



BEIJING MEDIA CORPORATION LIMITED

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

(Stock Code: 1000)

2004 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

1. Turnover increased by 2.9% to RMB1,101,335,000
2. Operating profit increased by 11.7% to RMB265,430,000
3. Profit attributable to shareholders increased by 26.8% to RMB194,180,000
4. Earnings per share of RMB1.31
5. Proposed final dividend per share of RMB0.39

The Board of directors (the “Board”) of Beijing Media Corporation Limited (the “Company” or, including its subsidiaries, the “Group”) is pleased to announce the audited consolidated results of the Group which have been prepared in accordance accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	Note	2004 RMB'000	2003 RMB'000
Turnover	1	1,101,335	1,070,198
Cost of sales		(759,088)	(676,015)
Gross profit		342,247	394,183
Other revenues	1	29,264	3,402
Selling and distribution expenses		(56,872)	(92,280)
Administrative expenses		(45,250)	(50,258)
Other operating expenses		(749)	(17,412)
Loss on sale of discontinued operations	2	(3,210)	—

Operating profit	3	265,430	237,635
Finance costs	4	(2,894)	(170)
Share of profits and losses of A jointly controlled entity		(40,293)	—
Associated companies		40	274
Profit before taxation		222,283	237,739
Taxation	5	(16,735)	(82,745)
Profit after taxation		205,548	154,994
Minority interests		(11,368)	(1,824)
Profit attributable to shareholders		194,180	153,170
Dividends	6	(171,535)	—
Earnings per share, basic (<i>RMB</i>)	7	1.31	1.04

NOTES TO THE ACCOUNTS

1. Turnover, Revenue and Segment Information

The Group is principally engaged in the provision of newspaper advertising services, printing, distribution of newspapers and magazines and trading of print-related materials in the PRC. In 2004, the Company disposed of the businesses of newspapers and magazines distribution and web transmission technology. Please refer to Note 2 for the details of disposal. Revenues recognised during the year are as follows:

(a) Turnover and other revenues

	Year ended 31 December	
	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Turnover		
Advertising	814,127	787,380
Printing	36,216	5,062
Distribution	69,880	103,828
Trading of print-related materials	153,819	161,271
Others	27,293	12,657
	1,101,335	1,070,198
Other revenues		
Government grant ⁽¹⁾	21,500	—
Interest income	6,211	3,369
Rental income	1,513	—
Others	40	33
	29,264	3,402
Total revenues	1,130,599	1,073,600

Note (1): The amount represented the government grant in connection with the 2004 China Open Tennis Tournament to the Company.

(b) *Segment information*

Primary reporting format – business segments

The Group is organised into four main business segments:

- | | | |
|------------------------------------|---|--|
| Advertising | – | Sales of the advertising spaces in the newspapers published by Beijing Youth Daily Newspaper Agency (the “Ultimate Holding Company”). |
| Printing | – | Provision of printing service. |
| Distribution | – | Distribution of newspapers and magazines mainly published by the Ultimate Holding Company, this business has been disposed of. Please refer to Note 2 for the details of disposal. |
| Trading of print-related materials | – | Sales of paper, ink, lubricants, films, PS boards and rubber sheets for printing and other print-related materials. |
| Others | – | Provision of information and web transmission technology services which has been disposed of and others. Please refer to Note 2 for the details of disposal. |

The Group’s inter-segment transactions mainly consist of provision of printing and promotion services. These transactions were entered into on similar terms as those contracted with third parties.

