



CHINA HUIYUAN JUICE GROUP LIMITED

中國滙源果汁集團有限公司*

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1886)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

HIGHLIGHTS

- Key financial figures

| | 2008 RMB'000 | 2007 RMB'000 |
|-------------------------------------------------------------------------------------|-----------------|-----------------|
| Revenue | 2,819,739 | 2,656,337 |
| Gross profit | 908,859 | 949,193 |
| Profit attributable to equity holders | 88,940 | 640,217 |
| Adjusted profit attributable to equity holders (Note 1) | 233,071 | 319,467 |
| Interest income from subscription monies from initial public offerings of shares | — | 206,814 |
| Fair value change in conversion right of Convertible Bonds | (109,669) | 136,050 |
| Earnings per share (RMB cents) | | |
| — Basic | 6.1 | 46.9 |
| — Diluted | 6.0 | 35.9 |
| Adjusted earnings per share (RMB cents) (Note 1) | | |
| — Basic | 16.0 | 23.4 |
| — Diluted | 15.7 | 17.9 |
| Proposed final dividend per share (RMB cents) | 1.5 | 10.9 |

Note 1: The adjusted profit attributable to equity holders and adjusted earnings per share exclude the impacts of one-off interest income from share subscription, interest expenses on Convertible Bonds (as defined below), change in fair value of conversion right of Convertible Bonds, exchange gain relating to Convertible Bonds and amortization of employee share option scheme.

- For the year ended 31 December 2008, China Huiyuan Juice Group Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “Huiyuan”) recorded a revenue of RMB2,819.7 million. Sales of 100% juice decreased by 2.4%, and sales of nectars and juice drinks increased by 8.4% and 8.9%, respectively.
- According to AC Nielsen, for the year ended 31 December 2008, Huiyuan maintained its No. 1 position (by volume) in both 100% juices and nectars market in China, with a market share by sales volume of 42.1% and 43.6%, respectively.

In this announcement, “we”, “us” and “our” refer to the Company and where the context otherwise requires, the Group.

FAIR VALUE CHANGE IN CONVERSION RIGHT OF CONVERTIBLE BONDS

Our profit attributable to equity holders of the Company is affected by the fair value change in the conversion right of our convertible bonds with an outstanding face value of US\$73,326,000 as at 31 December 2008 (the “Convertible Bonds”). For the year ended 31 December 2007, we recorded a positive unrealised revaluation gain of RMB136.1 million arising from such fair value change, whereas we recorded a negative unrealised revaluation loss of RMB109.7 million for the year ended 31 December 2008.

Since the Coca-Cola offer for Huiyuan was withdrawn in March 2009, Huiyuan’s share price has been adjusted significantly. We have engaged an international valuer to revalue the fair value of the conversion right of Convertible Bonds based on Huiyuan’s share price and other relevant parameters as at 31 March 2009. The revaluation shows an unrealized gain of RMB348.8 million from fair value change in conversion right of the Convertible Bonds for the three months ended 31 March 2009.

BUSINESS REVIEW FOR YEAR 2008

Operating Results

For the year ended 31 December 2008, the Group’s turnover amounted to RMB2,819.7 million, an increase of 6.2% over 2007. Overall gross profit margin decreased from 35.7% in 2007 to 32.2% in 2008. The operating profit of the year decreased by 36.8% from RMB340.9 million in 2007 to RMB215.4 million in 2008, and profit attributable to our shareholders decreased by 86.1% from RMB640.2 million in 2007 to RMB88.9 million in 2008. The Board (as defined below) recommended a final dividend of RMB0.015 per share.

Faced with challenging market conditions, Huiyuan has promptly implemented a series of strategic measures, including optimizing the sales and distribution network, centralizing the sales and order processing functions at the Group’s headquarters, and enhancing the marketing and brand promotion efforts to enhance the operational effectiveness and efficiency and to strengthen our overall profitability.

Market Position and Achievements

The juice beverage market in China continued to grow in 2008. According to AC Nielsen, the market share (by sales volume) of our 100% juices and nectars in China were 42.1% and 43.6%, respectively, in 2008, continuing to maintain No. 1 position in these two markets.

