor. Mr. Lu was recognised as an Advanced Manufacturer of the Bureau of Chemical Industry (化工局先進生產者), a Model Worker of Changzhou and Jiangsu (江蘇省及常州市勞動模範) and one of the Ten Best Leaders from Changzhou City of Chemical Commission (常州市化學委員會的十佳領導幹部). Mr. Lu is currently a director of Shuguang Factory. Mr. Lu joined the Company in December 1992.

The current term of office of Mr. Lu as a Supervisor commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Lu is entitled to an annual Supervisor's fee (on the basis of 12 calendar month per year) of RMB6,000 for the calendar year 2013, subject to adjustment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Mr. Lu is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above remuneration, Mr. Lu is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Supervisor nominated by employees

Mr. Zhang Jun Peng (張俊朋), aged 39, is a Supervisor and the chief officer of the concurrent production line of the Company and an engineer. He graduated from Jiangsu Institute of Petrochemical Technology (江蘇石油化工學院) in 1997 with a bachelor degree in chemical engineering. He was engaged in the continuous improvement and innovation of four-carbon series organic acid and obtained the Second Class Award of Process Innovation & Technological Invention (創新工藝技術發明二等獎) from China Petroleum and Chemical Industry Association (中國石油和化學工業協會) in 2004. Mr. Zhang was involved in various projects of the Company in respect of the improvement of production technology and is experienced in the production management of the Company. The concurrent production line led by Mr. Zhang won the championship of "the Cup of Safety and Health" ("安康杯" 競賽優勝班組) in China in 2012 from the All-China Federation of Trade Unions (中華全國總工會) and the State Administration of Work Safety of the PRC (國家安全生產監督管理總局). He joined the Company in August 1997.

The current term of office of Mr. Zhang as a Supervisor commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Zhang is entitled to (in addition to his remuneration of not more than RMB250,000 per annum in respect of his office with the Company) an annual Supervisor's fee (on the basis of 12 calendar month per year) of RMB6,000 for the calendar year 2013, subject to adjustment of not more than 10% per annum for each of the subsequent calendar years. The remuneration payable to Mr. Zhang is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters. Apart from and in addition to the above salary, Mr. Zhang is entitled to an incentive bonus each year, which is determined by the Remuneration Committee with reference to the profitability of the Group and the market conditions.

Independent Supervisors nominated by Shareholders

Prof. Jiang Yao Zhong (蔣耀忠), aged 76, is an independent Supervisor. He graduated from the department of chemistry of Peking University (北京大學) in 1957. He has been the vice president of the Chengdu branch of the Chinese Academy of Sciences (中國科學院成都分院) during 1990 to 1994. He was also the president of Chengdu Institute of Organic Chemistry, the Chinese Academy of Sciences (中國科學院成都有機化學研究所) during 1992 to 1997 and the scientific consultant of the Government of Sichuan Province from 1988 to 1998. He was a committee member of the Chemistry Society of China (中國化學會), a deputy director of the Committee of the Organic Chemistry (有機化學委員會), a chairman of the board of Sichuan Institute of Chemistry and Chemical Engineering (四川省化學化工學會), a member of the review panel of Department of Chemical Science of National Natural Science Foundation of China (國家自然科學基金委員會化學部評審組成員) and a foreign member of the American Chemical Society and the chief editor of Synthetic Chemistry (合成化學) from 1998 to 2002. He is a researcher and an instructor of doctorate students in Organic Chemistry, the Chinese Academy of Sciences (中國科學院成都有機化學研究所). Prof. Jiang was recognised as the Leader of Academy and Technology in Sichuan (四川省學術和技術帶頭人) in 1998 and awarded the Prize of Creation in Organic Synthesis by the Chemistry Society of China (中國化學會有機合成創造獎) in 2000. He also received the Second Class Award of National Natural Science Award (國家自然科學二等獎) in 2005, the Thomson Reuters Research Front Award in 2008, and Educator with Outstanding Contributions (傑出貢獻教師) from the Graduate University of the Chinese Academy of Sciences (中國科學院研究生院) in 2008. Prof. Jiang was first appointed as an independent Supervisor in June 2004.

The current term of office of Prof. Jiang as an independent Supervisor commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Prof Jiang will for the year 2013 (on the basis of 12 calendar months each year) be paid a supervisor's fee of RMB15,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Prof. Jiang is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters.