Year ended 31 December 2004						
	Advertising	Printing	Distribution	Trading of print-related materials	Others	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Turnover (including inter-segment)	814,127	403,338	81,898	153,819	27,293	1,480,475
Less: Inter-segment sales	—	(367,122)	(12,018)	—	—	(379,140)
Turnover to external customers	<u>814,127</u>	<u>36,216</u>	<u>69,880</u>	<u>153,819</u>	<u>27,293</u>	<u>1,101,335</u>
Segment results	<u>185,517</u>	<u>18,940</u>	<u>21,093</u>	<u>9,988</u>	<u>4,587</u>	240,125
Government grant	—	—	—	—	21,500	21,500
Unallocated income						7,764
Unallocated costs						(749)
Loss on sale of discontinued operations						(3,210)
Operating profit						265,430
Finance costs						(2,894)
Share of losses of a jointly controlled entity					(40,293)	(40,293)
Share of profits and losses of associated companies					40	40
Profit before taxation						222,283
Taxation						(16,735)
Profit after taxation						205,548
Minority interests						(11,368)
Profit attributable to shareholders						<u>194,180</u>
Capital expenditure	996	69	229	34	474	1,802
Depreciation	4,099	467	1,726	230	328	6,850
Amortisation charge	827	—	—	—	—	827
Other non-cash (income)/expense	(10)	—	46	—	—	36
As at 31 December 2004						
Segment assets	1,595,524	53,251	—	40,749	—	1,689,524
Interests in a jointly controlled entity	—	—	—	—	(37,743)	(37,743)
Long-term investment	—	—	—	2,069	—	2,069
Total assets						<u>1,653,850</u>
Segment liabilities	184,799	51,940	—	23,620	—	<u>260,359</u>

	Year ended 31 December 2003					
	Advertising	Printing	Distribution	Trading of print-related materials	Others	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Turnover (including inter-segment)	787,380	329,816	145,324	161,271	12,657	1,436,448
Less: Inter-segment sales	—	(324,754)	(41,496)	—	—	(366,250)
Turnover to external customers	<u>787,380</u>	<u>5,062</u>	<u>103,828</u>	<u>161,271</u>	<u>12,657</u>	<u>1,070,198</u>
Segment results	<u>169,397</u>	<u>14,485</u>	<u>62,154</u>	<u>3,752</u>	<u>1,857</u>	251,645
Unallocated income						3,402
Unallocated costs						<u>(17,412)</u>
Operating profit						237,635
Finance costs						(170)
Share of profits and losses of associated companies					274	<u>274</u>
Profit before taxation						237,739
Taxation						<u>(82,745)</u>
Profit after taxation						154,994
Minority interests						<u>(1,824)</u>
Profit attributable to shareholders						<u>153,170</u>
Capital expenditure	648	57	1,562	2,092	362	4,721
Depreciation	4,351	484	2,451	195	400	7,881
Amortisation charge	827	—	—	—	—	827
Other non-cash expenses	10	—	—	—	—	10
As at 31 December 2003						
Segment assets	520,888	35,111	100,979	27,951	6,581	691,510
Interests in associated companies	—	—	—	—	4,866	4,866
Long-term investment	—	—	—	2,069	—	<u>2,069</u>
Total assets						<u>698,445</u>
Segment liabilities	122,450	47,802	83,036	19,230	1,952	<u>274,470</u>

The Group operates within one geographical segment because its revenues are primarily generated in the PRC and its assets are located in the PRC. Accordingly, no geographical segment data are presented.

2. Sale of Discontinued Operations

On 26 July 2004, the Company's board of directors approved a detailed formal plan to dispose of the businesses of newspapers and magazines distribution and web transmission technology.

The Company and XiaoHongMao Corporation entered into an agreement in respect of the transfer of the entire equity interests in Beijing XiaoHongMao Newspaper and Periodicals Distribution Services Co., Ltd. (“Little Red Cap”) of the Company to XiaoHongMao Corporation at a cash consideration of RMB13,798,000. Moreover, the Company and the Ultimate Holding Company entered into an agreement in respect of the transfer of the entire interests in Media Online, Beijing Youth Daily (“BYD Net”) of the Company to the Ultimate Holding Company at a cash consideration of RMB2,622,000.

The sale of the above discontinued operations became effective on 31 August 2004 after all the conditions to the sale were satisfied, all cash proceeds were settled and ownership as well as controls were passed to XiaoHongMao Corporation and the Ultimate Holding Company respectively. The total net assets of Little Red Cap and BYD Net as of 31 August 2004 amounted to approximately RMB19,630,000, and the difference between the total consideration and the net assets sold amounting to RMB3,210,000, has been recorded as a loss on sale of discontinued operations.

