

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 the 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 announcement in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to GEM website <http://www.hkgem.com> in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of HC International, Inc. (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



FINANCIAL HIGHLIGHTS

	Three months ended	
	31st March,	
	2006	2005
	RMB'000	RMB'000
		(As restated)
Sales	57,563	78,960
Gross profit	26,405	40,164
EBITDA	(13,094)	3,507
Loss attributable to equity holders	(20,305)	(4,096)

- Sales of the Group for the three months ended 31st March, 2006 was approximately RMB57.6 million and RMB14.8 million from the continuing operations and discontinued operations, respectively, as compared to approximately RMB79.0 million and RMB31.9 million for the corresponding period in the previous financial year.
- Gross profit ratio of the Group's continuing operations for the three months ended 31st March, 2006 was approximately 45.9% as compared to approximately 50.9% for the corresponding period in the previous financial year.
- EBITDA of the Group for the three months ended 31st March, 2006 was approximately RMB(13.1) million as compared to approximately RMB3.5 million for the corresponding period in the previous financial year.
- Loss attributable to shareholders of the Group for the three months ended 31st March, 2006 was approximately RMB20 million as compared to approximately RMB4.1 million for the corresponding period in the previous financial year.





MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

For the first quarter ended 31st March 2006, the Group recorded a turnover of approximately RMB57.6 million and RMB14.8 million from the continuing operations and discontinued operations, respectively (2005: RMB79.0 million and RMB31.9 million). For the continuing operations, due to certain seasonal factors such as the Chinese Lunar New Year, turnover of the Group decreased approximately 27% when compared to that in the corresponding period last year. As certain loss-making TV stations ceased operation during the period under review, a decrease of approximately 54% in turnover was recorded for the discontinued operations as compared to the corresponding period last year.

During the reporting period, the Group achieved a turnover of approximately RMB19.6 million from its direct on-line business segment, which contributed about 34% of the Group's total revenue from continuing operations during the period under review, representing a decrease of about 6 percentage points when compared to the corresponding period last year.

As a result of the deferred generation of revenue from the Group's search engine business together with the booking of substantial costs associated with sales and staff during the first quarter ended 31st March 2006, the gross profit margin of the Group's continuing operations decreased by about 5 percentage points from approximately 50.9% to approximately 45.9%. Faced with keen competition in the television advertising sector, a total loss of approximately RMB5.3 million and a negative gross profit margin were recorded for the discontinued operations of the Group in the first quarter ended 31st March 2006.

During the three months ended 31st March 2006, a net loss attributable to equity holders of approximately RMB20 million was recorded by the Group.

To further expand the Group's geographical market share, resources had been allocated by the Group to develop its sales agency network in the PRC during the period under review. Agents were appointed by the Group to promote the sales of its on-line marketplace, "Mai-Mai-Tong – 買賣通", in cities where the Group does not have any presence. As at 31st March 2006, over 200 agents had been appointed by the Group.

To further enhance the features of "Mai-Mai-Tong – 買賣通", 3 new versions of the on-line marketplace, namely "Silver Mai-Mai-Tong – 銀牌買賣通", "Golden Mai-Mai-Tong – 金牌買賣通" and "Platinum Mai-Mai-Tong – 鉑金買賣通", were launched in March 2006 to cater for different needs of the members of the business-to-business community.

Going forward, the Group will continue to focus on the business-to-business sector, which offers higher growth potential and margins, by devoting more resources to upgrade its technological capability and developing new complimentary on-line products.



UNAUDITED CONSOLIDATED RESULTS

For the three months ended 31st March, 2006

The board of directors (the "Board") of HC International, Inc. (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively referred as the "Group") for the three months ended 31st March, 2006, together with the unaudited comparative figures for the corresponding period in 2005 as follows:

