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CAPINFO COMPANY LIMITED*
首都信息發展股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8157)

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

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which these companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers.

Accordingly, prospective investors should note that they need to have access to the GEM website at “www.hkgem.com” in order to obtain up-to-date information on GEM-listed issuers.

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This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- Achieved a turnover of approximately RMB158 million for the nine months ended 30th September, 2004, representing an approximately 16% decrease over the same period of the previous year;
- Sustained a net loss of approximately RMB10.2 million for the nine months ended 30th September, 2004;
- The Directors do not recommend the payment of an interim dividend for the nine months ended 30th September, 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The board of Directors (the “Board”) of Capinfo Company Limited (the “Company”) announces that, for the nine months ended 30th September, 2004, the Company and its subsidiaries (collectively the “Group”) recorded an unaudited turnover of approximately RMB158 million, representing a decrease of approximately 16% over the same period of last year, and a gross profit margin of 30%, as compared with 26% for the same period of last year. The Group has sustained an unaudited net loss of approximately RMB10.2 million for the period under review as against net profit of approximately RMB4.8 million in the same period of last year.

During the period under review, the Group reduced the e-Commerce business which had a relatively low profit margin. As a result, the turnover decreased and the gross profit margin increased.

During the period under review, the Group devoted more resources to marketing to cope with business development and, in turn, increased the selling and marketing expenses. The increase in operating expenses for the period was also attributable to the increase in general provision on receivables and inventories.

The businesses including credit rating, information kiosk and emergency aid system which were carried out by the Group’s associates and a jointly controlled entity incorporated in recent years were still at the development stage. Losses sustained by such associates and jointly controlled entity plus the increase in operating expenses mentioned above were attributable to the net loss sustained for the period under review.

Other operating income included interest income and government grants which decreased in the period under review.

During the period, there was a claim of approximately RMB14,000,000 from a supplier against the Group as the compensation for the cost and loss arising from the suspension of a material supply contract. In the opinion of the directors, the Group has strong grounds to defend against the claim and will defend the case vigorously. The directors believe that the Group will be able to recover the loss, if any, from its customer since the suspension of the material supply contract was arising from the customer’s request to suspend its contract with the Group. Therefore, the directors are of the view that the Group is not expected to suffer any significant loss in this litigation and no provision has been made in the quarterly financial information.

During the period under review, the Group’s financial position was not exposed to significant fluctuations in exchange rates and any related hedges.

Business Review

During the Period, the Group continued a steady development in its business, which is engaged in the provision for its clients of high quality operation and maintenance services in e-Government information systems. The construction of the Beijing private network of e-Government, and the operation and maintenance of the Beijing Medical Insurance Information Sub-system and the Beijing Municipal Community Services Information Network System were in good progress. Meanwhile, the Group has achieved a considerable progress in the research and development of the multi-lingual intelligent information service network system.

1. Continuous Development of its Core Business

During the Period, the Group had completed the implementation of e-Government access service for a number of institutions including Beijing All Media and Culture Group, Beijing Investment Service Bureau (北京市投資服務局) and Beijing Public Transportation Corporation. Moreover, the Group had also completed the relocation of e-Government private network for institutions such as the Beijing Administration for Industry and Commerce. Up to now, the Group had constructed an aggregate of 27 vertical and horizontal business information systems based on the e-Government private network, and provided e-Government private network access service for approximately 335 organizations.

During the Period, the Group had completed the updating for a number of Medical Insurance Information Sub-systems under the Beijing Social Security Information System and successfully implemented its on-line operation. The Group had conducted user testing of the switching on disaster back-up system on the Medical Insurance Information System jointly with a number of institutions including the Beijing Municipal Labor & Social Security Bureau. Currently, such disaster back-up system has been put into trial run, which is critical to the smooth operation of the Medical Insurance Information System.

The Real Name Medical Card System co-developed by the Group is currently going on-line in 6 hospitals. The Group has issued 120,000 real name medical cards in aggregate. The testing version of the multi-application citizen card testing platform has been installed in the Beijing Citizen Card Management Center (北京市民卡管理中心) and the first round testing by the Beijing Citizen Card Management Center has been successfully completed.