The names of certain companies referred to as above represent management’s best efforts in translating the Chinese names of these companies as no English names have been registered.

3. Operating Profit

Operating profit is arrived at after crediting and charging of the following items:

	Year ended 31 December	
	2004	2003
	RMB’000	RMB’000
Crediting		
Reversal of provision for doubtful debts	<u>55</u>	<u>—</u>
Charging		
Depreciation of fixed assets	6,850	7,881
Amortisation of intangible assets	827	827
Provision for doubtful debts	—	10
Loss on disposal of fixed assets	36	637
Staff costs, including directors’, supervisors’ and senior management’s emoluments	46,628	75,214
Printing costs	169,002	139,652
Cost of inventories		
– printing	206,675	166,363
– trading	138,932	152,995
Operating leases rental in respect of buildings	3,794	6,084
Auditors’ remunerations	<u>2,539</u>	<u>442</u>

4. Finance Costs

	Year ended 31 December	
	2004	2003
	RMB’000	RMB’000
Interest expenses on bank loans – wholly repayable within one year	543	170
Others	<u>2,351</u>	<u>—</u>
	<u>2,894</u>	<u>170</u>

5. Taxation

Enterprise income tax ("EIT")

The Group is not subject to Hong Kong profits tax since it had no estimated assessable income arising in or derived from Hong Kong for the year ended 31 December 2004.

In accordance with relevant income tax laws and regulations in the PRC, the companies in the Group are generally subject to EIT at the rate of 33%.

The Company is an enterprise engaged in the provision of newspaper advertising services in the PRC. In accordance with the approval document issued by the Beijing Local Tax Bureau, Chaoyang Branch, the Company is exempted from EIT for five years starting from 1 January 2004.

Beijing Youth Daily Logistics Co., Ltd. ("BYD Logistics") is an enterprise engaged in the provision of printing and trading business. BYD Logistics is subject to EIT at the rate of 33%.

Shanghai Beiqing Printing Machinery Limited ("SHBQ") is an enterprise engaged in printing and trading business and located in Shanghai Zhabei District. Pursuant to the approval granted by Shanghai Local Tax Bureau Zhabei Branch, SHBQ is exempted from EIT for the year ended 31 December 2003. SHBQ is subject to EIT at the rate of 33% for the year ended 31 December 2004.

6. Dividends

In the Extraordinary Shareholders Meeting on 30 January 2004 and Annual General Meeting on 26 July 2004, the shareholders approved the final dividends amounting to RMB46,146,000 and RMB125,389,000 in respect of the years ended 31 December 2002 and 2003 respectively. The amounts were accounted as appropriations of retained earnings for the year ended 31 December 2004.

At a board meeting held on 23 April 2005, the directors proposed a final dividend of RMB0.39 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

7. Earnings per Share

Pursuant to the resolution passed in the special general meeting on 30 January 2004, the Company transferred RMB46,140,000 from retained earnings to share capital to increase ordinary shares from 101,260,000 to 147,400,000 on 8 May 2004. The new shares rank pari passu in all respect with the existing shares. The number of ordinary shares in the year of 2003 for the purpose of calculating earnings per share has been adjusted retrospectively for this increase in ordinary shares.

With the completion of Global Offering the issued share capital of the Company increased from 147,400,000 shares to 197,310,000 shares.

Basic and diluted earning per share for the year ended 31 December 2004 have been computed by dividing the profit of RMB194,180,000 (2003: RMB153,170,000) by 148,627,000 shares, being the weighted average number of shares in issue during the year ended 31 December 2004 (2003: 147,400,000 shares, being the number of shares issued and adjusted retrospectively for the increase mentioned above.)

As there are no potentially dilutive securities, there is no difference between basic and diluted earnings per share.