During the year, we continued to promote the various products launched in 2007, including “C ‘Ta’ V ‘Ta’” line of 100% juice, the “Quan You” line of fruit and vegetable nectars, the “Kiwi Super Fruit” line of juice drinks and a line of children’s juice drinks under the “Le Le Yuan” brand name. In addition, to meet the needs of a growing group of style-savvy and health-conscious consumers, we have also tapped into the non-juice segment and rolled out a vegetarian-protein product called

“roasted puree (烘焙·原漿)” and further strengthened our efforts in developing date juice and other beverage products. In line with our continuously expanding product mix, we endeavored to enhance our production capacity and expand our sales network. We commenced the operation of 11 new plants and acquired the sales network of 9 distributors in 2008.

We have obtained various awards during the year. Huiyuan was awarded the “Great Contribution Award for the Food Production Enterprises in China” at the “3.15 Conference of Food Consumption Safety in China”, which was held by the Administration of Quality Supervision, Inspection and Quarantine of China and the Food Industry Institution of China. We obtained the “Platinum Award of Credible Brand in Asia” under a market survey conducted by the Readers Digest and received the title of “Most Popular Brand and Enterprise of 2007” at the Second Summit for Brand Marketing of Chinese Enterprises. Huiyuan was also named as one of the “Brands Improving the Well-being of the Chinese in 30 years” (“30年改變中國人生活的品牌”) by “China Times” (“華夏時報”). As a leader in the juice industry in China, we have always been focused in ensuring the quality of our products. The award of “Top 20 Enterprises in the Beverage Industry of China (中國飲料工業二十強企業)” granted to us by China Beverage Industry Association was a recognition of our efforts in ensuring the high quality of our products.

MARKET REVIEW FOR YEAR 2008

The juice beverage market in China continued its steady growth in 2008 as the growth in urban population and disposable income continued to drive demand for natural and healthy beverage products such as fruit and vegetable juices. According to AC Nielsen, China sold 2.84 billion liters of fruit and vegetable juices in 2008, representing a 17.1% increase as compared to 2007.

The Group recorded a 5% increase in sales volume in 2008 as compared to 2007, with a total sales volume of 833,000 tons of fruit and vegetable juices in 2008. The Group’s growth in product sales was below the average growth of product sales in the Chinese fruit and vegetable juice market due to its focus on expansion in production facilities and organisation restructuring in 2008, the directors believe the benefits of which will be reflected in its operational results in the future.

FINANCIAL REVIEW

The board of directors (the “Board”) of the Company are pleased to present the consolidated results of the Group for the year ended 31 December 2008, along with the comparative figures last year, as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

| | | 2008 | 2007 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|--------------------|
| | <i>Note</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | 5 | 2,819,739 | 2,656,337 |
| Cost of sales | 8 | <u>(1,910,880)</u> | <u>(1,707,144)</u> |
| Gross profit | | 908,859 | 949,193 |
| Other income, net | 6 | 72,657 | 70,547 |
| Other gains | 7 | 1,849 | 23,420 |
| Selling and marketing expenses | 8 | (603,644) | (569,677) |
| Administrative expenses | 8 | (164,293) | (132,563) |
| Interest income from subscription monies from initial public offering of shares | | — | 206,814 |
| Finance income/(cost) — net | 9 | 13,091 | (6,179) |
| Fair value change in conversion right of Convertible Bonds | 16 | <u>(109,669)</u> | <u>136,050</u> |
| Profit before income tax | | 118,850 | 677,605 |
| Income tax expense | 10 | <u>(29,910)</u> | <u>(37,388)</u> |
| Profit for the year | | <u>88,940</u> | <u>640,217</u> |
| Attributable to: | | | |
| Equity holders of the Company | | 88,940 | 640,217 |
| Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RMB cents per share) | | | |
| — basic | 11 | <u>6.1</u> | <u>46.9</u> |
| — diluted | 11 | <u>6.0</u> | <u>35.9</u> |
| Dividends | 12 | <u>22,235</u> | <u>160,054</u> |

