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Tenfu (Cayman) Holdings Company Limited
天福（開曼）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6868)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

Financial Highlights

- Revenue for the year ended 31 December 2012 decreased by 2.7% from RMB1,753.3 million for 2011 to RMB1,706.6 million;
- Gross profit for the year ended 31 December 2012 increased by 1.4% from RMB1,079.5 million for 2011 to RMB1,094.7 million, with an increase in gross profit margin from 61.6% for 2011 to 64.1% for the year ended 31 December 2012;
- Profit for the year ended 31 December 2012 increased by 0.4% from RMB293.5 million for 2011 to RMB294.6 million, which corresponded to an increase in net profit margin from 16.7% for 2011 to 17.3% for the year ended 31 December 2012;
- Basic earnings per share for the year ended 31 December 2012 was RMB0.24; and
- The Board proposed a final dividend of HKD0.14 per share (equivalent to RMB0.11 per share).

The board of directors (the "**Board**") of Tenfu (Cayman) Holdings Company Limited (the "**Company**" or "**Tenfu**" and together with its subsidiaries, the "**Group**") is pleased to announce the consolidated results of the Group for the year ended 31 December 2012, together with the comparative figures for the year ended 31 December 2011, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") as below.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2012 RMB'000	2011 RMB'000
Revenue	3	**1,706,598**	1,753,317
Cost of sales		**(611,894)**	(673,759)
Gross profit		**1,094,704**	1,079,558
Distribution costs		**(491,467)**	(480,189)
Administrative expenses		**(204,697)**	(176,506)
Other income		**12,848**	7,416
Other losses – net		**(3,841)**	(3,622)
Operating profit		**407,547**	426,657
Finance income		**6,739**	1,532
Finance costs		**(8,558)**	(20,830)
Finance costs – net	4	**(1,819)**	(19,298)
Share of profit of a jointly controlled entity		**1,407**	1,347
Profit before income tax		**407,135**	408,706
Income tax expense	5	**(112,538)**	(115,196)
Profit for the year, all attributable to the owners of the Company		**294,597**	293,510
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year, all attributable to the owners of the Company		**294,597**	293,510
Earnings per share for profit attributable to the owners of the Company			
– Basic earnings per share	6	**RMB 0.24**	RMB 0.27
– Diluted earnings per share	6	**RMB 0.24**	RMB 0.27

	Note	Year ended 31 December 2012 RMB'000	2011 RMB'000
Dividends	7	**218,372**	278,056

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2012** *RMB'000*	2011 *RMB'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights		**90,065**	19,119
Investment properties		**4,743**	5,030
Property, plant and equipment		**494,243**	383,544
Intangible assets		**1,780**	2,670
Investment in a jointly controlled entity		**4,341**	4,061
Deferred income tax assets		**37,756**	42,008
Prepayments – non-current portion	*8(b)*	**95,897**	31,134
		728,825	487,566
Current assets			
Inventories		**431,437**	380,026
Trade and other receivables	*8(a)*	**212,244**	314,731
Prepayments	*8(b)*	**86,123**	103,605
Restricted cash		**27,500**	16,470
Time deposits		**89,400**	55,600
Cash and cash equivalents		**558,841**	1,119,929
		1,405,545	1,990,361
Total assets		**2,134,370**	2,477,927

	Note	As at 31 December 2012 RMB'000	2011 RMB'000
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital	9	**100,816**	100,816
Share premium	9	**678,625**	1,036,145
Other reserves	10	**406,784**	375,897
Retained earnings		**642,353**	377,624
Total equity		**1,828,578**	1,890,482
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**11,963**	14,497
Current liabilities			
Trade and other payables	12	**161,965**	213,034
Dividends payable		**1,642**	–
Current income tax liabilities		**22,445**	35,143
Borrowings	13	**104,283**	324,771
Other liabilities	14	**3,494**	–
		293,829	572,948
Total liabilities		**305,792**	587,445
Total equity and liabilities		**2,134,370**	2,477,927
Net current assets		**1,111,716**	1,417,413
Total assets less current liabilities		**1,840,541**	1,904,979

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Group is engaged in the classification, packaging of tea leaves, manufacture of tea snacks, and sale of tea leaves, tea snacks and tea ware. The Group has manufacturing plants in Fujian Province and Sichuan Province, the People's Republic of China (the "PRC") and sells mainly to customers located in the PRC.

The Company was incorporated in the Cayman Islands on 22 April 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's ordinary shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "SEHK") on 26 September 2011 (the "Listing").

The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") of the Company on 18 March 2013.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with HKFRSs under the historical cost convention.

There are no new standards and amendments to standards which are mandatory for the first time for the financial year beginning on 1 January 2012 which had a material impact on the Group's financial statements.

3 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from a product perspective. The Board assesses the performance of the operating segments based on a measure of segment profit or loss.

The reportable operating segments derive their revenue primarily from the classification, packaging of tea leaves, manufacture of tea snacks, and sale of tea leaves, tea snacks and tea ware.

Other services include revenue from restaurant, hotel and management services. These are not included within the reportable operating segments, as they are not presented separately in the reports provided to the Board.

No geographical segment information is presented as almost all the sales and operating profits of the Group are derived within the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

During 2012, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

The Board assesses the performance of the operating segments based on a measure of adjusted operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. The common administrative expenses, other gains or losses, other income, financing (including finance costs and interest income), share of results of a jointly controlled entity and income taxes are managed on a group basis and are not allocated to operating segments.

Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, intangible assets, inventories, trade and other receivables, prepayments, as well as cash and cash equivalents and restricted cash held by subsidiaries in mainland China. They exclude investment properties, deferred income tax assets and prepaid tax, as well as time deposits held by subsidiaries in mainland China, and cash and cash equivalents held by the Company and overseas subsidiaries.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities, tax liabilities, dividends payable and other payables due to related parties and directors' and senior management's emoluments payable.

Revenue

Turnover of the Group consists of the following revenues for the years ended 31 December 2012 and 2011.

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Tea leaves	**1,108,889**	1,233,912
Tea snacks	**239,691**	263,570
Tea ware	**326,466**	221,066
Others	**31,552**	34,769
	1,706,598	1,753,317

The segment results for the year ended 31 December 2012:

	Tea leaves	**Tea snacks**	**Tea ware**	**All other segments**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**1,108,889**	**239,691**	**326,466**	**31,552**	**1,706,598**
Segment results	**316,277**	**30,448**	**67,659**	**5,934**	**420,318**
Common administrative expenses					**(21,778)**
Other losses – net					**(3,841)**
Other income					**12,848**
Finance costs – net					**(1,819)**
Share of results of a jointly controlled entity					**1,407**
Profit before income tax					**407,135**
Income tax expense					**(112,538)**
Profit for the year					**294,597**

Other segment items included in the 2012 consolidated statement of comprehensive income:

	Tea leaves *RMB'000*	**Tea snacks** *RMB'000*	**Tea ware** *RMB'000*	**All other segments** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Depreciation of property, plant and equipment	**32,654**	**9,814**	**6,624**	**2,183**	**10,648**	**61,923**
Depreciation of investment properties	**–**	**–**	**–**	**–**	**287**	**287**
Amortization of leasehold land and land use rights	**1,350**	**340**	**404**	**67**	**–**	**2,161**
Losses/(gains) on disposal of property, plant and equipment, net	**643**	**117**	**147**	**(9)**	**–**	**898**

The segment assets and liabilities as at 31 December 2012 are as follows:

	Tea leaves *RMB'000*	**Tea snacks** *RMB'000*	**Tea ware** *RMB'000*	**All other segments** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment assets	**1,126,059**	**236,838**	**275,675**	**29,797**	**466,001**	**2,134,370**
Segment liabilities	**89,096**	**15,175**	**27,638**	**900**	**172,983**	**305,792**

The segment results for the year ended 31 December 2011:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Segment revenue	1,233,912	263,570	221,066	34,769	1,753,317
Segment results	373,323	34,811	31,345	2,996	442,475
Common administrative expenses					(19,612)
Other losses – net					(3,622)
Other income					7,416
Finance costs – net					(19,298)
Share of results of a jointly controlled entity					1,347
Profit before income tax					408,706
Income tax expense					(115,196)
Profit for the year					293,510

Other segment items included in the 2011 consolidated statement of comprehensive income:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Depreciation of property, plant and equipment	28,871	8,830	3,823	1,764	7,687	50,975
Depreciation of investment properties	–	–	–	–	283	283
Amortization of leasehold land and land use rights	252	84	49	54	–	439
Losses on disposal of property, plant and equipment, net	178	121	8	3	887	1,197

The segment assets and liabilities as at 31 December 2011 are as follows:

	Tea leaves *RMB'000*	Tea snacks *RMB'000*	Tea ware *RMB'000*	All other segments *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment assets	892,407	228,951	158,126	44,861	1,153,582	2,477,927
Segment liabilities	131,655	29,427	26,310	1,605	398,448	587,445

4 FINANCE COSTS – NET

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Finance costs		
– Interest expenses on bank borrowings	**8,177**	20,830
– Net foreign exchange loss	**381**	–
	8,558	20,830
Finance income		
– Interest income on short-term bank deposits	**(6,739)**	(1,532)
Net finance costs	**1,819**	19,298

5 INCOME TAX EXPENSE

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Current income tax		
– Hong Kong profits tax	**62**	225
– PRC corporate income tax	**104,476**	118,476
Deferred income tax	**8,000**	(3,505)
Income tax expense	**112,538**	115,196

(i) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

For the year ended 31 December 2012, Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the year.

(iii) PRC corporate income tax ("CIT")

CIT is provided on the assessable income of entities within the Group incorporated in the PRC.

6 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2012	2011
Profit attributable to the owners of the Company (RMB'000)	**294,597**	293,510
Weighted average number of ordinary shares in issue	**1,227,207,460**	1,073,457,378
Basic earnings per share (RMB)	**0.24**	0.27

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares comprise share options.

Performance-related employee share options are treated as contingently issuable shares. Contingently issuable shares are considered outstanding and where applicable, included in the calculation of diluted earnings per share as if the conditions of the contingency are deemed to have been met, based on the information available, at the end of reporting period.

As at 31 December 2012, none of the performance conditions of the share options were met, and thus the potentially dilutive ordinary shares are not included in the calculation of diluted earnings per share. As a result, diluted earnings per share is the same as basic earnings per share.