The “Fundamental Information Element Catalog Standard for Citizens”, the “Fundamental Information Element Exchange for Citizens - Part I” and the “Fundamental Information Element Exchange Standard for Citizens - Part II” principally compiled by the Group was promulgated by the Beijing Administration for Quality Technology Supervisory on 15 June 2004 and was implemented as an official standard of the Beijing Municipal on 1 July 2004.

During the Period, the Group continued its provision of operation and maintenance services for the Beijing Municipal Community Service Information Network System, which operates reliably and stably. The Medical Information Collection and Management System of New Agricultural Cooperation Unit in Chaoyang District of Beijing (北京市朝陽區新型農村合作醫療信息採集管理系統), developed by the Group, has been put into on-line operation. The Group kept exploring the information of national cities and communities business and has developed the “Marriage Register System” (婚姻登記系統) for the civil services division of Hubei province. The system has already gone on-line. Entrusted by the municipal government of Dongguan, the Group has embarked on the study and development of the Community Public Affairs Information System (社區公共事務信息系統).

A continuous development trend was shown on the business of the Group's e-Commerce Payment Platform, and its trading volume achieved a steady growth. The Group has entered into a service agreement with the Beijing Municipal Tertiary Education Examination Enrollment Office (北京市高等教育考試招生辦公室) for the provision of payment service of the enrollment application of postgraduates in 2005 through the Group's e-Commerce Payment Platform. As such, the impact of the Capinfo's e-Commerce Payment Platform will be significantly widespread.

2. Research and Development

General Electronic Platform for Public Services (公共服務電子化通用平台)

The research and development on the unified information center has been completed. The unified information center provides users with real time news services, by which, news and documents transmission and files sharing, SMS messages support are convenient and easy. The center may combine office system and business information services, and acts as an integration interface between office and business information service. Moreover, the Group has completed the research and development on the "unified identity verification center", and its function is a lightweight unified identity verification system supporting Single Sign-On, SSO, with an identity verification function for general, flexible, relatively independent for organization level.

Multi-lingual Intelligent Information Service Network System

The Group actively pushed forward the research on the state's "863 project" and the "Multi-lingual Intelligent Information Service Network System for Olympic Games", a significant task of Beijing Science and Technology Programme, to further improve the multi-lingual information processing platform prototype system. Periodic results were achieved in three demonstrative works such as in the official website, information kiosk and mobile terminal prototype system of the Beijing Organizing Committee of Olympic Games. Multi-lingual translation sub-system is recognized by the state's "High-tech Olympics" Project, and has been applied in the English version of the "High-tech Olympics" website. Multi-lingual information kiosk sub-system has completed the development of tour and weather channels and audio and messages of multi-media information services in various languages which will be officially launched to citizens and tourists soon. Multi-lingual mobile terminal prototype system has completed the initial stage of research and development of mutual interpretation system of a city guide and in a specified area.

The Group has become an official member of Speech Automatic Friendly Interface Research ("SAFIR"), a major scientific research project under e-Government which is subsidized by the EU 6th Framework Programme. The project of SAFIR is mainly focused on the Automatic Friendly Interface of Speech and its application on e-Government, which enables the public and specific users, for instance, fire control, first aid and dangerous goods transportation and disposal, to make vocal service request, obtain government messages and conduct inter-communications by simple and convenient means (mobile phones, televisions and computers) at anytime and in anywhere.

3. Future prospect

The Group will continue to consolidate its leading position in the Beijing e-Government market, and to maintain a steady growth in its core business, and to actively develop the national e-Government market. Meanwhile, the Group will continue to focus on the research and development of the multi-lingual intelligent information service network system and integrated information services, in order to ensure that the overall results of the Group will improve steadily.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2004