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2008

| | <i>Note</i> | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|------------------------------------------------------------------------------|-------------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Land use rights | | 429,080 | 337,399 |
| Property, plant & equipment | | 3,102,455 | 2,241,112 |
| Intangible assets | | 317,262 | 323,826 |
| Long term prepayment | <i>13</i> | 148,583 | — |
| Deferred tax assets | | 31,070 | 24,092 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 4,028,450 | 2,926,429 |
| Current assets | | | |
| Inventories | | 760,560 | 742,044 |
| Trade and other receivables | <i>14</i> | 643,666 | 666,195 |
| Derivative financial instrument | | 882 | 1,568 |
| Other loans and receivables | <i>15</i> | 356,786 | 1,250,718 |
| Restricted cash | | 94,355 | 10,033 |
| Cash and cash equivalents | | 1,306,621 | 1,290,220 |
| | | <hr/> | <hr/> |
| Total current assets | | 3,162,870 | 3,960,778 |
| | | <hr/> | <hr/> |
| Total assets | | 7,191,320 | 6,887,207 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| EQUITY | | | |
| Capital and reserves attributable to the Company's equity holders | | | |
| Share capital | | 114 | 114 |
| Share premium | | 3,716,982 | 3,716,982 |
| Other reserves | | 139,298 | 116,040 |
| Retained earnings | | | |
| — Proposed final dividend | <i>12</i> | 22,235 | 160,054 |
| — Others | | 709,351 | 668,030 |
| | | <hr/> | <hr/> |
| Total equity | | 4,587,980 | 4,661,220 |
| | | <hr/> | <hr/> |

CONSOLIDATED BALANCE SHEET (Continued)

AS AT 31 DECEMBER 2008

| | <i>Note</i> | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|----------------------------------------------|-------------|-------------------------------|-------------------------------|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | | 478,266 | 511,322 |
| Deferred government grants | | 65,009 | 65,662 |
| Long-term payable for land use rights | | 7,751 | 8,953 |
| Long-term payable for license fee | | 4,095 | 8,225 |
| Convertible bonds | <i>16</i> | — | 945,182 |
| Total non-current liabilities | | <u>555,121</u> | <u>1,539,344</u> |
| Current liabilities | | | |
| Trade and other payables | <i>17</i> | 472,313 | 645,923 |
| Taxation payable | | 27,305 | 12,979 |
| Deferred revenue | | 18,970 | 27,741 |
| Convertible bonds | <i>16</i> | 1,069,396 | — |
| Borrowings | | 460,235 | — |
| Total current liabilities | | <u>2,048,219</u> | <u>686,643</u> |
| Total liabilities | | <u>2,603,340</u> | <u>2,225,987</u> |
| Total equity and liabilities | | <u>7,191,320</u> | <u>6,887,207</u> |
| Net current assets | | <u>1,114,651</u> | <u>3,274,135</u> |
| Total assets less current liabilities | | <u>5,143,101</u> | <u>6,200,564</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

1. General information

China Huiyuan Juice Group Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the manufacturing and sales of juice beverages in the People’s Republic of China (the “PRC”).

The Company was incorporated in the Cayman Islands on 14 September 2006 as an exempted company with limited liability under the Company Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of registered office is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands.

Pursuant to a group reorganisation (the “Reorganisation”) which included exchange of shares to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Company acquired the entire issued share capital of Huiyuan Beijing Holdings Limited, Huiyuan Shanghai Holdings Limited and Huiyuan Chengdu Holdings Limited (the “BVI Companies”), the then holding companies of all other companies comprising the Group and consequently became the holding company of the Group. The Reorganisation was completed on 23 February 2007.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 23 February 2007.

These consolidated financial statements were authorised for issue by the Board on 14 April 2009.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

3. Accounting policies

The accounting policies applied in the preparation of the consolidated financial statements are consistent with those of the consolidated financial statements for the year ended 31 December 2007, as set out in the annual report of the Group for year ended 31 December 2007, unless otherwise stated.

The following amendments and interpretation to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Group’s operations:

- IFRIC — Int 11, ‘IFRS — Group and treasury share transactions’
- IFRIC — Int 12, ‘Service Concession arrangements’
- IAS 39, ‘Financial instruments: Recognition and measurement’
- IFRIC — Int 14, ‘IAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction’

4. Segment reporting

No business segment information of the Group is presented as the Group’s revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacturing and sales of juice and other beverage products. The Group’s principal market is the PRC and its sales to overseas customers contributed to less than 10% of the revenues and results. Also, less than 10% of the Group’s total assets are located outside the PRC. Accordingly, no geographical segment is presented.

5. Revenue

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|-----------------|-------------------------|-------------------------|
| Sales | | |
| Juice | 2,647,510 | 2,497,945 |
| Other beverages | <u>172,229</u> | <u>158,392</u> |
| Total | <u><u>2,819,739</u></u> | <u><u>2,656,337</u></u> |

The Group made barter sales of approximately RMB83,302,016 (2007: RMB27,728,000) during the year in exchange for transportation vehicles, refrigerators and advertising services.