		Three months ended 31st March,	
	Note	2006 RMB'000	2005 RMB'000 (As restated)
Continuing operations			
Sales		57,563	78,960
Cost of sales		<u>(31,158)</u>	<u>(38,796)</u>
Gross profit		26,405	40,164
Other gains – net		342	2,136
Selling and distribution costs		<u>(22,443)</u>	<u>(21,141)</u>
Administrative expenses		<u>(23,224)</u>	<u>(24,560)</u>
Finance costs		<u>(363)</u>	<u>(406)</u>
Loss before income tax		(19,283)	(3,807)
Income tax	2	<u>1,266</u>	<u>(46)</u>
Loss for the period from continuing operations		(18,017)	(3,853)
Loss for the period from discontinued operations	3	<u>(8,906)</u>	<u>(3,975)</u>
Loss for the period		<u>(26,923)</u>	<u>(7,828)</u>
Attributable to:			
Equity holders of the Company		(20,305)	(4,096)
Minority interests		<u>(6,618)</u>	<u>(3,732)</u>
		<u>(26,923)</u>	<u>(7,828)</u>
Loss per share from continuing operations attributable to the equity holders of the Company (expressed in RMB per share)			
Basic	4	<u>(0.0314)</u>	<u>(0.0029)</u>
Diluted	4	<u>(0.0304)</u>	<u>(0.0027)</u>
Loss per share from discontinued operations attributable to the equity holders of the Company (expressed in RMB per share)			
Basic	4	<u>(0.0112)</u>	<u>(0.0060)</u>
Diluted	4	<u>(0.0109)</u>	<u>(0.0057)</u>
Dividends	5	<u>–</u>	<u>–</u>



Notes:

1. General information and basis of preparation

General information

HC International, Inc. ("the Company") and its subsidiaries (collectively referred as the "Group") organises a business-to-business community across China by providing business information through both on-line and off-line channels. The Group operates an on-line marketplace and provides industrial search result prioritising services through its business-to-business website "hc360.com". The Group also publishes its own trade catalogues and yellow page directories and generate market research reports in China.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is 4th Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman Islands, British West Indies.

The Company has its primary listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in thousands of units of RMB (RMB'000), unless otherwise stated. The consolidated financial statements have been approved for issue by the board of Directors on 10th May, 2006.

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) and the disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong (the "GEM Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31st December, 2005.

2. Taxation

The amount of tax charged to the consolidated profit and loss account represents:

	Three months ended	
	31st March,	
	2006	2005
	RMB'000	RMB'000
Hong Kong profits tax (i)	-	-
The PRC enterprise income tax ("EIT") (ii)	(505)	(374)
Deferred taxation	1,771	328
	1,266	(46)



- (i) No Hong Kong profits tax has been provided for as there was no assessable profit arising in Hong Kong for the period (2005: Nil).
- (ii) The PRC enterprise income tax represents taxation charged on assessable profits for the period at the rates of taxation prevailing in the cities in the PRC in which the Group operates.

The subsidiaries of the Group established in the PRC are generally subject to income tax on their taxable income at a combined national and local tax rate of 33%. Certain subsidiaries enjoy tax preferential rights and subject to a tax rate of 0% to 15% during the period.

3. Discontinued operations

On 27th May 2005, the Company entered into a sale and purchase agreement, pursuant to which Hong Kong Huicong International Group Limited ("HKHC"), a wholly-owned subsidiary of the Company, agreed to dispose its entire interest in operations in relation to television advertising business in the PRC. Subject to the terms and conditions of the sales and purchase agreement, the Company has agreed to procure a restructuring in respect of its PRC domestic television advertising business. Upon completion of the disposal the Group will discontinue managing the operations of its television advertising products and services.

The discontinued operation is related to TV advertising business, which formerly presented as a business segment of the Group.

An analysis of the results of discontinued operations is as follows:

	Unaudited Three months ended 31st March,	
	2006	2005
	RMB'000	RMB'000
Revenue	14,845	31,913
Cost of sales	(16,310)	(31,937)
Interest income	30	14
Expenses	(7,471)	(3,895)
	<hr/>	<hr/>
Loss before income tax of discontinued operations	(8,906)	(3,905)
Income tax	-	(70)
	<hr/>	<hr/>
Loss for the period from discontinued operations	(8,906)	(3,975)

4. Loss per share

The calculation of basic loss per share from continuing operations is based on the Group's unaudited loss attributable to the equity holders of approximately RMB(14,959,000) (2005: RMB(1,322,000)) for the three months ended 31st March, 2006 and the weighted average of approximately 475,727,000 (2005: 462,617,000) ordinary shares in issue during the period.