8. The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new Hong Kong Financial Reporting Standards and revised Hong Kong Accounting Standards (“new HKFRSs”), which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs, but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

RESULTS AND DIVIDENDS

In 2004, the Group realised a turnover of RMB1,101,335,000, an operating profit of RMB265,430,000 and a profit attributable to Shareholders of RMB194,180,000. The Directors may determine at their discretion as to the distribution of any dividend of the Company and the amount thereof as described in the prospectus of the Company despatched in December 2004.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be close from Tuesday, 17 May 2005 to Wednesday, 15 June 2005 (both days inclusive) during which period no transfer of shares will be registered.

USE OF PROCEEDS FROM ISSUE OF H SHARES

The Company raised a total net proceeds of about HK\$889,086,000 from the Global Offering in 2004. The following table sets forth a breakdown of our proposed use of proceeds as disclosed in the Prospectus of the Company and the actual use of proceeds:

Proposed Use of Proceeds	Amounts Proposed to be Used (HK\$)	Actual Amounts Used (HK\$)
Developing weekend newspapers	Approximately 100 million	not used
Developing a number of weekly topic-focused magazines on personal wealth management, lifestyle and cultural information	Approximately 80 million	not used
Investing in the television industry in Beijing	Approximately 250 million	not used
Acquisition of other media businesses	Approximately 275 million	not used
General working capital	Approximately 73 million	not used

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The PRC has the world's largest population and a consumer market with great potential. According to the National Bureau of Statistics of China, the GDP of the PRC increased 9.5% in 2004 to about RMB13,650 billion compared to 2003, indicating strong growth.

The consumer market is growing rapidly and manufacturers are increasingly turning to advertising as the principal means of popularising products to increase market share and outperform their competitors. The market for media advertising is therefore growing fast.

AC Nielson Media Research Statistics indicated that in 2004, the advertising expenditure of TV and print media in Mainland China soared to RMB261.4 billion. Advertising expenditure in print media accounted for 24% of the total TV and print media advertising expenditure. The role of print media in the advertising industry is significant.

Beijing, being the political and a principal economic center of the PRC, has a significant strategic market position to which most advertisers are enthusiastically turning.

Business Overview

Beijing Media, which is headquartered in Beijing, is aiming to achieve and maintain a prime position in the market economy. In the year under review, it was listed on the Main Board of Hong Kong Stock Exchange, building a solid foundation for future development.

There are three main businesses of the Group: advertising sales which contribute the largest part to the turnover of the Group; turnover from printing, which includes revenue generated from the printing of publications, which is arranged by BYD Logistics; trading of print-related materials, which relates to supplying and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to third parties, including commercial printers. In the past year, the total turnover of the Group reached RMB1,101,335,000, representing an increase of 2.9% compared to the corresponding period of 2003. Operating profit and profit attributable to shareholders increased 11.7% and 26.8% to RMB265,430,000 and RMB194,180,000 respectively.

The results of the Group improved due to the strong demand for high quality advertising medium in the advertising market and the improving operating efficiency of the Group.

Over the year, the Group's businesses continued to expand with increased market share in the print media while endeavoring to develop multi-media business, which included conducting research on the development of weekend publications, topic-focused magazines, television and outdoor advertising business. Moreover, by taking advantage of our strong media connections in Beijing, the Group organised large events such as the China Open Tennis Tournament ("China Open").

Advertising Business

As at 31 December 2004, the Group's turnover generated from advertising sales increased 3.4% to RMB814,127,000 compared to the same period of 2003, representing 73.9% of the total turnover.

The Group's revenue generated from advertising was mainly attributed to Beijing Youth Daily, a leading market-oriented newspaper. Affected by the macroeconomic control policy in the first half of 2004, Beijing Youth Daily's revenue from real estate advertising decreased and returned to an uptrend following the uptick of the property market in the second half of the year. The advertising revenue generated from the real estate sector for the year was RMB376,219,000, representing a decrease of 13.1% compared with 2003.