7 DIVIDENDS

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Interim dividend	**79,464**	–
Proposed final dividend	**138,908**	158,889
Special dividend	**–**	119,167
	218,372	278,056

At a meeting held on 18 March 2013, the Board proposed a final dividend for 2012 of HKD171,809,000 (equivalent to RMB138,908,000), representing HKD14 cents (equivalent to RMB11 cents) per share using the share premium account.

The proposed final dividend for 2012 is to be approved by the shareholders at the forthcoming Annual General Meeting. The proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2013.

The interim dividend for 2012 of HKD8 cents (equivalent to RMB6.5 cents) per share was declared by the Board on 27 August 2012 using the share premium account. This interim dividend, amounting to HKD98,177,000 (equivalent to RMB79,464,000), has been reflected as an appropriation of share premium for the year ended 31 December 2012.

The 2011 final dividend and special dividend of HKD16 cents (equivalent to RMB13 cents) per share and HKD12 cents (equivalent to RMB10 cents) per share respectively, totalling HKD196,353,000 (equivalent to RMB158,889,000) and HKD147,265,000 (equivalent to RMB119,167,000) respectively, were approved by the shareholders at the Annual General Meeting held on 27 April 2012.

The dividends paid in 2012 and 2011 were RMB355,878,000 and RMB157,749,000 respectively.

8 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade receivables due from third parties	**191,948**	285,626
Other receivables due from related parties	**–**	448
Others	**20,296**	28,657
	20,296	29,105
	212,244	314,731

Most of Group's sales are settled in cash or in bills by its customers. Credit sales are made to selected customers with good credit history with a credit term of 140 days.

As at 31 December 2012 and 2011, the ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Up to 140 days	**177,684**	259,966
141 days to 6 months	**9,437**	16,094
6 months to 1 year	**4,619**	9,504
1 year to 2 years	**208**	62
	191,948	285,626

As at 31 December 2012, trade receivables of RMB14,264,000 (31 December 2011: RMB25,660,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Past due within 40 days	**9,437**	16,094
Past due within 220 days	**4,619**	9,504
Past due over 220 days	**208**	62
	14,264	25,660

As at 31 December 2012, no trade receivables was impaired and provided for (31 December 2011: nil).

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
RMB	**209,483**	313,987
USD	**2,761**	744
	212,244	314,731

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(b) Prepayments

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Non-current		
Prepayments for property, plant and equipment	**95,897**	31,134
Current		
Prepayments for lease of property and lease deposits	**60,852**	63,247
Prepayments to related parties	**–**	14,342
Prepayments to third parties	**18,543**	21,322
Prepaid taxes	**6,728**	4,694
	86,123	103,605
	182,020	134,739

9 SHARE CAPITAL AND PREMIUM

	Number of authorized shares *(thousands)*	Number of issued shares	Ordinary shares *RMB*	Share premium *RMB*	Total *RMB*
At 1 January 2012	**8,000,000**	**1,227,207,460**	**100,815,647**	**1,036,145,418**	**1,136,961,065**
Dividends (iii)	**–**	**–**	**–**	**(357,520,150)**	**(357,520,150)**
At 31 December 2012	**8,000,000**	**1,227,207,460**	**100,815,647**	**678,625,268**	**779,440,915**
Representing:					
Proposed final dividend (iii)				**138,908,000**	
Others				**539,717,268**	
At 31 December 2012				**678,625,268**	
At 1 January 2011	8,000,000	101,858,746	8,874,657	194,806,000	203,680,657
Capitalisation issue (i)	–	916,728,714	74,896,736	(74,896,736)	–
Issuance of ordinary shares (ii)	–	208,620,000	17,044,254	1,005,610,986	1,022,655,240
Share issuance costs (ii)	–	–	–	(89,374,832)	(89,374,832)
At 31 December 2011	8,000,000	1,227,207,460	100,815,647	1,036,145,418	1,136,961,065
Representing:					
Proposed dividends (iii)				282,258,000	
Others				753,887,418	
As 31 December 2011				1,036,145,418	

(i) On 26 September 2011, pursuant to a shareholders' resolution dated 31 August 2011, conditional on the share premium account of the Company being credited as a result of the issue of the offer shares pursuant to the global offering, the Company capitalised an amount of HKD91,672,871 (equivalent to RMB74,896,736), standing to the credit of its share premium account by applying such sum to pay up in full at par a total of 916,728,714 shares for allotment and issue to the persons whose names appear on the then register of members of the Company prior to the Listing of the Company in accordance with their respective shareholdings in the Company (as nearly as possible without involving fractions).

(ii) On 26 September 2011, the Company issued 208,620,000 new ordinary shares of HKD0.1 each at HKD6.0 per share in connection with its global offering and the commencement of the Listing of its shares on the SEHK, and raised gross proceeds of approximately HKD1,251,720,000 (equivalent to RMB1,022,655,240). The excess over the par value of RMB17,044,254 for the 208,620,000 ordinary share issued net of the transaction costs of RMB89,374,832 was credited to "share premium" with amount of RMB916,236,154.

(iii) Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company. Details of the dividends are set out in Note 7.