The calculation of diluted loss per share from continuing operations is based on the Group's unaudited loss attributable to the equity holders of RMB(14,959,000) (2005: RMB(1,322,000)) for the three months ended 31st March, 2006 and the diluted weighted average of 492,203,000 (2005: 489,275,000) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares, as if all the outstanding share options



granted by the Company under the Pre-IPO Share Option Scheme had been exercised at the date of grant. The effect of anti-dilutive potential ordinary shares arising from Share Option Scheme has not been taken into account in calculating diluted earnings per share.

The calculation of basic loss per share from discontinued operations is based on the Group's unaudited loss attributable to the equity holders of approximately RMB(5,346,000) (2005: RMB(2,774,000)) for the three months ended 31st March, 2006 and the weighted average of approximately 475,727,000 (2005: 462,617,000) ordinary shares in issue during the period.

The calculation of diluted loss per share from discontinued operations is based on the Group's unaudited loss attributable to the shareholders of RMB(5,346,000) (2005: RMB(2,774,000)) for the three months ended 31st March, 2006 and the diluted weighted average of 492,203,000 (2005: 489,275,000) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares, as if all the outstanding share options granted by the Company under the Pre-IPO Share Option Scheme had been exercised at the date of grant. The effect of anti-dilutive potential ordinary shares arising from Share Option Scheme has not been taken into account in calculating diluted earnings per share.

5. Dividends

The Board does not recommend the payment of an interim dividend for the three months ended 31st March, 2006 (2005: Nil).

6. Movement of reserves

	Group				
	Capital reserve RMB'000	Merger reserve RMB'000	Shares-based compensation reserves RMB'000	Share premium RMB'000	Total RMB'000
Balance at 1st January, 2005 as restated	987	108,830	7,814	124,448	242,079
Exercise of share options	-	-	-	3,978	3,978
Employee share option scheme-value of employee services	-	-	1,216	-	1,216
	-	-	1,216	3,978	5,194
Balance at 31st March, 2005 as restated	987	108,830	9,030	128,426	247,273
Balance at 1st January, 2006	987	108,830	12,677	128,426	250,920
Exercise of share options (i)	-	-	-	4,467	4,467
Employee share option scheme-value of employee services	-	-	470	-	470
	-	-	470	4,467	4,937
Balance at 31st March, 2006	987	108,830	13,147	132,893	255,857

The Company had reserves available for distribution calculated under the Companies Law of the Cayman Islands of approximately RMB117,534,000 as at 31st March, 2006 (2005: restated RMB118,326,000).

- (i) On 20th January, 2006, certain grantees under the Pre-IPO Share Option Scheme exercised their options in respect of 12,631,528 shares of the Company at HK\$0.44 (equivalent to RMB0.47) per share. The total issued share capital comprised 478,565,873 shares upon the exercise of such Pre-IPO Share Options.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 31st March, 2006, the interests of the Directors and the chief executive in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

(a) Directors' Long Positions in the Shares of the Company

Name of Directors	Personal interests	Family interests	Corporate interests	Other interests	Total number of shares	Percentage of shareholding
Guo Fansheng	64,088,863	-	-	-	64,088,863	13.39%
Wu Ying	1,538,602	-	-	-	1,538,602	0.32%
Yang Fei	1,269,853	-	-	-	1,269,853	0.27%
Hugo Shong	1,269,853	-	-	-	1,269,853	0.27%
Lai Sau Kam, Connie	1,015,770	-	-	-	1,015,770	0.21%

(b) Directors' Short Positions in the Shares of the Company

None of the Directors had short positions in the shares of the Company.

(c) Directors' Long Positions in the rights to acquire Shares of the Company

Name of grantee	Date of grant	Exercise price per share HK\$	Number of share options				As at 31st March, 2006
			As at 1st January, 2006	Granted during the period	Exercised during the period	Cancelled during the period	
WU Ying	2nd December, 2003	0.44	677,282	-	-	-	677,282
WU Ying	18th February, 2004	2.40	1,500,000	-	-	-	1,500,000
LAI Sau Kam, Connie	2nd December, 2003	0.44	1,015,923	-	(507,885)	-	508,038
LAI Sau Kam, Connie	18th February, 2004	2.40	1,500,000	-	-	-	1,500,000



SHARE OPTION SCHEMES

Pursuant to written resolutions of the shareholders of the Company dated 30th November, 2003, two share option schemes, a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "Share Option Scheme"), were adopted by the Company. The principal terms of the Pre-IPO Share Option Scheme and the Share Option Scheme were summarised in the paragraph headed "Share options" under the section headed "Statutory and general information" in Appendix V of the prospectus of the Company dated 8th December, 2003.

