

# First Quarterly Report 2009

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慧聪网有限公司

HC INTERNATIONAL, INC.

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## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.**

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*This report, for which the directors (the “Directors”) of HC International, Inc. (the “Company”) 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,	
	2009 RMB'000	2008 RMB'000
Turnover	66,856	63,308
Gross profit	36,509	33,746
EBITDA	2,575	8,168
(Loss)/profit attributable to equity holders	(3,023)	3,077

- Turnover of the Group for the three months ended 31st March, 2009 was approximately RMB66.86 million as compared to approximately RMB63.31 million for the corresponding period in the previous financial year.
- Gross profit ratio of the Group for the three months ended 31st March, 2009 was approximately 54.6% as compared to approximately 53.3% for the corresponding period in the previous financial year.
- EBITDA of the Group for the three months ended 31st March, 2009 was a profit of approximately RMB2.58 million as compared to a profit of approximately RMB8.17 million for the corresponding period in the previous financial year.
- (Loss)/profit attributable to equity holders of the Group for the three months ended 31st March, 2009 was approximately RMB(3.02) million as compared to approximately RMB3.08 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, 2009, the Group recorded a turnover of approximately RMB66.86 million from the operations (2008: RMB63.31 million).

During the reporting period, the Group achieved a turnover of approximately RMB28.57 million (2008: RMB22.62 million) from its on-line business segment, which amounted to approximately 42.7% of the Group's total revenue during the period under review, representing an increase of about 26.3% when compared to the corresponding period last year.

The gross profit margin of the Group increased by about 1.3 percentage points from approximately 53.3% last year to approximately 54.6% during the period under review. The gross profit margin of the Group's on-line business segment decreased by about 7.3 percentage points from approximately 75.4% last year to approximately 68.1%, and the gross profit margin of the trade catalogues and yellow page directories business segment of the Group decreased by about 3.8 percentage points from approximately 45.0% last year to approximately 41.2% during the period under review.

During the three months ended 31st March, 2009, a net (loss)/profit attributable to equity holders of approximately RMB(3.02) million was recorded by the Group (2008: RMB3.08 million).

Going forward, the Group will continue to improve its competitiveness by strengthening the synergy between its on-line business and traditional trade catalogue business with the aim to offer better solutions to business users.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THREE MONTHS ENDED 31ST MARCH, 2009**

	Note	Three months ended 31st March,	
		2009 RMB'000	2008 RMB'000
Sales		66,856	63,308
Cost of sales		(30,347)	(29,562)
Gross profit		36,509	33,746
Other income		798	2,772
Other gains-net		–	5,954
Selling and marketing expenses		(17,930)	(18,973)
Administrative expenses		(23,329)	(23,082)
Share of profit of an associated company		21	–
(Loss)/profit before income tax		(3,931)	417
Income tax	2	530	2,253
(Loss)/profit for the period		(3,401)	2,670
Attributable to:			
Equity holders of the Company		(3,023)	3,077
Minority interest		(378)	(407)
		(3,401)	2,670
(Loss)/earnings per share attributable to the equity holders of the Company (expressed in RMB per share)			
Basic	3	(0.0062)	0.0062
Diluted	3	(0.0062)	0.0062
Dividends	4	–	–

## NOTES TO THE ACCOUNTS

### 1. General information and basis of preparation

#### *General information*

HC International, Inc. ("the Company") and its subsidiaries (collectively referred as the "Group") organise 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, 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 unaudited condensed consolidated first quarterly financial information are presented in thousands of units of RMB (RMB'000), unless otherwise stated. The unaudited condensed consolidated first quarterly financial information have been approved for issue by the board of Directors on 30th April, 2009.

#### *Basis of preparation*

This unaudited condensed consolidated first quarterly financial information for the three month ended 31st March, 2009 has 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 unaudited condensed first quarterly financial information should be read in conjunction with the annual report of the Group for the year ended 31st December, 2008.

This unaudited condensed consolidated first quarterly financial information has been prepared under the historical cost convention.

## 2. Income tax

The amount of tax charged to the condensed consolidated income statement represents:

	Three months ended 31st March,	
	2009 RMB'000	2008 RMB'000
Current income tax		
– Hong Kong profits tax (i)	–	–
– The PRC enterprise income tax ("EIT") (ii)	(208)	(79)
Deferred income tax	738	2,332
	530	2,253

- (i) No Hong Kong profits tax has been provided for as there was no assessable profit arising in Hong Kong for the period (2008: 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 25%. Certain subsidiaries enjoy tax preferential rights and subject to a tax rate of 15% to 20% during the period.