6. Other income, net

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|----------------------------------------------------------|------------------------|------------------------|
| Interest income from other loans and receivables | 30,735 | 5,238 |
| Subsidy income | 20,084 | 4,926 |
| Net income from sales of raw materials and scrap | 19,278 | 33,053 |
| Gain on disposals of property, plant and equipment | 1,787 | 3,038 |
| Amortisation of deferred government grants | 1,713 | 7,029 |
| Rental income from property, plant and equipment | 1,605 | 1,530 |
| Donation to China Charity Federation and China Red Cross | (8,337) | (3) |
| Others | <u>5,792</u> | <u>15,736</u> |
| | <u><u>72,657</u></u> | <u><u>70,547</u></u> |

7. Other gains

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|------------------------------|------------------------|------------------------|
| Derivative instruments: | | |
| — forward contracts | — | 21,852 |
| — interest rate swap product | <u>1,849</u> | <u>1,568</u> |
| | <u><u>1,849</u></u> | <u><u>23,420</u></u> |

8. Expenses by nature

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|---------------------------------------------------------------------------------|------------------------|------------------------|
| Raw materials used and changes in inventories | 1,564,620 | 1,404,456 |
| Advertising and other marketing expenses | 468,025 | 428,513 |
| Depreciation of property, plant and equipment | 172,318 | 139,936 |
| Water and electricity | 121,512 | 99,192 |
| Employee benefit expense | 110,680 | 108,228 |
| Transportation and related charges | 92,054 | 103,124 |
| Repairs and maintenance | 44,006 | 40,979 |
| Office and communication expenses | 18,234 | 14,179 |
| Land use tax | 14,962 | 2,414 |
| Amortisation of land use rights and intangible assets | 14,363 | 14,653 |
| Travelling expense | 13,163 | 9,627 |
| Rental expenses | 7,950 | 5,231 |
| Auditors' remuneration | 4,300 | 4,500 |
| Provision for impairment of inventories | 2,152 | 941 |
| Consulting fee | 1,921 | 1,101 |
| Provision for impairment of receivables | 210 | 829 |
| Other expenses | 28,347 | 31,481 |
| | <u>2,678,817</u> | <u>2,409,384</u> |
| Total cost of sales, selling and marketing expenses and administrative expenses | <u>2,678,817</u> | <u>2,409,384</u> |

9. Finance income/(cost) — net

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|-----------------------------------------------------------------------------------|------------------------|------------------------|
| Interest income: | | |
| — from bank deposits | 10,883 | 38,505 |
| — from money market funds | — | 40,816 |
| | <u>10,883</u> | <u>79,321</u> |
| Interest expenses: | | |
| — Bank borrowings | (31,842) | (46,006) |
| — Interest expense relating to Convertible Bonds (Note 16) | (53,822) | (50,515) |
| Less: Interest capitalised | 18,787 | 8,063 |
| | <u>(66,877)</u> | <u>(88,458)</u> |
| Exchange gain/(loss) (excluding Convertible Bonds) | 36,532 | (29,010) |
| Exchange gain on liability component of Convertible bonds (Note 16) | 32,553 | 31,968 |
| | <u>13,091</u> | <u>(6,179)</u> |
| Weighted average effective interest rates used to calculate capitalisation amount | <u>4.29%</u> | <u>6.69%</u> |

10. Income tax expense

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|------------------------------------------------|------------------------|------------------------|
| Current income tax — PRC enterprise income tax | 36,888 | 40,228 |
| Deferred income tax credit | <u>(6,978)</u> | <u>(2,840)</u> |
| | <u>29,910</u> | <u>37,388</u> |

Hong Kong profits tax has not been provided as the Group has no assessable profit derived from Hong Kong.

PRC enterprise income tax is provided on the basis of the profit for statutory financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purpose. In 2007, the applicable enterprise income tax rate for the companies of the Group was 33%, which comprises 30% attributable to national enterprise income tax and 3% attributable to local municipal income tax.

The National People's Congress of the PRC approved the Corporate Income Tax Law (the "New Tax Law") on 16 March 2007. With effective from 1 January 2008, the tax rate subject to the subsidiaries of the Group is 25%, with certain grandfathering provisions and preferential provisions, except that certain companies are entitled to preferential tax treatment. Effective from 1 January 2008, the enterprises entitled to two years exemption followed by three years of a 50% tax reduction, will commence the originally approved tax holiday and preferential treatment from the beginning of 2008 although they are still in loss position. Eleven subsidiaries of the Group are entitled to preferential tax treatments including full exemption from PRC income tax for two years starting from their first profit-making year or the year of 2008 followed by a 50% reduction for the next consecutive three years.