	NOTES	(Unaudited)		(Unaudited)	
		Three months ended		Nine months ended	
		30th	30th	30th	30th
		September,	September,	September,	September,
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
Turnover	4	54,343	61,367	157,970	188,421
Cost of sales		(38,710)	(44,679)	(110,839)	(138,692)
Gross profit		15,633	16,688	47,131	49,729
Other operating income		4,087	2,886	8,035	10,482
Research and development costs		(5,222)	(4,124)	(10,772)	(14,267)
Marketing and promotional expenses		(4,416)	(3,508)	(13,481)	(9,886)
Administrative expenses		(10,186)	(9,104)	(33,067)	(27,701)
(Loss) profit from operations		(104)	2,838	(2,154)	8,357
Interest on bank borrowings					
wholly repayable within five years		(331)	(15)	(481)	(196)
Amortisation of goodwill arising					
on acquisition of an associate		(52)	–	(156)	–
Share of losses of associates		(2,028)	(919)	(4,380)	(2,257)
Share of losses of a jointly					
controlled entity		(365)	(136)	(1,149)	(136)
Gain on disposal of a subsidiary		–	–	250	–
(Loss) profit before taxation		(2,880)	1,768	(8,070)	5,768
Income tax expenses	5	(1,512)	(204)	(2,568)	(763)
(Loss) profit before minority interests		(4,392)	1,564	(10,638)	5,005
Minority interests		169	(238)	419	(159)
Net (loss) profit for the period		<u>(4,223)</u>	<u>1,326</u>	<u>(10,219)</u>	<u>4,846</u>
(Loss) earnings per share					
– Basic	6	<u>(0.15 cents)</u>	<u>0.05 cents</u>	<u>(0.35 cents)</u>	<u>0.17 cents</u>

NOTES TO THE QUARTERLY FINANCIAL REPORT
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2004

1. GENERAL

The Company was established in Beijing, the People's Republic of China (the "PRC") as a joint stock limited company. The Company's overseas-listed foreign shares ("H shares") were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Company's ultimate holding company is Beijing State-Owned Assets Management Corporation Limited, a state-owned enterprise, also established in the PRC.

2. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

The condensed financial information has been prepared under the historical cost convention.

The accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st December, 2003.

4. TURNOVER

Turnover represents the aggregate of the net amounts received and receivable from third parties in connection with the provision of e-Government technology services and e-Commerce technology services. An analysis of the Group's turnover is as follows:

	Three months ended		Nine months ended	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RMB'000	RMB'000	RMB'000	RMB'000
e-Government technology services	52,433	48,811	147,771	135,872
e-Commerce technology services	1,910	12,556	10,199	52,549
	<u>54,343</u>	<u>61,367</u>	<u>157,970</u>	<u>188,421</u>

5. TAXATION

	Three months ended		Nine months ended	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RMB'000	RMB'000	RMB'000	RMB'000
The charge comprises:				
Provision for PRC enterprise income tax	1,512	204	2,568	1,918
Deferred taxation credit	—	—	—	(1,155)
	<u>1,512</u>	<u>204</u>	<u>2,568</u>	<u>763</u>

The Company is recognised as a new-technology enterprise according to PRC tax regulations and is entitled to exemption from PRC enterprise income tax for the first three years of its operations and entitled to a 50% tax relief for the following three years commencing 2001. The charge for the period represents PRC enterprise income tax calculated at the rate of 15% (2003: 7.5%) pursuant to the relevant rules and regulations in the PRC.

No provision for deferred taxation has been recognised for the current period as the amount involved is insignificant.

6. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the following data:

	Three months ended		Nine months ended	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
Net (loss) profit for the period	<u>RMB(4,223,000)</u>	<u>RMB1,326,000</u>	<u>RMB(10,219,000)</u>	<u>RMB4,846,000</u>
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	<u>2,898,086,091</u>	<u>2,898,086,091</u>	<u>2,898,086,091</u>	<u>2,898,086,091</u>

No diluted earnings per share has been presented as the exercise price of the Company's options was higher than the average market price of the Company's shares for the periods.

7. SHARE CAPITAL

	Number of shares		Registered, issued and fully paid RMB '000
	Domestic shares	H shares	
Ordinary shares of RMB0.10 each			
At 1st January, 2004 and 30th September, 2004	<u>2,123,588,091</u>	<u>774,498,000</u>	<u>289,809</u>

8. RESERVES

	Share premium RMB '000	Statutory surplus reserve RMB '000	Statutory welfare fund RMB '000	Accumulated profits (losses) RMB '000	Total RMB '000
At 1st January, 2003	254,079	–	–	(4,282)	249,797
Net profit for the period	–	–	–	4,846	4,846
At 30th September, 2003	<u>254,079</u>	<u>–</u>	<u>–</u>	<u>564</u>	<u>254,643</u>
At 1st January, 2004	254,079	550	275	842	255,746
Net loss for the period	–	–	–	(10,219)	(10,219)
At 30th September, 2004	<u>254,079</u>	<u>550</u>	<u>275</u>	<u>(9,377)</u>	<u>245,527</u>

9. CONTINGENT LIABILITIES

During the period, there was a claim of approximately RMB14,000,000 from a supplier against the Group as the compensation for the cost and loss arising from the suspension of a material supply contract. In the opinion of the directors, the Group has strong grounds to defend against the claim and will defend the case vigorously. The directors believe that the Group will be able to recover the loss, if any, from its customer since the suspension of the material supply contract was arising from the customer's request to suspend its contract with the Group. Therefore, the directors are of the view that the Group is not expected to suffer any significant loss in this litigation and no provision has been made in the quarterly financial information.