10 OTHER RESERVES

	Merger reserve *RMB'000*	Capital reserve *RMB'000*	Statutory reserves *RMB'000*	Share-based payment reserve *RMB'000*	Total *RMB'000*
At 1 January 2012	**278,811**	**231**	**96,855**	**–**	**375,897**
Appropriation to statutory reserves	**–**	**–**	**29,868**	**–**	**29,868**
Share option scheme – value of services from directors, employees and independent third party distributors *(Note 11)*	**–**	**–**	**–**	**1,019**	**1,019**
At 31 December 2012	**278,811**	**231**	**126,723**	**1,019**	**406,784**
At 1 January 2011	278,811	231	63,368	–	342,410
Appropriation to statutory reserves	–	–	33,487	–	33,487
At 31 December 2011	278,811	231	96,855	–	375,897

11 SHARE-BASED PAYMENTS

On 17 December 2010, the Company adopted a share option scheme whereby the Board can grant options for the subscription of the Company's shares to the directors, employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group.

Share Option Scheme

Pursuant to the share option scheme of the Company in relation to the grant of options under the Share Option Scheme, the Company granted options to subscribe for an aggregate of 7,046,000 shares and 1,307,000 shares on 6 January 2012 and 12 January 2012 respectively to certain directors, employees and independent third party distributors. The options have a contractual option term of 10 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash. These options vest in tranches over a period of up to 3 years.

The options are exercisable during the following periods, subject to the Group achieving its target growth in revenue and net profit and the employees and independent third party distributors meeting their performance targets as well. The employees should remain in the Group's employ and the independent third party distributors should keep their businesses with the Group until that performance condition is satisfied.

(i) up to 35% on or after 5 January 2013 and 11 January 2013 respectively;

(ii) up to 35% on or after 5 January 2014 and 11 January 2014 respectively;

(iii) all the remaining options on or after 5 January 2015 and 11 January 2015 respectively.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price in HKD per share	**Number of options** ***(thousands)***
As at 1 January 2012	–	–
Granted on 6 January 2012	5.41	7,046
Granted on 12 January 2012	5.60	1,307
Forfeited *(Note (a))*	5.41	(15)
As at 31 December 2012	5.44	8,338

(a) Options were forfeited during the year ended 31 December 2012 due to employee resignation.

Share options outstanding at 31 December 2012 have the following expiry dates and exercise prices:

Expiry date	**Exercise price HKD per share**	**Number of options** ***(thousands)***
5 January 2022	5.41	7,031
11 January 2022	5.60	1,307

The total fair value, which was determined by using Binomial option price model, of the options granted under the Share Option Scheme as at the grant dates are approximately HKD17,615,000 (equivalent to RMB14,330,000) and HKD3,685,000 (equivalent to RMB2,999,000) on 6 January 2012 and 12 January 2012 respectively. The following assumptions were adopted to calculate the fair value of the options on the grant dates:

	Granted on 6 January 2012	**Granted on 12 January 2012**
Exercise price	HKD5.41	HKD5.60
Expected volatility	53.95%	53.93%
Expected dividend yield	2.00%	2.00%
Risk free rate	1.52%	1.49%

The expected volatility is determined by calculating the historical volatility of the price of listed companies with businesses similar to the Group. The expected dividend yield is determined by the Directors based on the expected future performance and dividend policy of the Group.

The share option expense charged to the consolidated statement of comprehensive income during the year ended 31 December 2012 was approximately HKD1,256,000 (equivalent to RMB1,019,000).

12 TRADE AND OTHER PAYABLES

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade payables – due to third parties	**69,509**	107,757
Trade payables – due to related parties	**12,609**	4,048
Other payables for property, plant and equipment	**3,426**	2,812
Other payables for share issuance costs	**–**	2,370
Other taxes payable	**14,886**	18,312
Employee benefit payables	**18,597**	31,336
Accrued operating expenses	**17,303**	20,255
Advances from customers	**10,233**	11,289
Amounts due to related parties	**2,147**	2,056
Others	**13,255**	12,799
	161,965	213,034

At 31 December 2012 and 2011, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Up to 6 months	**78,596**	92,992
6 months to 1 year	**3,002**	13,741
1 year to 2 years	**507**	1,958
Over 2 years	**13**	3,114
	82,118	111,805

13 BORROWINGS

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Short-term bank borrowings		
– Unsecured bank borrowings	**80,000**	163,327
– Mortgaged bank borrowings (i)	**24,283**	161,444
	104,283	324,771

(i) As at 31 December 2012, bank borrowings of RMB24,283,000 are secured by bank deposits of RMB27,500,000.

As at 31 December 2011, bank borrowings of RMB100,000,000 are secured by the land use rights and property, plant and equipment of the Group and bank borrowings of RMB61,444,000 are secured by bank deposits of RMB16,470,000.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
RMB	**80,000**	296,090
HKD	**24,283**	–
USD	**–**	28,681
	104,283	324,771

The weighted average effective interest rates at the balance sheet date was as follows:

	As at 31 December	
	2012	2011
Short-term bank borrowings	**5.33%**	5.44%

The fair value of short-term bank borrowings approximate their carrying amount.

14 OTHER LIABILITIES

	As at 31 December	
	2012	2011
	RMB'000	*RMB'000*
Deferred revenue: customer loyalty programme	**3,494**	–

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to redeem products of the Group in the future. Accordingly certain portion of the revenue from sale transaction is required to be deferred. Revenue from the reward points is recognised when the points are redeemed. Unused reward points will expire after one year.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

In 2012, the Group achieved revenue of RMB1,706.6 million, down 2.7% from 2011, and recorded profit for the year of RMB294.6 million, up 0.4% from 2011. The decrease in the Group's revenue for the year was mainly due to the impact of stagnant macroeconomic conditions.