According to the New Tax Law, the profits of the PRC subsidiaries of the Group derived since 1 January 2008 will be subject to withholding tax at rates of 5% or 10% upon the distribution of such profits to foreign investors based in or companies incorporated in Hong Kong, or for other foreign investors respectively. The Group determined that no deferred withholding tax liabilities shall be recognised in respect of the profits of the PRC subsidiaries for the year ended 31 December 2008 since the Group plans to reinvest such profits to set up new companies in the PRC and has no plan to distribute such profits in the foreseeable future.

11. Earnings per share

(a) *Basic*

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

| | 2008 <i>RMB'000</i> | 2007 <i>RMB'000</i> |
|-----------------------------------------------------------------|------------------------|------------------------|
| Profit attributable to equity holders of the Company | 88,940 | 640,217 |
| Weighted average number of ordinary shares in issue (thousands) | 1,468,817 | 1,363,846 |
| Basic earnings per share (RMB cents) | <u>6.1</u> | <u>46.9</u> |

(b) *Diluted*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised shares which may be issued under its Convertible Bonds and share option schemes. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the conversion of the Convertible Bonds and the exercise of the share options, with the

difference being adjusted in arriving at the weighted average number of shares for diluted earnings per shares, of which details are as follows:

| | 2008 | 2007 |
|-------------------------------------------------------------------------------------------------------|-------------------------|------------------|
| | RMB'000 | RMB'000 |
| Profit attributable to equity holders of the Company | 88,940 | 640,217 |
| Add: Interest expense relating to Convertible Bonds | * | 50,515 |
| Less: Unrealised exchange gain relating to Convertible Bonds | * | (31,968) |
| Less: Fair value changes of conversion right of Convertible Bonds | * | (136,050) |
| | <u>88,940</u> | <u>522,714</u> |
| Profit attributable to equity holders of the Company, used to determine diluted earnings per share | | |
| | <u>88,940</u> | <u>522,714</u> |
| Weighted average number of ordinary shares in issue (thousands) | 1,468,817 | 1,363,846 |
| Adjustment for Convertible Bonds (thousands) | — | 93,296 |
| Adjustment for share options (thousands) | 1,707 | 552 |
| | <u>1,470,524</u> | <u>1,457,694</u> |
| Weighted average number of ordinary shares for diluted earnings per share (thousands) | | |
| | <u>1,470,524</u> | <u>1,457,694</u> |
| Diluted earnings per share (RMB cents) | <u>6.0</u> | <u>35.9</u> |

* In 2008, the impact of interest expense of, unrealised exchange loss of and fair value changes of conversion rights of Convertible Bonds are antidilutive and have therefore been excluded from the calculation of diluted earning per share.

12. Dividends

The Board recommended the payment of a final dividend of RMB0.015 per ordinary share, totalling RMB22,235,000 (2007: RMB0.109 per ordinary share, totalling RMB160,054,000), which is calculated based on the total number of outstanding ordinary shares at 31 December 2008. Such dividend is to be approved by the shareholders at the forthcoming annual general meeting for 2008. The dividend is reflected as an appropriation in the retained earnings.

13. Long term prepayment

Long term prepayment represents payments to acquire distribution networks from certain major distributors by the Group in May 2008. It was classified as an intangible assets as at 30 June 2008 as management's intention was to complete the transfer of the distribution networks ownership within 2008. As of 31 December 2008, due to certain commercial reasons, the transfers have not been completed and these payments were reclassified as long term prepayments. The balance will be transferred to intangible assets upon the completion of the transfers of the distribution network ownership and will be amortised over the expected lives of the distribution networks.

14. Trade and other receivables

| | 2008 | 2007 |
|-----------------------------------------------|-----------------------|----------------|
| | RMB'000 | RMB'000 |
| Trade receivables | 141,869 | 164,668 |
| Trade receivables | 150,794 | 173,383 |
| Less: Provision for impairment of receivables | (8,925) | (8,715) |
| Bills receivable — third parties | 121,137 | 68,729 |
| Prepayments of raw materials and others | 318,297 | 402,265 |
| Other receivables | 62,363 | 30,533 |
| | <u>643,666</u> | <u>666,195</u> |

The carrying amounts of receivables approximate their fair values.