OUTSTANDING SHARE OPTIONS

(a) Pre-IPO Share Option Scheme

As at 31st March, 2006, options to subscribe for an aggregate of 23,418,207 shares of the Company granted pursuant to the Pre-IPO Share Option Scheme were outstanding. Details of which were as follows:

Name of grantee	Date of grant	Exercise price per share HK\$	Number of share options				As at 31st March, 2006 (Note 1)
			As at 1st January, 2006	Granted during the period	Exercised during the period	Cancelled during the period	
<i>Directors</i>							
WU Ying	2nd December, 2003	0.44	677,282	-	-	-	677,282
LAI Sau Kam, Connie	2nd December, 2003	0.44	1,015,923	-	(507,885)	-	508,038
<i>Senior management</i>							
LEE Wee Ong, Alex	2nd December, 2003	0.44	1,777,865	-	(888,799)	-	889,066
GUO Jiang	2nd December, 2003	0.44	677,282	-	(338,590)	-	338,692





Name of grantee	Date of grant	Exercise price per share HK\$	Number of share options				As at 31st March, 2006 (Note 1)
			As at 1st January, 2006	Granted during the period	Exercised during the period	Cancelled during the period	
WANG Chong	2nd December, 2003	0.44	4,199,150	-	(2,099,256)	-	2,099,894
WANG Yonghui	2nd December, 2003	0.44	3,945,166	-	(1,972,288)	-	1,972,878
<i>Ex-employees</i>							
FAN Qimiao	2nd December, 2003	0.44	7,111,104	-	-	-	7,111,104
GU Yuanchao	2nd December, 2003	0.44	3,777,774	-	-	-	3,777,774
<i>Consultant</i>							
Earl Ching-Hwa YEN	2nd December, 2003	0.44	804,272	-	(402,076)	-	402,196
<i>Other employees</i>							
In aggregate (Note 2)	2nd December, 2003	0.44	12,063,917	-	(6,422,634)	-	5,641,283
Total			36,049,735	-	(12,631,528)	-	23,418,207



Notes:

- Each option has a 10-year exercise period, which may be exercised after the expiry of twelve months from the date on which trading in the shares of the Company first commenced on GEM (the "Listing Date"), being 17th December, 2003. Commencing from the first, second and third anniversaries of the Listing Date, the relevant grantee may exercise options up to 33.3%, 66.6% and 100%, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised).
- There are 47 employees who have been granted with options under the Pre-IPO Share Option Scheme to acquire an aggregate of 5,641,283 shares of the Company.

(b) Share Option Scheme

As at 31st March, 2006, options to subscribe for an aggregate of 18,150,000 shares of the Company granted pursuant to the Share Option Scheme were outstanding. Details of which were as follows:

Name of grantee	Date of grant	Exercise price per share HK\$	Number of share options				As at 31st March, 2006 (Note 1)
			As at 1st January, 2006	Granted during the period	Exercised during the period	Cancelled during the period	
<i>Directors</i>							
WU Ying	18th February, 2004	2.40	1,500,000	-	-	-	1,500,000
LAI Sau Kam, Connie	18th February, 2004	2.40	1,500,000	-	-	-	1,500,000
<i>Senior management</i>							
LEE Wee Ong, Alex	18th February, 2004	2.40	1,500,000	-	-	-	1,500,000