## 3. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the Group's unaudited (loss)/profit attributable to the equity holders of approximately RMB(3,023,000) (2008: RMB3,077,000) for the three months ended 31st March, 2009 and the weighted average of approximately 488,179,000 (2008: 492,837,000) ordinary shares in issue during the period.

Diluted loss per share for the period ended 31st March, 2009 are the same as basic loss per share since all potential ordinary shares are anti-dilutive.

## 4. Dividends

No dividends was paid or declared by the Company during the period (2008: Nil).

## 5. Other reserves

	Group						Total RMB'000
	Share premium	Capital reserve	Merger reserve	Share-based compensation reserves	Share redemption reserve	Exchange reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1st January, 2008	137,647	987	108,830	20,399	-	(5,978)	261,885
Share option scheme-value of employee services	-	-	-	1,686	-	-	1,686
Currency translation difference	-	-	-	-	-	(752)	(752)
	-	-	-	1,686	-	(752)	934
At 31st March, 2008	137,647	987	108,830	22,085	-	(6,730)	262,819
Balance at 1st January, 2009	132,734	987	108,830	23,733	496	(6,812)	259,968
Share option scheme-value of employee services	-	-	-	1,496	-	-	1,496
Currency translation difference	-	-	-	-	-	280	280
	-	-	-	1,496	-	280	1,776
At 31st March, 2009	132,734	987	108,830	25,229	496	(6,532)	261,744

## 6. Events after the balance sheet date

On 9th April, 2009, 北京慧翔網絡技術有限公司 ("Beijing Huixiang Network Technology"), a subsidiary of the Company holding 82% equity interest thereof, entered into a joint venture agreement with Mr. Bu Kaijun (卜凱軍先生), Mr. Bu, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, is an independent third party. Pursuant to the said joint venture agreement, the joint venture parties agreed to, *inter alia*, form a joint venture company, which would be owned as to 60% by Beijing Huixiang Network Technology and as to 40% by Mr. Bu for the purpose of engaging in business-to-business e-commerce involving foreign trade and related business in the PRC. Details of the transaction were disclosed in an announcement of the Company dated 9th April, 2009.



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

As at 31st March, 2009, the interests of the Directors and the chief executive in the shares, underlying shares and debentures 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 Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total number of ordinary shares	Percentage of shareholding
Guo Fansheng	Beneficial owners	39,447,015	-	-	-	39,447,015	8.08%
Li Janguang	Interest of controlled corporation	-	-	40,000,384 (Note 1)	-	40,000,384 (Note 1)	8.19%
Guo Jiang	Beneficial owners/ family interest	34,349,146	2,808,625	-	-	37,157,771 (Note 2)	7.61%

Notes:

- The references to 40,000,384 shares of the Company relate to the same block of shares of the Company held by Callister Trading Limited, the entire share capital of which is owned by Mr. Li.
- Such interest in the Company comprises:
  - 29,223,771 shares of the Company of which 1,074,625 shares of the Company are held by Ms. Gengyi, Mr. Guo's spouse; and
  - 7,934,000 underlying shares derived from the share options granted under the Share Option Scheme of which 1,734,000 underlying shares derived from the share options granted to Ms. Gengyi under the Share Option Scheme.

### (b) Directors' Short Positions in the shares of the Company

There was no Directors' short position as at 31st March, 2009.

## 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, 2009, options to subscribe for an aggregate of 9,147,120 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, 2009 (Note 1)
			As at 1st January, 2009	Granted during the period	Exercised during the period	Lapsed during the period	
<i>Ex-employees</i>							
FAN Qimiao	2nd December, 2003	0.44	5,111,104	-	-	-	5,111,104
GU Yuanchao	2nd December, 2003	0.44	3,777,774	-	-	-	3,777,774
<i>Other employees</i>							
In aggregate (Note 2)	2nd December, 2003	0.44	258,242	-	-	-	258,242
<b>Total</b>			<b>9,147,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,147,120</b>

#### 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).
- As at 31st March, 2009, there were 3 employees who had been granted with options under the Pre-IPO Share Option Scheme to acquire an aggregate of 258,242 shares of the Company.

