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IRICO

彩虹集團電子股份有限公司
IRICO GROUP ELECTRONICS COMPANY LIMITED*

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

(Stock Code: 0438)

2012 INTERIM RESULTS ANNOUNCEMENT

The board (the "**Board**") of Directors (the "**Directors**") of IRICO Group Electronics Company Limited* (the "**Company**") hereby announce the unaudited consolidated interim results and financial status of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2012 together with comparative figures, as follows.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		Six months ended 30 June	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Turnover	3	**1,223,344**	1,455,740
Cost of sales		**(1,240,484)**	(1,300,837)
Gross (loss) profit		**(17,140)**	154,903
Other operating income		**34,862**	67,099
Gain on disposal of a subsidiary		**—**	12,871
Selling and distribution costs		**(31,462)**	(42,338)
Administrative expenses		**(124,033)**	(113,090)
Other operating expenses		**(11,242)**	(1,402)
Finance costs	4	**(63,288)**	(36,884)
Share of results of associates		**(17,764)**	(19,536)
(Loss) profit before tax		**(230,067)**	21,623
Income tax expense	5	**(11,706)**	(9,656)
(Loss) profit for the period	6	**(241,773)**	11,967
(Loss) profit for the period attributable to:			
Owners of the Company		**(169,518)**	56,413
Non-controlling interests		**(72,255)**	(44,446)
		(241,773)	11,967

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		Six months ended 30 June	
		2012	2011
		RMB'000	*RMB'000*
	Note	**(Unaudited)**	(Unaudited)
Other comprehensive income			
Exchange differences arising on translation		**90**	1,590
Share of exchange reserve of an associate		**554**	1,847
Other comprehensive income for the period		**644**	3,437
Total comprehensive (expense) income for the period		**(241,129)**	15,404
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(168,874)**	59,850
Non-controlling interests		**(72,255)**	(44,446)
		(241,129)	15,404
(Loss) earnings per share			
— Basic and diluted	8	**RMB(7.59) cents**	RMB2.53 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	**30 June 2012** *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**8,968,172**	8,202,921
Investment properties		**55,058**	55,272
Leasehold land and land use rights		**320,585**	324,664
Intangible assets		**732**	870
Interests in associates		**334,284**	278,394
Available-for-sale investment		**24,060**	24,060
Deposits paid for acquisition of property, plant and equipment		**132,875**	196,001
Deposit paid for acquisition of an associate		**—**	73,500
		9,835,766	9,155,682
Current assets			
Inventories		**410,787**	402,839
Trade and bills receivables	9	**587,123**	545,034
Tax recoverable		**183**	—
Other receivables, deposits and prepayments		**1,169,947**	1,030,783
Restricted bank balances		**60,653**	104,716
Bank balances and cash		**1,310,797**	2,080,334
		3,539,490	4,163,706

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

AS AT 30 JUNE 2012

	Note	**30 June 2012 RMB'000 (Unaudited)**	31 December 2011 RMB'000 (Audited)
Current liabilities			
Trade and bills payables	10	**817,336**	819,765
Other payables and accruals		**929,632**	1,065,524
Tax payables		**—**	3,733
Bank and other borrowings			
— due within one year		**1,416,045**	1,568,601
Termination benefits		**3,623**	3,112
Obligations under finance lease		**62,958**	60,717
		3,229,594	3,521,452
Net current assets		**309,896**	642,254
Total assets less current liabilities		**10,145,662**	9,797,936
Capital and reserves			
Share capital		**2,232,349**	2,232,349
Other reserves		**1,329,930**	1,329,286
Accumulated losses		**(1,873,346)**	(1,703,828)
Equity attributable to owners of the Company		**1,688,933**	1,857,807
Non-controlling interests		**3,112,639**	3,194,371
Total Equity		**4,801,572**	5,052,178

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ***(Continued)***

AS AT 30 JUNE 2012

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Bank and other borrowings		
— due after one year	**4,785,082**	4,208,632
Deferred income	**476,518**	421,693
Termination benefits	**6,673**	7,567
Obligations under finance leases	**67,477**	99,526
Deferred income tax liabilities	**8,340**	8,340
	5,344,090	4,745,758
	10,145,662	9,797,936

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2012

1. GENERAL INFORMATION

IRICO Group Electronics Company Limited (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 10 September 2004 as a joint stock company with limited liability under the Company Law of the PRC. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 December 2004. The address of its registered office and principal place of business are No.1 Caihong Road, Xianyang, Shaanxi Province, the PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") are engaged in the manufacturing and trading of colour picture tubes ("**CPTs**") and related components of coloured television sets, luminous materials, thin film transistor liquid crystal display ("**TFT-LCD**") glass substrate and display devices, solar photovoltaic glass and trading of liquid crystal products.