Mr. Geng Gang (耿剛), aged 52, is an independent Supervisor. He graduated from Jingsu Institute of Chemistry (江蘇化工學院) in 1982. He possesses over 20 years of experience in the field of chemical industry. Mr. Geng is recognised as a senior engineer by the Jiangsu Provincial Personnel Department (江蘇省人事廳). Mr. Geng is currently a deputy chief engineer, a director of laboratory and senior engineer of a chemical company and the vice chairman of the Technical Committee of China Cellulose Association (中國纖維素協會技術委員會). He obtained the Third Class Award of Jiangsu Science and Technology Progress (江蘇省科技進步三等獎) and the Second Class Award of Wuxi Science and Technology Progress (無錫市科技進步二等獎) for his research on the pilot-scale project of making viscose-styrene grafting fiber in 1990. He obtained the award of Wuxi Excellent Scientific Workers (無錫市優秀科技工作者稱號) in 1991 and the award of Wuxi Top Youth Expert (無錫市中青年專業技術拔尖人才) in 1992. Mr. Geng was first appointed as an independent Supervisor in June 2010.

The current term of office of Mr. Geng as an independent Supervisor commenced on 18 June 2013 and will end on 17 June 2016 and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

Mr. Geng will for the year 2013 (on the basis of 12 calendar months each year) be paid a supervisor's fee of RMB15,000 per annum, subject to an increment of not more than 10% per annum for each of the subsequent years. The remuneration payable to Mr. Geng is determined by the Remuneration Committee, with reference to his contribution of time, effort and expertise on the Company's matters.

Save as disclosed above, each of our Directors and Supervisors (i) does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; (ii) is not connected with the controlling shareholder, any Director, any Supervisor, any senior management member or substantial shareholder of the Company. Save as disclosed above, there is no other information relating to the Directors and the Supervisors, which needs to be disclosed pursuant to Rule 13.51(2) of the Main Board Listing Rules.

Company secretary

Ms. Wan, Pui Ling Alice (溫珮玲), CPA, aged 41, is the financial controller and company secretary of the Company. She has over 15 years of experience in auditing, accounting and financial management in Hong Kong and the PRC. Ms. Wan holds a bachelor degree in business administration and a master of science degree in finance from The Chinese University of Hong Kong, and is an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Wan has joined the Company since June 2001.

HIGHLIGHTS OF KEY FINANCIAL INFORMATION

The table below sets forth the selected information of the Group's consolidated statement of comprehensive income for the three years ended 31 December 2012 and the three months ended 31 March 2013:

	For the year ended 31 December			For the three months ended 31 March
	2010 RMB '000	2011 RMB '000	2012 RMB '000	2013 RMB '000 (unaudited)
Turnover	515,574	620,233	653,218	178,973
Gross profit	137,362	114,188	127,453	36,267
Gross profit margin	26.6%	18.4%	19.5%	20.3%
Net profit attributable to the equity holders of the Company	75,773	41,105	49,455	12,099
Net profit margin	14.7%	6.7%	7.6%	6.8%

Although the Group recorded an increase in the turnover for the year ended 31 December 2011 as compared to that of the previous year due to the increase of sales volume of the Group's products, the gross profit did not grow at the same extent because the price of raw materials derived from petroleum and coal increased much more than the market price of the Group's products. Average cost of a major raw material has increased by approximately 14% in 2011. Increase in direct labour costs also caused the increase in production costs. In addition, the depreciation of United States dollars and the economy downturn in Europe also caused pressure on the Group's export and affected the gross profit margin of the Group.

The Group recorded a growth in turnover for the year ended 31 December 2012 due to the increase in sales volume of the Group's major products as compared to the previous year. Although the price of major raw material and the salary of direct labour both increased, the increase in product price as well as the effectiveness of the measures on reducing costs and increasing efficiency and enhancement in production management level helped the improvement in gross profit margin. The Group's turnover and gross profit margin continued to improve during the first quarter of 2013 due to the increase in sales and the control measures of the cost of production.

Please refer to the annual reports and quarterly report of the Company which were made available for viewing on the Stock Exchange's website at <http://www.hkexnews.hk> and the Company's website at <http://www.cmbec.com.hk> for details of the financial performance of the Group and the corresponding management discussion and analysis of the respective financial periods.