DIVIDEND

The Board does not recommend the payment of interim dividend for the nine months ended 30th September, 2004 (2003: Nil).

INTERESTS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE (CAP.571 OF THE LAWS OF HONG KONG)(THE "SFO")

a. Directors and Chief Executive of the Company

Save as disclosed below, as at 30th September, 2004, none of the Directors, and chief executive of the Company had any interest and short position in shares, debentures or underlying shares of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

Long positions in the underlying shares – options under share option scheme

Name	Number of H Shares subject to options outstanding at 30th September, 2004			Percentage to the issued H share capital
	Granted under Pre-IPO Share Option Plan	Granted under Share Option Scheme	Total	
<i>Directors</i>				
Dr. Chen Xinxiang	1,309,750	2,700,000	4,009,750	0.51%
Dr. Wang Xu	1,297,350	1,466,000	2,763,350	0.36%
Ms. Zhang Yan	1,308,200	1,466,000	2,774,200	0.36%
Dr. Wu Bo	1,261,700	1,466,000	2,727,700	0.35%
Mr. Qi Qigong	1,244,650	1,466,000	2,710,650	0.35%
Mr. Pan Jiaren	1,244,650	1,466,000	2,710,650	0.35%
Mr. Wong Ying Ho, Kennedy	1,241,550	1,466,000	2,707,550	0.35%
Mr. Ng Kin Fai, Francis	1,241,550	1,466,000	2,707,550	0.35%
	<u>10,149,400</u>	<u>12,962,000</u>	<u>23,111,400</u>	<u>2.98%</u>

All of the above-mentioned share options granted under the Pre-IPO Share Option Plan were granted on 6th December, 2001 at nil consideration with exercise price at HK\$0.48 per H Share. The share options granted to the Directors of the Company are exercisable within a period of ten years from the date of grant and apportioned in accordance with the following schedule subject to restrictions imposed by the relevant PRC laws and regulations:

**Proportion of
share options granted
and held by each of
the directors which
become exercisable**

Exercise period

20%	7th December, 2002 to 6th December, 2011
20%	7th December, 2003 to 6th December, 2011
20%	7th December, 2004 to 6th December, 2011
20%	7th December, 2005 to 6th December, 2011
20%	7th December, 2006 to 6th December, 2011

All of the above-mentioned share options granted under the Share Option Scheme were granted on 17th August, 2004 at nil consideration with exercise price at HK\$0.41 per H Share. The share options granted to the Directors of the Company are exercisable within a period of ten years from the date of grant and apportioned in accordance with the following schedule subject to restrictions imposed by the relevant PRC laws and regulations:

**Proportion of
share options granted
and held by each of
the directors which
become exercisable**

Exercise period

25%	18th August, 2005 to 17th August, 2014
25%	18th August, 2006 to 17th August, 2014
25%	18th August, 2007 to 17th August, 2014
25%	18th August, 2008 to 17th August, 2014

b. Substantial shareholders of the Company and other persons

Save as disclosed below, the Directors are not aware of any other interests and short positions in shares and underlying shares of the Company of any person (other than a Director or chief executive of the Company) as recorded in the register required to be kept under section 336 of the SFO as at 30th September, 2004:

Name of shareholder	Number of shares	Nature of interests	Percentage to the issued share capital
Beijing State-owned Assets Management Corporation Limited	1,783,631,919 domestic shares	Beneficial owner	61.55%

So far as is known to any Director or chief executive of the Company, the following companies/persons were interested in 10% or more of the equity interests of any other members of the Group as at 30th September, 2004:

Name	Equity interests held in members of the Group (except for the Company)	Nature of interests	Approximate percentage
Business Incubator of Chongqing Hi-tech Industrial Development Zone	Chongqing Hongxin Software Company Limited	Beneficial owner	10%