The decrease in advertising revenue from the real estate sector did not affect the Group's total advertising revenue substantially since the Group has committed to implementing diversified advertising strategies in the past year in order to reduce over reliance upon any one sector. During the year, the Beijing Youth Daily's advertising sales from the automotive sector increased significantly to RMB114,307,000, accounting for 14% of the total advertising revenue in 2004 (2003: 10.7%), representing an increase of 36% compared with 2003. As living standards improve in the PRC, the demand for automobiles is growing and the automobile manufacturers and agencies noted such high potential in the PRC automobile market. We believe there is room for future growth in the automobile advertising sales.

The advertisements published on Beijing Youth Daily are generally divided into three main categories, commercial advertisements, classified advertisements and direct mail advertisements. During the year, the Company expanded in sales for classified advertisements and increased space for higher quality colour advertising in order to solicit advertisers.

Apart from Beijing Youth Daily, the Group also publishes other newspapers, including Beijing Today, Beijing Children's Weekly and Middleschool Times, aimed at different readers, which complement the Beijing Youth Daily. The current advertising revenue from these newspapers only accounted for less than 1% of the total revenue, but we anticipate considerable growth potential in the long-run.

Large Events Organising

China Open Promotion Company Limited (北京中國網球公開賽體育推廣公司) ("COL") has been granted the right to organise and market the China Open for ten years. The China Open comprises tournaments sanctioned by both the ATP and the WTA. COL, the special-purpose company established in 2004 by Beijing Media for this event, held the first tournament successfully in 2004. The event attracted the participation of world-class tennis players such as Marat Safin, Roger Federer and Venus Williams, and recorded an attendance of 300,000 during the 17 days of the tournament. Moreover, TV stations in approximately 54 countries and regions broadcasted the China Open, including CCTV5 and 20 plus provincial and municipal TV stations in the PRC. The total number of television audience for the event amounted to approximately 950,000,000 persons globally.

Trading of Print-Related Materials

Beijing Media engages in trading of print-related materials through BYD Logistics Company Limited. BYD Logistics entered into supply agreements with various printers for newsprint, ink, PS boards, lubricants and films. During the past year, the Group's turnover from trading of print-related materials amounted to RMB153,819,000.

Latest Development of Each Segment After the Listing

Beijing Media was listed on the Main Board of the Hong Kong Stock Exchange on 22 December last year. After which, we continued to realise our commitment made to our shareholders. In connection with publications, First China Business Post (第一財經時報), which was jointly developed by the Ultimate Holding Company with Guangzhou Daily and Shanghai Media Group, was launched on 15 November, 2004. Prior to its debut, there were only a few business papers in the PRC. Advertising sales of the newspaper is growing steadily. Beijing Media is aware of the market potential in this sector and intends to seek agreement with the Ultimate Holding Company in due course to act as an advertising agent for First China Business Post.

Beijing Media has commenced planning the development of weekend newspapers and a variety of topic-focused magazines such as personal wealth management and lifestyle for the purpose of establishing a larger media platform. Beijing Media is in the process of identifying outdoor billboard sites located along the main traffic routes in order to diversify income sources. Beijing Media will also continue to explore potential for undertaking the organising of large events building on its previous experience in this respect.

Outlook

Looking forward to 2005, we are of the belief that there will be a healthy growth in the advertising industry in the PRC. We believe 2008 Olympic Games, which are to be held in Beijing, and the leading period will bring significant business opportunities as the demand for advertising promotion will increase significantly.

Furthermore, Beijing Media will continue to seek to further diversifying income sources through channels such as the China Open, new newspapers, magazines and television.

Beijing Media's leading position in the market, business development and the encouraging financial results are all attributable to the utmost support of the Beijing Municipal Government and the dedication of our staff of various levels. Beijing Media will continue to develop its cross-media platform based on our current solid foundation and dedicate to establishing itself as a leading cross-platform media entity in the PRC.

FINANCIAL ANALYSIS

1. Revenue and Operating Results

In 2004, the Group achieved a profit for the year as anticipated in the 2004 forecast upon its listing. The Group recorded a turnover of approximately RMB1,101,335,000, an operating profit of approximately RMB265,430,000, a profit for the year of approximately RMB194,180,000 and earnings per share of approximately RMB1.31 for the year 2004.

2. Financial Costs

The Group's financial expenses for 2004 were approximately RMB2,894,000.