## (b) Share Option Scheme

As at 31st March, 2009, options to subscribe for an aggregate of 39,685,000 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, 2009 (Note 1)
			As at 1st January, 2009	Granted during the period	Exercised during the period	Lapsed during the period	
<i>Directors</i>							
GUO Jiang	18th February, 2004	2.400	1,000,000	-	-	-	1,000,000
	23rd June, 2006	1.490	1,000,000	-	-	-	1,000,000
	11th July, 2007	1.240	2,200,000	-	-	-	2,200,000
	29th September, 2008	0.604	2,000,000	-	-	-	2,000,000
<i>Senior management</i>							
GENG Yi	18th February, 2004	2.400	300,000	-	-	-	300,000
	23rd June, 2005	1.490	434,000	-	-	-	434,000
	29th September, 2008	0.604	1,000,000	-	-	-	1,000,000
GUO Bingbing	29th September, 2008	0.604	800,000	-	-	-	800,000
HONG Guangzhi	29th September, 2008	0.604	1,000,000	-	-	-	1,000,000
ZHAO Long	18th February, 2004	2.400	30,000	-	-	-	30,000
	23rd June, 2006	1.490	66,000	-	-	-	66,000
	11th July, 2007	1.240	145,000	-	-	-	145,000
	29th September, 2008	0.604	800,000	-	-	-	800,000
WU Xiaorong	29th September, 2008	0.604	1,000,000	-	-	-	1,000,000
GAO Xin	29th September, 2008	0.604	1,000,000	-	-	-	1,000,000
<i>Other employees</i>							
In aggregate (Note 2)	18th February, 2004	2.400	6,390,000	-	-	-	6,390,000
In aggregate (Note 3)	23rd June, 2006	1.490	3,132,000	-	-	-	3,132,000
In aggregate (Note 4)	11th July, 2007	1.240	10,388,000	-	-	-	10,388,000
In aggregate (Note 5)	29th September, 2008	0.604	7,000,000	-	-	-	7,000,000
<b>Total</b>			<b>39,685,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,685,000</b>

Notes:

1. Each option has a 10-year exercise period, which may be exercised after the expiry of twelve months from the date of the grant of options.

For the options exercisable at HK\$2.40 granted on 18th February, 2004, the relevant grantees 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), commencing from the first, second and third anniversaries of the date of the grant of options.

For the options exercisable at HK\$1.49 granted on 23rd June, 2006, the relevant grantees may exercise these options in a 10-year period starting from the expiry of twelve months from the date of the grant of options.

For the options exercisable at HK\$1.24 granted on 11th July, 2007, the relevant grantees may exercise options up to 50% 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), commencing from the first and second anniversaries of the date of the grant of options.

For the options exercisable at HK\$0.604 granted on 29th September, 2008, the relevant grantees may exercise these options in a 10-year period starting from the expiry of twelve months from the date of the grant of options.

2. 65 employees have been granted options under the Share Option Scheme to acquire an aggregate of 6,390,000 shares of the Company at HK\$2.40 per share.
3. 41 employees have been granted options under the Share Option Scheme to acquire an aggregate of 3,132,000 shares of the Company at HK\$1.49 per share.
4. 51 employees have been granted options under the Share Option Scheme to acquire an aggregate of 10,388,000 shares of the Company at HK\$1.24 per share.
5. 32 employees have been granted options under the Share Option Scheme to acquire an aggregate of 7,000,000 shares of the Company at HK\$0.604 per share.
6. The fair value of options granted under the Share Option Scheme on 18th February, 2004, determined using the Binomial Model value model, was approximately RMB20,193,000. The significant inputs into the model were the exercise price of HK\$2.4, 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.

7. The fair value of options granted under the Share Option Scheme on 23rd June, 2006, determined using the Binomial Model valuation model, was approximately RMB3,919,000. The significant inputs into the model were exercise price of HK\$1.49, standard deviation of expected share price returns of 34.8%, expected life of options ranging from 3.2 to 5.5 years expected dividend yield rate of 0% and annual risk free interest rate 4.911%. 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.
8. The fair value of options granted under the Share Option Scheme on 11th July, 2007, determined using the Binomial Model valuation model, was approximately RMB9,390,000. The significant inputs into the model were exercise price of HK\$1.24 standard deviation of expected share price returns of 49.0%, expected life of options ranging from 2.4 to 6.2 years expected dividend yield rate of 0% and annual risk-free interest rate 4.757%. 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.
9. The fair value of options granted under the Share Option Scheme on 29th September, 2008, determined using the Binomial Model valuation model, was approximately RMB2,756,000. The significant inputs into the model were exercise price of HK\$0.604 standard deviation of expected share price returns of 72.2%, expected life of options ranging from 3.8 to 4.8 years expected dividend yield rate of 0% and annual risk-free interest rate 3.133%. 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.
10. In the Extraordinary general meeting of the Company held on 20th June, 2008, an ordinary resolution was passed by the shareholders of the Company to refresh the scheme mandate limit under the Share Option Scheme. For details, Please refer to the Company's circular and announcement dated 5th June, 2008 and 20th June, 2008 respectively.