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTIONS

(a) Pre-IPO Share Option Plan

Under the Company's pre-IPO share option plan, share options (the "Pre-IPO Options") had been granted in prior years at an exercise price of HK\$0.48 per H Share, which is the placing price upon the listing of the Company's H Shares, exercisable within a period of ten years from the date of grant subject to restrictions imposed by the relevant PRC laws and regulations. These options were to recognise the past and present contributions of the grantee to the Group. A summary of these share options granted is as follows:

	At 1st January, 2004	Lapsed during the period	At 30th September, 2004
Directors of the Company	11,394,050	—	11,394,050
Supervisors of the Company	3,795,950	—	3,795,950
Senior management of the Company	5,607,590	(770,970)	4,836,620
Senior advisors of the Company	3,929,250	(1,309,750)	2,619,500
Advisors of the Company	5,083,690	(773,760)	4,309,930
Other employees of the Company and its subsidiaries	26,228,015	(1,917,195)	24,310,820
	<u>56,038,545</u>	<u>(4,771,675)</u>	<u>51,266,870</u>

(b) Share Option Scheme

Pursuant to a share option scheme approved by a resolution of the shareholders of the Company dated 6th December, 2001, (the “Scheme”), the Company may grant options to the directors or employees of the Company or its subsidiaries, for the recognition of their contributions to the Group, to subscribe for H Shares in the Company with initial payment of RMB1 upon each grant of options offered and the options granted must be taken up within 14 trading days from the date of grant. The exercise price of the share option will be determined at the higher of the average of closing prices of H Shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option; the closing price of H Shares on the Stock Exchange on the date of grant; and the nominal value of H Shares.

The share options are exercisable at any time for a period to be determined by the directors, which shall not be more than 10 years from the date of grant.

The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 30% of the number of shares to be issued by the Scheme and other option scheme and the number of issued H Shares of the Company from time to time and no employee shall be granted an option which, if all the options granted to the employee (including both exercised and outstanding options) in any 12 months period up the date of grant are exercised in full, would result in such person’s maximum entitlement exceeding 1% of the number of issued H Shares of the Company.

Share options granted by the Company under the Scheme during the period were as follows:

	At 1st January, 2004	Granted during the period	At 30th September, 2004
Directors of the Company	–	14,428,000	14,428,000
Supervisors of the Company	–	4,398,000	4,398,000
Senior management of the Company	–	9,166,000	9,166,000
Senior advisors of the Company	–	11,264,000	11,264,000
Advisors of the Company	–	3,302,000	3,302,000
Other employees of the Company and its subsidiaries	–	24,740,000	24,740,000
	<u>–</u>	<u>67,298,000</u>	<u>67,298,000</u>

COMPETING INTEREST

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company and their respective associates had any interest in a business which competes with the Company or may compete with the business of the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the nine months ended 30th September 2004. The Company had also made specific enquiries of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

CORPORATE GOVERNANCE

The Company has complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules during the period of review.

An audit committee was established on 6th December, 2001 with written terms of reference in compliance with Rules 5.34 to 5.45 of the GEM Listing Rules. The three independent non-executive directors, Mr. Wong Ying Ho, Kennedy, Mr. Ng Kin Fai, Francis and Mr. Liu Dongdong, have been appointed to the audit committee. Mr. Wong Ying Ho, Kennedy was appointed as the Chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

By Order of the Board
CAPINFO COMPANY LIMITED*
Dr. CHEN Xinxiang
Chairman

Beijing, The People's Republic of China, 9th November, 2004

As of the date hereof, the executive directors of the Company are Dr. Chen Xinxiang, Dr. Wang Xu, Ms. Zhang Yan, Dr. Wu Bo; the non-executive directors of the Company are Mr. Li Minji, Mr. Xing Dehai, Mr. Xu Zhe, Mr. Bai Liming, Mr. Qi Qigong, Mr. Pan Jiaren, Mr. Ye Yongdong, Mr. Lu Dongtao, Ms. Tan Guoan; and the independent non-executive directors of the Company are Mr. Wong Ying Ho, Kennedy, Mr. Ng Kin Fai, Francis and Mr. Liu Dongdong.

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

* *For identification purposes only*