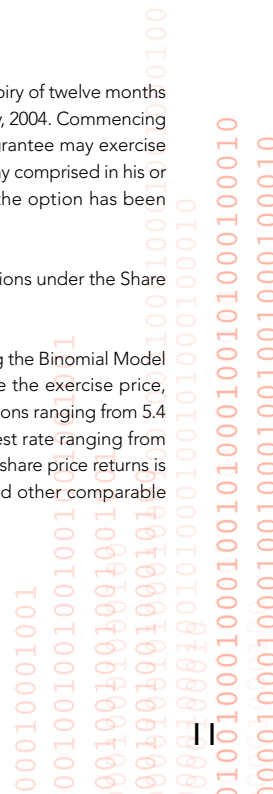




Name of grantee	Date of grant	Exercise price per share HK\$	Number of share options				As at 31st March, 2006 (Note 1)
			As at 1st January, 2006	Granted during the period	Exercised during the period	Cancelled during the period	
GUO Jiang	18th February, 2004	2.40	1,000,000	-	-	-	1,000,000
WANG Chong	18th February, 2004	2.40	3,400,000	-	-	-	3,400,000
Other employees							
In aggregate (Note 2)	18th February, 2004	2.40	9,250,000	-	-	-	9,250,000
Total			18,150,000	-	-	-	18,150,000

Notes:

- Each option has a 10-year exercise period, which may be exercised after the expiry of twelve months from the date of the granting of options (the "Offer Date"), being 18th February, 2004. Commencing from the first, second and third anniversaries of the Offer Date, the relevant grantee may exercise options up to 33.3%, 66.6% and 100%, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised).
- As at 31st March, 2006, there were 270 employees who have been granted options under the Share Option Scheme to acquire an aggregate of 9,250,000 shares of the Company.
- The fair value of options granted under Share Option Scheme determined using the Binomial Model value model was RMB20,193,000. The significant inputs into the model were the exercise price, standard deviation of expected share price returns of 32%, expected life of options ranging from 5.4 to 6.6 years, expected dividend paid out rate of 0% and annual risk-free interest rate ranging from 1.34% to 4.43%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.





SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31st March, 2006, the interest of substantial shareholders (not being Directors and the chief executive of the Company) in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name of substantial shareholder	Number of ordinary shares	Nature of Interests/Holding capacity	Percentage of shareholding
IDG Technology Venture Investment, Inc. (note 1)	73,331,954	Beneficial owner	15.32%
International Data Group, Inc. (note 1)	73,331,954	Interest in controlled corporation	15.32%
Callister Trading Limited (note 2)	40,000,384	Beneficial owner	8.36%
Li Jianguang (note 2)	40,000,384	Interest in controlled corporation	8.36%
APAC Capital Advisors Ltd sub a/c APAC Greater China Fund (Cayman) Ltd	29,931,850	Investment manager	6.25%

Notes:

1. IDG Technology Venture Investment, Inc ("IDGVC") is beneficially owned by International Data Group, Inc..
2. Callister Trading Limited is beneficially owned by Mr. Li Jianguang.





AUDIT COMMITTEE

Pursuant to GEM Listing Rule 5.28, the Company established an audit committee on 24th July, 2003 with written terms of reference based on the guidelines set out in "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group. The audit committee comprises a non-executive director, Mr. Yang Fei and two independent non-executive directors, namely Mr. Zhang Ke and Mr. Xiang Bing. Mr. Zhang Ke is the chairman of the audit committee.

The audit committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group, and the quarterly results of the Group for the three months ended 31st March, 2006.

DIRECTORS INTERESTS IN COMPETING BUSINESS

Each of the directors and the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interest in companies that competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the three months ended 31st March, 2006.

ADVANCES TO AN ENTITY

As at 31st March, 2006 the Group had not made any advance which is of a non-trading nature, to any entity.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31st March, 2006, the Group had not provided any financial assistance to any of its affiliated companies.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.





PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the three months ended 31st March, 2006.

By order of the Board

HC International, Inc.

Guo Fansheng

Chief Executive Officer and Executive Director

The Board comprises:

Mr. Guo Fansheng (*Executive Director and Chief Executive Officer*)

Ms. Wu Ying (*Executive Director*)

Ms. Lai Sau Kam, Connie (*Executive Director*)

Mr. Hugo Shong (*Non-executive Director*)

Mr. Yang Fei (*Non-executive Director*)

Mr. Zhang Ke (*Independent non-executive Director*)

Mr. Xiang Bing (*Independent non-executive Director*)

Mr. Guo Wei (*Independent non-executive Director*)

Beijing, PRC, 10th May, 2006

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