The directors of the Company consider that IRICO Group Corporation, a state-owned enterprise established in the PRC, is the Company's parent company and ultimate holding company.

The condensed consolidated interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard 34 ("**HKAS 34**"), Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**") which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

- amendments to HKFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters;
- amendments to HKFRS 7 Financial Instruments: Disclosures — Transfers of Financial Assets; and
- amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets.

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated interim financial information and / or disclosures set out in these condensed consolidated interim financial information.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	CPTs production and sales	Luminous materials production and sales	Liquid crystal related products production and sales	TFT-LCD glass substrate and display devices production and sales	Solar photovoltaic glass production and sales	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2012 (Unaudited)						
REVENUE						
External sales	163,364	308,572	652,803	12,198	86,407	1,223,344
Segment (loss) profit	(65,146)	21,003	(145)	(47,822)	(72,127)	(164,237)
Unallocated income						16,680
Unallocated expenses						(1,458)
Finance costs						(63,288)
Share of results of associates						(17,764)
Loss before tax						(230,067)

3. SEGMENT INFORMATION *(Continued)*

	CPTs production and sales	Luminous materials production and sales	Liquid crystal related products production and sales	TFT-LCD glass substrate and display devices production and sales	Solar photovoltaic glass production and sales	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2011 (Unaudited)						
REVENUE						
External sales	330,004	483,132	451,416	—	191,188	1,455,740
Segment (loss) profit	(34,080)	57,429	1,906	(8,742)	44,916	61,429
Unallocated income						18,580
Unallocated expenses						(1,966)
Finance costs						(36,884)
Share of results of associates						(19,536)
Profit before tax						21,623

3. SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets by reportable and operating segments:

	CPTs production and sales	Luminous materials production and sales	Liquid crystal related products production and sales	TFT-LCD glass substrate and display devices production and sales	Solar photovoltaic glass production and sales	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2012 (Unaudited)						
Segment assets	272,031	473,044	561,260	7,397,388	2,697,265	11,400,988
Unallocated corporate assets						1,974,268
Consolidated total assets						13,375,256
At 31 December 2011 (Audited)						
Segment assets	333,728	524,163	567,768	6,620,771	2,622,587	10,669,017
Unallocated corporate assets						2,650,371
Consolidated total assets						13,319,388

4. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on:		
Bank and other borrowings wholly repayable within five years	**133,681**	35,934
Bank and other borrowings wholly repayable over five years	**56,528**	52,820
Discounted trade receivables to banks	**52**	—
Obligations under finance leases	**6,028**	—
Amount due to ultimate holding company	**655**	1,075
Total borrowing costs	**196,944**	89,829
Less: amounts capitalised in the cost of qualifying assets	**(133,656)**	(52,945)
	63,288	36,884

Borrowing costs capitalised during the period arose on general borrowings pool and are calculated by applying a capitalisation rate of 6.29% per annum (2011: 5.87% per annum) to expenditure on qualifying assets.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**11,706**	9,794
Deferred income tax	**—**	(138)
	11,706	9,656

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong for both periods ended 30 June 2012 and 2011.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of certain subsidiaries of the Group in the PRC is 25% from 1 January 2008 onwards.

Companies are entitled to the preferential tax treatment for Opening Up of Western China ("**OUWC Policy**") if they are engaged in the projects listed in the Catalogue for Industries, Products and Technologies Currently and Particularly Encouraged by the State for Development (as amended in 2000) and Guiding Catalogue for Industrial Structure Adjustment (2011) as their principal business and the revenue from the principal operations account for over 70% of their total revenue. The applicable reduced preferential EIT rate under the OUWC Policy is 15%. From 10 September 2004, date of incorporation of the Company, the operations of the Company have met the requirements under the OUWC Policy, and accordingly, EIT has been provided at 15% since then.