In 2012, the Group further strengthened its market position and the efficiency of its operations, including further expanding its network, actively promoting the customer loyalty programme, consolidating and developing customer base, increasing release of marketing program and education and training for the employees, improving employees's benefits, while controlling expenditures.

1. **Leading brand position.** According to a report by Euromonitor International, an independent third party, the "Tenfu" (天福) brand has one of the highest levels of brand awareness amongst tea product consumers in the PRC. With its high level of brand awareness and more than 18 years of presence in the market, the Group believes it is in a strong position to continue capturing such expected growth in the market for branded traditional Chinese tea leaves.

2. **Expanding sales network.** The Group has continued adding retail outlets and retail points with a view to expanding the reach of its sales network for its tea products in the PRC. As of 31 December 2012, the Group had a total of 1,315 self-owned and third-party owned retail outlets and retail points, up a net of 108 retail outlets and retail points from a total of 1,207 as of 31 December 2011.

3. **Growth in profit margin.** In 2012, net profit margin increased to 17.3% from 16.7% for 2011 mainly due to the increase in gross profit margin and the decrease in finance cost.

In 2013, the Group plans to continue to expand and optimize its network of self-owned retail outlets and retail points, expand its market share in first-tier and second-tier cities, further penetrate into third-tier and fourth-tier cities, ride on the urbanization progress of townships and purchase store premises for the operation of self-owned retail outlets.

In particular, the Group plans to:

1. **Continue to expand and optimize retail sales network.** The Group plans to further expand retail outlets and retail points per year over the next five years, including both self-owned and third-party owned retail outlets and retail points. As part of this goal, the Group plans to establish new retail outlets on high-traffic streets in the central business districts of selected cities, as well as retail points in popular shopping malls, actively expand networks in third-tier and fourth-tier and smaller cities, and develop quality distributors to increase the sales of its tea products.

2. **Continue to enhance brand reputation and consumer awareness.** The Group plans to maintain and promote its high level of brand awareness through targeted marketing and promotional activities. As part of these promotional activities, the Group plans to make further efforts to promote its products and brands during the major traditional Chinese festivals, and actively hold tea ware exhibition, incense lore expo, new tea tasting events and tea art education activities for enhancement of communications and interactions with customers in order to maintain and promote the well-known Tenfu brand.

3. **Continue to develop new concepts for tea-related products.** The Group believes that a broad portfolio of products will help it to maintain its leading brand position and keep pace with constantly changing consumer preferences and trends. To this end, the Group will continue the development of tea and related products to meet market requirements, as well as creating the trend and leading the trend.

4. **Enhance processing and distribution efficiency and effectiveness.** The Group rolled out the fully-integrated ERP (Enterprise Resources Planning) system in 2012, so as to be provided with the real-time sales and inventory data of the retail outlets. The Group intends to continue proper implementation and usage of the ERP system, aiming to streamline its distribution operation and improve collection of information, so that the Group can manage resources and monitor sales and inventory information more efficiently and effectively.

5. **Expand production capacity through the increase of the number of processing facilities.** The Group plans to cater for future growth and anticipated increases in the demand for tea and tea-related products by expanding production capacity when suitable acquisition opportunities arise or suitable construction sites can be acquired.

Looking forward, the Group's primary goal is to continue growing its business and increasing its market share by leveraging its strong market position and sales network and the anticipated economic growth in the PRC tea market.

Financial Review

Revenue

During the year ended 31 December 2012, the Group engaged in the sale and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The Group has manufacturing plants in Fujian province and Sichuan province, China. The Group's key products are tea leaves, tea snacks and tea ware, which it sells through a nationwide network of self-owned and third-party owned retail outlets and retail points.

During the year ended 31 December 2012, the Group derived substantially all of its revenue from sales of tea leaves, tea snacks and tea ware. The revenue of the Group decreased by 2.7% from RMB1,753.3 million for the year ended 31 December 2011 to RMB1,706.6 million for the year ended 31 December 2012. The following table sets forth a breakdown of revenue by product category for the years indicated:

	Year ended 31 December			
	2012		2011	
	RMB'000	*%*	*RMB'000*	*%*
Revenue contributed from:				
Tea leaves	**1,108,889**	**65.0**	1,233,912	70.4
Tea snacks	**239,691**	**14.0**	263,570	15.0
Tea ware	**326,466**	**19.1**	221,066	12.6
Others[(1)]	**31,552**	**1.9**	34,769	2.0
Total	**1,706,598**	**100.0**	1,753,317	100.0

Note:

(1) "Others" include revenue from restaurant, hotel and management service. The Group derived its revenue from these operations through the provision of accommodation, food and beverages and other ancillary services.