3. Operating Expenses

The Group's operating expenses for the year were approximately RMB102,871,000, representing a decrease of 36% as compared with 2003. Operating expenses accounted for 9.3% of the Group's turnover in 2004 (2003: 14.9%), which mainly included sales and distribution expenses, administration expenses and other lump sum expenses.

4. Cash Flow

As at 31 December 2004, the Group maintained a stable cash flow with cash in hand of RMB1,351,137,000.

5. Taxation

The Group's taxation expenses decreased approximately 79.8% from approximately RMB82,745,000 for the year ended 31 December 2003 to approximately RMB16,735,000 for the year ended 31 December 2004. Effective tax rate decreased from approximately 34.8% in 2003 to approximately 7.5% in 2004. The decrease in effective tax rate results primarily from the tax exemption concession granted to the Company in respect of income tax for 5 years from 1 January 2004 by the taxation authority in the PRC.

6. Bank Borrowings, Overdrafts and Other Borrowings

As at 31 December 2004, the unsecured short-term bank loans balance was RMB10,000,000. The bank loans bear interests at the rate of 5.31% per annum and were repayable within one year.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

	As at 31 December	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Guarantees for bank loans of the jointly controlled entity	<u>72,553</u>	<u>16,553</u>

On 20 May 2004, the Company provided a loan guarantee in the amount of USD 2,000,000 in favour of the lender of a USD2,000,000 bank loan to COL.

On 21 July 2004, the Company entered into a pledge agreement with China Minsheng Banking Corporation Limited, pursuant to which the Company pledged its fixed term deposits in the sum of RMB56,000,000 as security over a loan facility in the sum of US\$6,000,000, which is granted to COL by China Minsheng Banking Corporation Limited.

Management anticipate that no material liabilities will arise from the above guarantees which arose in the ordinary course of business.

FOREIGN EXCHANGE RISKS

Substantially all of the Group's revenues and operating costs were denominated in RMB. Proceeds from the new issue of shares in December 2004 were received in Hong Kong dollars. As such, the Group did not encounter any significant difficulties arising from, and its operating cashflow or liquidity was not subject to, any exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements during the year ended 31 December 2004.

STAFF

As at 31 December 2004, the Group employed a total of 146 staff whose remuneration and benefits are determined based on the market rates, policies of the state and individual performance.

CODE OF BEST PRACTICE

The Board of Directors is pleased to confirm that the Company has complied with the Code of Best Practice as set out in the Listing Rules throughout the year.

None of the directors acknowledges any information that reasonably demonstrates the non-compliance of the Company of the Code of Best Practice as set out in Appendix 14 of the Listing Rules, currently or in any time during the period.

Pursuant to the requirements of the Listing Rules, the Company shall adopt the “Code on Corporate Governance Practices” in 2005 to enhance our ability in respect of internal governance and risk management.

AUDIT COMMITTEE

Pursuant to the requirements of the Code of Best Practice, the Company has set up an audit committee to review and supervise the financial reporting process and internal control procedures of the Group and regulate the financial reporting procedures and internal supervisions of the Group. The Audit Committee comprises two independent non-executive Directors and one Non-executive Director. The Group’s annual results for the year ended 31 December 2004 had been reviewed by the Audit Committee.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year.

DISCLOSURE OF INFORMATION ON THE HONG KONG STOCK EXCHANGE’S WEBSITE

All the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules of the Stock Exchange will be published on the Stock Exchange’s website (<http://www.hkex.com.hk>) in due course.

By Order of the Board
Beijing Media Corporation Limited
ZHANG Yanping
Chairman of the Board of Directors

Hong Kong, 25 April 2005

The board of directors of the Company comprises of: the executive directors of the Company are Zhang Yanping, Zhang Yabin, Sun Wei, He Pingping, Du Min, the non-executive directors of the Company are Liu Han, Xu Xun, and the independent non-executive directors of the Company are Tsang Hing Lun, Wu Changqi and Liao Li.

“Please also refer to the published version of this announcement in The Standard.”