5. INCOME TAX EXPENSE *(Continued)*

The operations of IRICO Display Devices Co., Ltd. ("**A Share Company**") and Xian IRICO Zixun Co., Ltd. have met the requirements under the OUWC Policy for the six months ended 30 June 2012 and 2011, and accordingly, EIT has also been provided at 15%.

Xianyang IRICO Electronics Shadow Mask Co., Ltd. ("**IRICO Shadow Mask**") is Sino-foreign equity joint ventures engaging in the production business and is exempted from taxation for the first two profitable years and a 50% relief from the national PRC income tax rate (also exempted from paying the 3% local income tax) for the next three profitable years thereafter. As a result, IRICO Shadow Mask which was established in 2003 and the entity is in the 50% relief period for the six months ended 30 June 2012 and 2011.

Certain subsidiaries of the Group, which are registered in a special economic zone or a technological economic development zone, are taxed at preferential rates ranging from 15% to 22% for the six months ended 30 June 2011. The tax concession was expired on 31 December 2011 and the tax rate of certain subsidiaries is 25% from 1 January 2012 onwards.

6. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**138**	238
Amortisation of leasehold land and land use rights	**4,079**	2,703
Depreciation of property, plant and equipment	**57,305**	55,917
Depreciation of investment properties	**1,368**	1,024
Cost of inventories recognised as an expense	**1,240,484**	1,300,837
Employee benefit expenses	**211,863**	278,606
Research and development costs	**11,712**	11,704
Provision for warranty	**2,435**	1,061
Impairment losses on trade receivables	**22**	744
Operating lease expenses	**13,218**	15,527
Allowance of inventories (included in cost of sales)	**18,848**	32,616
Gain on disposal of an associate	**—**	(3,235)
Share of tax of associates (included in share of results of associates)	**554**	7
Amortisation of deferred income on grants received	**(11,986)**	(3,119)
Cash-settled share-based payments income	**(303)**	—
Dividend income from available-for-sale investment	**(2,175)**	(2,175)
Net loss (gain) on disposal of property, plant and equipment	**732**	(25,588)
Reversal of impairment losses on trade receivables	**(2,186)**	(915)
Bank interest income	**(10,106)**	(11,064)

7. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The directors have determined that no dividend will be paid in respect of interim period.

8. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share are based on the Group's loss attributable to owners of the Company for the six months ended 30 June 2012 of approximately RMB169,518,000 (2011: profit of RMB56,413,000) and the weighted average number of approximately 2,232,349,000 (2011: 2,232,349,000) ordinary shares in issue during the period.

As there were no dilutive potential shares during both periods ended 30 June 2012 and 2011, the diluted (loss) earnings per share is the same as basic (loss) earnings per share for both periods.

9. TRADE AND BILLS RECEIVABLES

The Group allows an average credit period ranging from cash on delivery to 90 days to its trade customers.

The following is an aged analysis of trade receivables (net of accumulated impairment losses of approximately RMB22,516,000) (2011: net of accumulated impairment losses of approximately RMB24,680,000) presented based on the invoice date at the end of the reporting period:

	30 June 2012 *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Trade receivables		
0 to 90 days	**337,158**	287,482
91 to 180 days	**43,571**	40,514
181 to 365 days	**32,203**	14,804
Over 365 days	**10,195**	8,983
	423,127	351,783
Bills receivables	**163,996**	193,251
	587,123	545,034

10. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2012 *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Trade payables		
0 to 90 days	**233,336**	327,022
91 to 180 days	**122,679**	101,884
181 to 365 days	**150,843**	101,320
Over 365 days	**126,154**	91,421
	633,012	621,647
Bills payables	**184,324**	198,118
	817,336	819,765

RESULTS AND DIVIDEND

During the reporting period, the Group recorded sales of approximately RMB1,223,344,000, representing a decrease of 16% compared with the corresponding period of last year; the profit attributable to owners of the Company decreased by 400% to a loss of approximately RMB169,518,000, as compared with a profit of RMB56,413,000 for the corresponding period of last year.

As there was no accumulated surplus in the first half of 2012, the Board resolved not to distribute any interim dividends for the six months ended 30 June 2012.