Revenue from sales of the Group's tea leaves decreased by 10.1% from RMB1,233.9 million for the year ended 31 December 2011 to RMB1,108.9 million for the year ended 31 December 2012. Revenue from sales of the Group's tea snacks decreased by 9.1% from RMB263.6 million for the year ended 31 December 2011 to RMB239.7 million for the year ended 31 December 2012. Revenue from sales of the Group's tea ware increased by 47.7% from RMB221.1 million for the year ended 31 December 2011 to RMB326.5 million for the year ended 31 December 2012. The decrease in revenue from sales of the Group's tea leaves was primarily due to the decrease in wholesale revenue affected by the sales during the Spring Festival and the decrease in sales of self-owned stores. The increase in revenue from sales of the Group's tea ware was primarily driven by the expansion of the Group's sales network, and exhibitions held in various large cities during the year.

Cost of sales

Cost of sales of the Group primarily comprises costs of inventory (mainly including costs of raw materials) and labor costs. Cost of sales of the Group decreased by 9.2% from RMB673.8 million for the year ended 31 December 2011 to RMB611.9 million for the year ended 31 December 2012, primarily due to the decrease in sales.

Gross profit and gross profit margin

As a result of the foregoing factors, gross profit of the Group increased by 1.4% from RMB1,079.5 million for the year ended 31 December 2011 to RMB1,094.7 million for the year ended 31 December 2012, with gross profit margin increasing from 61.6% for the year ended 31 December 2011 to 64.1% for the year ended 31 December 2012.

Distribution costs

The distribution costs of the Group increased by 2.4% from RMB480.2 million for the year ended 31 December 2011 to RMB491.5 million for the year ended 31 December 2012. The increase was primarily due to an increase in operating lease payments from RMB120.3 million for the year ended 31 December 2011 to RMB138.1 million for the year ended 31 December 2012 as a result of increased self-owned retail outlets and retail points.

Administrative expenses

Administrative expenses for the Group increased by 16.0% from RMB176.5 million for the year ended 31 December 2011 to RMB204.7 million for the year ended 31 December 2012. The increase was primarily due to the increase in salary costs and depreciation of property, plant and equipment because of the expansion of the Group's business operations, the increase in employees' remuneration, the depreciation of self-owned office premises and the increase in utility expenses.

Other income

Other income of the Group increased by 73.0% from RMB7.4 million for the year ended 31 December 2011 to RMB12.8 million for the year ended 31 December 2012. The increase was primarily due to the increase in PRC local government grants from RMB4.2 million for the year ended 31 December 2011 to RMB10.1 million for the year ended 31 December 2012, and the increase in investment property rental income from RMB1.3 million for the year ended 31 December 2011 to RMB1.4 million for the year ended 31 December 2012.

Other losses and gains, net

The Group recorded other losses of RMB3.8 million for the year ended 31 December 2012, primarily due to net foreign exchange losses and losses from the disposal of property, plant and equipment. The Group recorded other losses of RMB3.6 million for the year ended 31 December 2011, primarily due to net foreign exchange losses and losses from the disposal of property, plant and equipment, partially offset by gains from the amount by which the fair value of the net assets acquired exceeded the acquisition price paid to acquire Xiamen Apex Trading Co., Ltd.

Finance income

Finance income of the Group increased by 346.7% from RMB1.5 million for the year ended 31 December 2011 to RMB6.7 million for the year ended 31 December 2012. The increase was primarily due to the increase in interest income as a result of placing capital with bank deposits.

Finance costs

Finance costs of the Group decreased by 58.7% from RMB20.8 million for the year ended 31 December 2011 to RMB8.6 million for the year ended 31 December 2012, reflecting a decrease in interest expenses on the Group's bank borrowings.

Share of profit of a jointly controlled entity

Share of profit of a jointly controlled entity of the Group was RMB1.4 million for the year ended 31 December 2012 as compared to RMB1.3 million for the year ended 31 December 2011.

Income tax expense

Income tax expense of the Group decreased by 2.3% from RMB115.2 million for the year ended 31 December 2011 to RMB112.5 million for the year ended 31 December 2012, primarily due to a decrease in the Group's profit before tax from RMB408.7 million for the year ended 31 December 2011 to RMB407.1 million for the year ended 31 December 2012, and a decrease in withholding income tax on distributable profits that Tenfu (Hong Kong) Holdings Co., Limited and Ten Rui (Hong Kong) Sales Holdings Co., Limited, the Group's Hong Kong subsidiaries, will receive from the Group's PRC subsidiaries as dividends for the corresponding year.

Profit for the year

As a result of the foregoing factors, profit of the Group, all of which was attributable to the owners of the Company, increased by RMB1.1 million, or 0.4%, to RMB294.6 million for the year ended 31 December 2012 as compared to RMB293.5 million for the year ended 31 December 2011. Net profit margin of the Group increased from 16.7% to 17.3% for the corresponding years, primarily due to decreases in net finance costs, and the offset between the increase in gross profit and distribution costs and administrative expenses.

Liquidity and capital resources

Cash position

The operations of the Group are capital intensive, and its liquidity requirements arise principally from the need for working capital to finance its operations and expansions. The Group has historically met its working capital and other capital requirements principally from cash generated from its operations, bank borrowings and capital contributions by its shareholders.

The Group's cash and cash equivalents decreased by RMB561.1 million, or 50.1%, from RMB1,119.9 million as of 31 December 2011 to RMB558.8 million as of 31 December 2012.