## Substantial shareholders' and other persons' interests and short positions in the shares and underlying shares of the company

As at 31st March, 2009, the interests and short positions 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 shareholder	Class of shares	Long position	Nature of short position	Approximate interests/ Holding capacity	Percentage of share capital
<i>Substantial shareholders</i>					
McGovern Patrick J	Ordinary	104,790,697 (Note 1)	–	Interest in controlled corporation	21.47%
McCarthy Kent C.	Ordinary	100,170,000 (Note 2)	–	Interest in controlled corporation	20.52%
Zhou Quan	Ordinary	79,316,743 (Note 3)	–	Interest in controlled corporation	16.25%
<i>Other person</i>					
Geng Yi	Ordinary	37,157,771 (Note 4)	–	Beneficial owner/ Family interests	7.61%

### Notes:

- Such interest in the Company comprises 25,473,954 shares, 16,664,743 shares and 62,652,000 shares owned by IDG Technology Venture Investment, Inc., a wholly-owned subsidiary of International Data Group, Inc., the majority shareholder of which is Mr. Patrick McGovern, IDG Technology Venture Investments, L.P., a Delaware limited partnership controlled by IDG Technology Venture Investments, LLC, which is in turn jointly controlled by Mr. Patrick McGovern and Mr. Quan Zhou, and IDG Technology Venture Investment III, L.P., a Delaware limited partnership controlled by IDG Technology Venture Investment III, LLC, which is in turn jointly controlled by Mr. Patrick McGovern and Mr. Quan Zhou, respectively.
- Such interest in the Company comprises 94,236,665 shares, and 5,933,335 shares owned by Jayhawk Private Equity Fund, L.P. and Jayhawk Private Equity Co-Invest Fund, L.P., respectively. The entire issued share capital of each of the abovementioned companies is owned by Mr. McCarthy Kent.
- Such interest in the Company comprises 16,664,743 shares and 62,652,000 shares owned by IDG Technology Venture Investments, L.P., a limited partnership controlled by IDG Technology Venture Investments, LLC, which is in turn jointly controlled by Mr. Patrick McGovern and Mr. Quan Zhou, and IDG Technology Venture Investment III, L.P., a Delaware limited partnership controlled by IDG Technology Venture Investment III, LLC, which is in turn jointly controlled by Mr. Patrick McGovern and Mr. Quan Zhou, respectively.

4. Such interest in the Company comprises:

- (a) 29,223,771 shares of the Company of which 28,149,146 shares of the Company are held by Mr. Guo Jiang, Ms. Geng's spouse; and
- (b) 7,934,000 underlying shares derived from the share options granted under the Share Option Scheme of which 6,200,000 underlying shares derived from the share options granted to Mr. Guo Jiang, Ms. Geng's spouse, under the share option scheme.

Save as disclosed above, as at 31st March, 2009, the Company had not been notified of any interests or short positions of substantial shareholders or other persons in the shares and underlying shares of the Company which are required to be kept under Section 336 of the SFO.

### **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 two independent non-executive Directors Mr. Zhang Ke and Mr. Xiang Bing and an non-executive Director, Mr. Li Jianguang. Mr. Zhang Ke is the Chairman of the audit committee.

The audit committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, and the first quarterly results of the Group for the period ended 31st March, 2009.

### **DIRECTORS' AND MANAGEMENT SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

Each of the Directors or 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 any company 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, 2009.

### **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, 2009.

By order of the board of Directors

**HC International, Inc.**

**Guo Jiang**

*Chief Executive Officer and Executive Director*

As at the date of this report, the board of Directors comprises:

Mr. Guo Fansheng (*Executive Director*)

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

Mr. Li Jianguang (*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, 30th April, 2009