BUSINESS REVIEW AND OUTLOOK

1. Operation Highlights

During the reporting period, the Group suffered a loss due to the declining product prices of solar photovoltaic glass and luminous materials resulting from the increase in market competition, the continuing contraction of the CRT business as well as the fact that the LCD glass substrates business is still at the stage of trial operation. In the first half of 2012, the Group recorded sales of RMB1,223,344,000, representing a decrease of 16% compared with the corresponding period of last year. Profit attributable to owners of the Company decreased by 400% to a loss of approximately RMB169,518,000, as compared with a profit of RMB56,413,000 for the corresponding period of last year.

2. Business Achievements

(1) Solar Photovoltaic Glass Business

During the reporting period, the Group constantly enhanced the core competitiveness of its solar photovoltaic glass business by integrating resources, cutting costs, improving efficiency, ramping up R&D efforts and stepping up marketing. In the first half of the year, the Xianyang Phase I Project of the solar photovoltaic glass business underwent cold repair for its furnace; the Xianyang Phase II Project was running normally; the Xianyang Phase IV Project saw a successful furnace ignition in June 2012 and began pilot production with its first fine product rolling off the production line in July; the Xianyang Phase III Project and the Hefei Photovoltaic Project were proceeding smoothly, and the Company will, in light of the market conditions, start furnace ignition and pilot production when appropriate.

2. Business Achievements *(Continued)*

(2) Luminous Materials Business

In the luminous materials business, in the first half of 2012, the sales of energy saving lamp phosphor dropped due to the unfavorable rare earth policy and low operating rates of energy saving lamp manufacturers. Besides, as a result of the successful marketing for PDP phosphor, electronic silver paste and lithium battery powder, the sales of PDP phosphor and electronic silver paste increased by approximately 11% and 23% respectively; the lithium battery powder business recorded a substantial year-on-year growth and started large-scale production and sales. New production lines with annual production capacity of 100 tonnes of lithium battery powder are expected to be built in the second half of the year and commence its pilot production. The cold cathode fluorescent lamp phosphor ("**CCFL phosphor**") for LCD backlight business declined notably due to substitution effects of LED backlight technology. In general, confronted by the complex external environment, the Group further enhanced competitiveness of luminous materials business during the reporting period by constantly improving products, technology and services, optimizing customer structure and stepping up R&D and marketing efforts.

(3) TFT-LCD Glass Substrate Business

During the reporting period, the Group continued to vigorously tackle key technical problems in relation to the TFT-LCD glass substrate business and gradually stabilized production process whilst stepping up marketing and certification and accelerating large scale sales. Optimization and renovation of the equipments of a number of production lines was completed by leveraging advantage of resources and resolving outstanding issues through coordination. Production line CX02 has been successfully completed its tests in June 2012. During the reporting period, the Group sold 152,400 pieces of LCD glass substrate. In the first half of the year, the Group completed the shift from 0.7mm to 0.5mm thick products for its LCD glass substrate production line to meet the market needs.

2. Business Achievements *(Continued)*

(4) Display Device Business and Trading of Liquid Crystal Related Products

During the reporting period, the Group took a series of effective measures and made reasonable use of available resources to minimize the impact of the CPT business on the Group's results. Also, the Group achieved better performance on liquid crystal television production and sales business, income increased 45% compared with the corresponding period of last year.

FINANCIAL REVIEW

1. Overall performance

The overall gross profit margin of the Group decreased from 10.64% for the first half of 2011 to gross loss of 1.40% for the first half of 2012, mainly attributable to the downward product prices of our solar photovoltaic glass and luminous materials businesses which faced fiercer market competition. The profit attributable to owners of the Company decreased by 400% to a loss of approximately RMB169,518,000, as compared with a profit of RMB56,413,000 for the corresponding period of last year, which was mainly attributable to lower profitability as a result of continued contraction of CRT business, and increased competition for the solar photovoltaic glass and luminous materials businesses.