The Group had net cash inflow from operating activities of RMB366.4 million, net cash outflow from investing activities of RMB336.3 million and net cash outflow from financing activities of RMB590.9 million for the year ended 31 December 2012.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB104.3 million as of 31 December 2012, compared to RMB324.8 million as of 31 December 2011. As of 31 December 2012, the weighted average effective interest rate of the Group's bank borrowings was 5.3%, and 76.7% of the Group's bank borrowings were denominated in RMB, while 23.3% were denominated in HKD. Bank borrowings as at 31 December 2012 and those in corresponding period were charged at variable interest rate.

As of 31 December 2012, bank borrowings of RMB24.3 million were secured by bank deposits of RMB27.5 million of the Group. As of 31 December 2011, bank borrowings of RMB100.0 million were secured by the land use rights and property, plant and equipment of the Group, bank borrowings of RMB11.4 million were secured by bank deposits of RMB11.5 million of the Group, and bank borrowings of RMB50.0 million were secured by bank deposits of RMB5.0 million of the Group.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities as of the dates indicated, based on undiscounted contractual payments:

	Less than 1 year	**Between 1 and 2 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As of 31 December 2012			
Bank borrowings	106,689	–	106,689
Trade and other payables	100,946	–	100,946
	207,635	–	207,635
As of 31 December 2011			
Bank borrowings	334,295	–	334,295
Trade and other payables	131,842	–	131,842
	466,137	–	466,137

The Group regularly monitors its gearing ratio, which represents total debt as a percentage of total capital. Total debt is calculated as total borrowings. Total capital is calculated as total equity plus total debt. As of 31 December 2012, the gearing ratio of the Group was 5%, compared to 15% as of 31 December 2011. The decrease in the gearing ratio during 2012 was primarily due to the repayment of the Group's bank borrowings.

Capital and other commitments

As of 31 December 2012, the Group had total investment, capital and operating lease commitments of RMB288.6 million, as compared to RMB353.8 million as of 31 December 2011. The Group plans to fund these commitments primarily with available cash.

The Group's investment commitments comprise commitments to inject registered capital into new and existing subsidiaries of the Group. The table below sets forth the investment commitments of the Group as of the dates indicated:

	As of 31 December	
	2012	2011
	RMB'000	*RMB'000*
Investments in subsidiaries	**12,571**	55,763

The Group's capital commitments comprise unpaid amounts under executed agreements for purchasing property, plant and equipment, primarily in relation to the construction of plants. The table below sets forth capital expenditure contracted for but not yet incurred as of the dates indicated:

	As of 31 December	
	2012	2011
	RMB'000	*RMB'000*
Property, plant and equipment	**17,309**	43,221

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between one to five years, and the majority of the Group's lease agreements are renewable at the end of the lease period at market rate. The table below sets forth the operating lease commitments of the Group as of the dates indicated:

	As of 31 December	
	2012	2011
	RMB'000	*RMB'000*
No later than 1 year	**102,619**	86,559
Later than 1 year and no later than 5 years	**143,949**	152,675
Later than 5 years	**12,122**	15,561
	258,690	254,795

Working capital

	As of 31 December	
	2012	2011
	RMB'000	*RMB'000*
Trade and other receivables	**212,244**	314,731
Trade and other payables	**161,965**	213,034
Inventories	**431,437**	380,026
Trade receivables turnover days(1)	**111**	126
Trade payables turnover days(2)	**58**	58
Inventories turnover days(3)	**239**	187

Notes:

(1) *Trade receivables turnover days = the average of the beginning and ending trade receivables balances for the year, divided by revenue from wholesales to third-party retailers plus sales from the Group's self-owned retail points located in hypermarkets and department stores and sales through other sales channel mainly representing wholesales to other end customers for the year, multiplied by the number of days in the year.*

(2) *Trade payables turnover days = the average of the beginning and ending trade payables balances for the year, divided by cost of sales for the year, multiplied by the number of days in the year.*

(3) *Inventories turnover days = the average of the beginning and ending inventory balances for the year, divided by the cost of sales for the year, multiplied by the number of days in the year.*

The Group's trade and other receivables represent primarily the balances due from third-party retailers. The Group's trade and other receivables decreased by RMB102.5 million from RMB314.7 million as of 31 December 2011 to RMB212.2 million as of 31 December 2012, primarily due to the settlement of trade receivables due from third parties.

The Group's trade and other payables principally comprise payables to its raw material suppliers, employee benefit payables, other taxes payable, accrued operating expenses and amounts due to related parties. The Group's trade and other payables decreased by RMB51.0 million from RMB213.0 million as of 31 December 2011 to RMB162.0 million as of 31 December 2012, primarily due to decreases in trade payables due to third parties and employee benefit payables, partially offset by increases in trade related amounts due to related parties.

The Group's inventories comprise raw materials (including packaging materials), work-in-progress and finished products. The Group's inventories increased by RMB51.4 million from RMB380.0 million as of 31 December 2011 to RMB431.4 million as of 31 December 2012, primarily reflecting increased procurement.

As of 31 December 2012, the Group has sufficient working capital and financial resources to support its regular operations.

Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB, since all of its operating subsidiaries are based in the PRC. As of 31 December 2012, most of the operating entities' revenue, expenses, assets and liabilities were denominated in RMB. The Group's foreign exchange risk mainly arises from the portion of its sales and purchases of products denominated in USD and Japanese Yen and financing activities denominated in USD and HKD. The opinion of the directors of the Company (the "Directors") is that the Group does not have significant foreign currency risk exposure.