WAIVER FROM STRICT COMPLIANCE WITH THE MAIN BOARD LISTING RULES

Pursuant to Rules 8.12 and 19A.15 of the Main Board Listing Rules, the Company must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive Directors must be ordinarily resident in Hong Kong except as otherwise permitted by the Stock Exchange.

As the Group's business and operations are principally carried out in the PRC and substantially all of the Group's assets, including the production facilities are based in the PRC, the executive Directors and members of the senior management of the Group are and will therefore be expected to continue to be based in the PRC. The Group does not have any business activities in Hong Kong. The Company will not, and does not contemplate in the foreseeable future that it will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Main Board Listing Rules.

Therefore, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rules 8.12 and 19A.15 of the Main Board Listing Rules subject to the following arrangements:

1. The Company has appointed two authorised representatives, namely Mr. Rui Xin Sheng, an executive Director and Ms. Wan Pui Ling Alice, the company secretary of the Company, as the Company's principal channel of communication with the Stock Exchange pursuant to Rule 3.05 of the Main Board Listing Rules, who have been acting as the authorised representatives of the Company pursuant to Rule 5.24 of the GEM Listing Rules since the listing of the H Shares on GEM on 28 June 2002 and will continue to act as such upon the Transfer of Listing. Ms. Wan Pui Ling Alice is a permanent resident in Hong Kong. Each of

the authorised representatives will be authorised to communicate on behalf of the Company with the Stock Exchange.

2. Each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. Further, the authorised representatives of the Company have the telephone and fax numbers and e-mail addresses of all the Directors and are able to contact all the Directors promptly at all times. When the Stock Exchange wishes to contact them on any matter, and in the event that a Director expects to travel and be out of office, he/she will have to provide phone number of the place of his/her accommodation or means of communication to the authorised representatives. All Directors will provide their mobile numbers, office telephone numbers, facsimile numbers and email addresses to the Stock Exchange.
3. The authorised representatives of the Company will continue to act as the principal channel of communication between the Company and the Stock Exchange. Each of the Directors has confirmed that he/she will be able to meet with the Stock Exchange within a reasonable time frame upon request of the Stock Exchange, if required. They will be readily contactable by telephone, facsimile and email by the Stock Exchange.

TERMS AND DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Articles” or “Articles of Association”	the articles of association of the Company prevailing from time to time
“Articles Amendments”	the amendments made to the Articles of Association to comply with the relevant requirements of the Main Board Listing Rules which will become effective upon the date of listing of and commencement of dealing in H Shares on the Main Board
“associate(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	常茂生物化學工程股份有限公司 (Changmao Biochemical Engineering Company*), a joint stock limited company incorporated in the PRC with the H Shares currently listed on the GEM (stock code on GEM: 8208)

** for identification purposes only*

“connected”	has the meaning ascribed to it under the Main Board Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) with a par value of RMB0.10 each in the capital of the Company which is(are) subscribed for in RMB by PRC citizens and/or entities
“Foreign Share(s)”	the ordinary share(s) with a par value of RMB0.10 each in the capital of the Company which is(are) subscribed for in a currency other than RMB by non-PRC citizens and/or entities
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company together with its subsidiaries
“H Share(s)”	the ordinary share(s) with a par value of RMB0.10 each in the capital of the Company which is(are) subscribed for and traded in HK\$ and listed on the GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange in parallel with GEM, and for avoidance of doubt, it does not include GEM for the purpose hereof
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	holder(s) of the Share(s)
“Share(s)”	the Domestic Share(s), Foreign Share(s) and the H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Supervisor(s)”	the member(s) of the supervisory committee of the Company
“Transfer of Listing”	the transfer of listing of the H Shares from GEM to the Main Board pursuant to Chapter 9A of the Main Board Listing Rules
“%”	per cent

By order of the Board
Changmao Biochemical Engineering Company Limited*
Rui Xin Sheng
Chairman

Jiangsu Province, the PRC, 20 June 2013

As at the date of this announcement, Mr. Rui Xin Sheng (Chairman) and Mr. Pan Chun are the executive Directors, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Mr. Wang Jian Ping and Ms. Leng Yi Xin are the non-executive Directors, Prof. Ouyang Ping Kai, Prof. Yang Sheng Li, Ms. Wei Xin and Ms. Au Fung Lan are the independent non-executive Directors.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication and will also be published on the “Listing Company Information” page of the Stock Exchange’s website at <http://www.hkexnews.hk> and on the Company’s website at <http://www.cmbec.com.hk>.

** for identification purposes only*