2. Capital structure

As at 30 June 2012, the Group's borrowings were mainly denominated in Renminbi and US dollars, while its cash and bank balances were mainly denominated in Renminbi, Hong Kong dollars and US dollars. The Group intended to maintain an appropriate ratio of share capital to liabilities, so as to ensure that an effective capital structure is maintained from time to time. As at 30 June 2012, its total liabilities including bank borrowings and obligations under finance leases amounted to RMB6,331,562,000 in aggregate (as at 31 December 2011: RMB5,937,476,000), its cash and bank balances amounted to RMB1,310,797,000 in aggregate (as at 31 December 2011: RMB2,080,334,000) and its gearing ratio (i.e. total liabilities divided by total assets) was 64% (as at 31 December 2011: 62%).

3. Foreign exchange risk

The Group's income and most of its expenses are denominated in Renminbi and US dollars. For the six months ended 30 June 2012, the operating costs of the Group decreased by RMB183,000 as a result of exchange rate fluctuations (as at 30 June 2011: increased by RMB3,666,000). There was no material impact on the Group's operating capital or liquidity as a result of exchange rate fluctuations.

4. Commitments

As at 30 June 2012, the capital commitments of the Group amounted to RMB1,989,792,000 (as at 31 December 2011: RMB2,586,802,000).

5. Contingent liabilities

As at 30 June 2012, the Group had no material contingent liability.

6. Pledged assets

As at 30 June 2012, the bank loans of the Group amounted to approximately RMB3,303,139,000, which were secured by certain leasehold land and land use rights, buildings, equipments and trade receivables of the Group.

As at 31 December 2011, the bank loans of the Group amounted to approximately RMB3,452,233,000, which were secured by certain leasehold land and land use rights, buildings, equipments and trade receivables of the Group.

PURCHASE, SALE OR REPURCHASE OF SHARES

During the reporting period, the Group had not purchased, sold or repurchased any of the shares in the Company in issue.

MATERIAL LITIGATIONS

As at 30 June 2012, the Directors were not aware of any new litigation or claim of material importance pending or threatened against any member of the Group save as the claims brought by Fanshawe College against the Company and IRICO Display Devices Co., Ltd. ("**A Share Company**"), claims by Curtis Saunders against the Company and the A Share Company and claims by American Crago Company against the A Share Company as set out in the Company's 2010 annual report dated 11 April 2011.

During the reporting period, there was no update on the pending litigations which were disclosed by the Company previously. In the opinion of the Directors, such cases did not have any material impact on the Group's interim financial statements for the six months ended 30 June 2012. For details of such cases, please refer to the Company's 2010 annual report dated 11 April 2011.

CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the documents regarding the Company's adoption of corporate governance, and is of the opinion that such documents are in compliance with the principles and code provisions as set out in the Code on Corporate Governance Practices (the "**Code**") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

The Directors are not aware of any information that would reasonably indicate the non-compliance of the Company or any of the Directors regarding the Code at any time during the period ended 30 June 2012. The Board considers that the Company has fully complied with the principles and code provisions set out in the Code in effect before 1 April 2012 during the period from 1 January 2012 to 31 March 2012, and with those set out in the Code that took effect on 1 April 2012 during the period from 1 April 2012 to 30 June 2012.

AUDIT COMMITTEE

In compliance with the provisions set out in the Code, the Company established an audit committee of the Company (the "**Audit Committee**").

The Board adopted all contents set out in code provisions C.3.3 of the Code as the terms of reference of the Audit Committee. The Audit Committee has considered and reviewed the accounting standards and methods adopted by the Company and other matters relating to the auditing, internal control and financial reporting, which included the unaudited interim financial statements for the six months ended 30 June 2012.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITE OF THE HONG KONG STOCK EXCHANGE

The 2012 interim report of the Company will be published on the Company's website at http://www.irico.com.cn and the website of the Hong Kong Stock Exchange in due course.

By order of the Board
IRICO Group Electronics Company Limited
Chu Xiaohang
Joint Company Secretary

Shaanxi Province, the PRC
27 August 2012

As at the date of this announcement, the Board consists of Mr. Tao Kui and Mr. Zhang Junhua as executive Directors, Mr. Guo Mengquan, Mr. Niu Xinan, Mr. Fu Jiuquan and Mr. Zhang Weichuan as non-executive Directors, and Mr. Xu Xinzhong, Mr. Feng Bing, Mr. Wang Jialu, Mr. Lv Hua, and Mr. Zhong Pengrong as independent non-executive Directors.

* *For identification purposes only*