Any future depreciation of the RMB could adversely affect the value of any dividends the Group pays to its shareholders. The Group currently does not engage in hedging activities designed or intended to manage such exchange rate risk.

Contingent liabilities

The Group had no material contingent liabilities as of 31 December 2012.

Employee and Remuneration Policy

As of 31 December 2012, the Group had a total of 5,939 employees, with 5,935 employees in the PRC and 4 employees in Hong Kong. For the year ended 31 December 2012, the staff costs of the Group was RMB280.2 million compared to RMB271.9 million for the year ended 31 December 2011.

The Group's employee remuneration policy is determined by reference to factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary review and promotional assessment. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labor dispute during the year ended 31 December 2012.

The Company adopted a Share Option Scheme on 17 December 2010. During the year ended 31 December 2012, the Company granted options on 6 January 2012 to certain Directors, employees and independent third party distributors of the Group to subscribe for an aggregate of 7,046,000 shares and on 12 January 2012 granted options to certain directors of the Group to subscribe an aggregate of 1,307,000 shares. These options vest in tranches over a period of up to 3 years.

OTHER INFORMATION

Use of Proceeds from Initial Public Offering

In September 2011, the Group completed its listing (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and raised net proceeds of RMB933.3 million. As at 31 December 2012, the Company has used RMB193.7 million (or 20.7%) from such proceeds to optimize and expand self-owned retail outlets network, RMB164.3 million (or 17.5%) to acquire store premises for the operation of self-owned retail outlets, RMB93.8 million (or 10%) to finance its working capital, RMB69.4 million (or 7.4%) to maintain and promote its brands and enhance consumer awareness of its brands in the PRC through effective targeted marketing and promotional activities, and RMB41.4 million (or 4.4%) to expand its production capacity through the construction of additional production facilities, primarily for its tea leaves packaging and tea snacks production and packaging facilities. The Company plans to use the remaining net proceeds as stated in the section headed "Future Plans and Use of Proceeds" of the Company's prospectus dated 14 September 2011.

The table below sets out the Company's planned use of the net proceeds at the time of Listing and its use of such net proceeds as of 31 December 2012:

	Planned use of net proceeds at listing	**Net proceeds used as of 31 December 2012**
Expand network of self-owned retail outlets	40.0%	20.7%
Acquire store premises for self-owned retail outlets	25.0%	17.5%
Working capital and other general corporate purposes	10.0%	10.0%
Maintain and promote brands	15.0%	7.4%
Expand production capacity	10.0%	4.4%
Total	100.0%	60.0%

Final Dividend

At the Board meeting held on 18 March 2013 (Monday), it was proposed that a final dividend of HK14 cents per ordinary share (equivalent to RMB11 cents per ordinary share) be paid after 30 May 2013 to the shareholders of the Company whose names appear on the Company's register of members on 21 May 2013 (Tuesday). The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting to be held on 14 May 2013 (Tuesday).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

Annual General Meeting

The Annual General Meeting will be held on 14 May 2013 (Tuesday). A notice convening the Annual General Meeting will be published and dispatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") in due course.

Closure of Register of Members

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 10 May 2013 (Friday) to 14 May 2013 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 9 May 2013 (Thursday).

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on 21 May 2013 (Tuesday), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 20 May 2013 (Monday).

Corporate Governance

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. For the year ended 31 December 2012, the Board is of the view that, for the period from 1 January 2012 till 31 March 2012, the Company has complied with the code provisions in the Code on Corporate Governance Practices (the "**Old Code**") set out in Appendix 14 to the Listing Rules and for the period from 1 April 2012 till 31 December 2012, the Company has complied with the code provisions included in the amendments made to the Old Code which took effect and re-named as "Corporate Governance Code" (the "**New Code**") since 1 April 2012 and there has been no deviation from the code provisions as set forth under the Old Code and the New Code for the year ended 31 December 2012. Further information of the corporate governance practice of the Company will be set out in the Corporate Governance Report in the annual report of the Company for the year ended 31 December 2012.

Purchase, Sale and Redemption of Shares

There was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries for the year ended 31 December 2012.

Model Code for Securities Transactions by Directors

Since the Listing, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the code for the dealings in securities transactions by the Directors. Having made specific enquiries with all Directors, they have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2012.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") consists of Messrs. Lo Wah Wai, Fan Ren Da, Anthony, Lee Kwan Hung, all of whom are the Company's independent non-executive Directors, and Tseng Ming-Sung, a non-executive Director. The chairman of the Audit Committee is Mr. Lo Wah Wai. The annual results for the year ended 31 December 2012 of the Company have been reviewed by the Audit Committee.

Publication of Annual Report

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.tenfu.com). The annual report of the Company for the year ended 31 December 2012 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and made available for review on the same websites in due course.

By order of the Board
Tenfu (Cayman) Holdings Company Limited
Lee Chia Ling
Director

Hong Kong, 18 March 2013

As at the date of this announcement, the Board comprises nine members, of which Mr. Lee Rie-Ho, Mr. Lee Shih-Wei, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin are the executive Directors; Mr. Tseng Ming-Sung and Mr. Wei Ke are the non-executive Directors and Mr. Lo Wah Wai, Mr. Lee Kwan Hung and Mr. Fan Ren Da, Anthony are the independent non-executive Directors.