Credit risk with respect to trade receivables is not significant, as the Group has a large number of customers, which are widely dispersed within the PRC. The majority of the Group's sales are settled in cash or by cheque on delivery of goods. The remaining amounts are with credit terms of 90–180 days. As at 31 December 2008 and 2007, the ageing analysis of the trade receivables was as follows:

| | 2008 | 2007 |
|-------------------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 3 months | 98,229 | 143,017 |
| Between 4 and 6 months | 11,023 | 25,653 |
| Between 7 and 12 months | 23,066 | 4,573 |
| Between 1 and 2 years | 18,476 | 140 |
| | <u>150,794</u> | <u>173,383</u> |

15. Other loans and receivables

| | 2008 | 2007 |
|-----------------------------|-----------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Other loans and receivables | <u>356,786</u> | <u>1,250,718</u> |

In 2008, other loans and receivables represent time deposits denominated in RMB or USD in banks with maturities in a range from 3 months to 1 year. The interest return on these time deposits ranged from 1.35% to 4.14% per annum. Balances due within 12 months equal to their carrying balances, as the impact of discounting is not significant. In 2007, they represent various structured deposits denominated in RMB.

16. Convertible bonds

| | 2008 | 2007 |
|-------------------------------------------------|-------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Convertible bonds due 2011, liability component | 517,082 | 504,564 |
| Fair value of embedded derivatives | <u>552,314</u> | <u>440,618</u> |
| | <u>1,069,396</u> | <u>945,182</u> |

On 5 February 2007, the Company, China Hui Yuan Juice Holdings Co., Ltd., the then holding company of the Group, and the holders of Convertible Bonds issued by China Hui Yuan Juice Holdings Co., Ltd. in June 2006 (the "June 2006 Convertible Bond"), entered into an agreement (the "Agreement") pursuant to which the Company agreed to issue an aggregate of US\$85,000,000 (equivalent to approximately RMB663,000,000) Convertible Bonds due 28 June 2011 (the "Convertible Bonds") and an additional US\$675,000 (equivalent to approximately RMB5,265,000) Convertible Bonds as an interest payment in kind (the "PIK") to the holders of the June 2006 Convertible Bond in exchange for the surrender of the June 2006 Convertible Bonds by the holders. The Convertible Bonds have the same terms and conditions as the June 2006 Convertible Bonds.

Upon completion of the Agreement on 23 February 2007, the Company recorded the estimated fair value of the Convertible Bonds as a distribution to equity holders. The major terms and conditions of the Convertible Bonds are as follows:

(i) *Interest rate:*

The Company shall pay an interest on the Convertible Bonds at 2.0% per annum prior to the date on which dealings in the Company's shares first commence on The Stock Exchange of Hong Kong Limited (the "Listing Date") and 2.5% per annum following the Listing Date. A bondholder may (but is not obliged to) elect to receive some or all of the interest payments payable to it on any interest payment date by way of receipt of Convertible Bonds with an equivalent principal amount.

(ii) *Conversion price:*

Each one of the bondholder has the right to convert any outstanding Convertible Bonds into the ordinary shares of the Company at 85% of the offer price upon the Company's initial public offering of shares (the "Offer Price" amounted to HK\$6).

(iii) *Maturity*

The Company must redeem any outstanding Convertible Bonds on 28 June 2011 at a price that will enable the bondholders to receive a 7.5% internal return rate on the principal amount of the Convertible Bonds being redeemed (excluding any additional Convertible Bonds received as interest payment in kind).

(iv) *Redemption*

On 28 June 2009, each one of the bondholder has an option, subject to the approval of the majority bondholders, to require the Company to redeem the outstanding Convertible Bonds held by it at a price as determined under the Agreement.

As at 28 December 2007 and 27 June 2008, Convertible Bonds issued upon exercise of the PIK option of the Convertible Bonds had face values of US\$830,000 and US\$821,000 respectively.

As at 31 December 2007, bonds with a face value US\$14,000,000 have been converted into ordinary shares of the Company at the price of HK\$5.1 during the period from August to October 2007. Accordingly, ordinary shares of the Company increased by 21,318,607 shares as at 31 December 2007. There was no conversion of bonds during 2008.

The fair value of the Convertible Bonds was determined by an independent qualified valuer based on the Binomial valuation model. The fair value of the liability component on initial recognition was valued using discounted cashflow model. The fair value of the conversion rights, together with redemption rights and interest settlement option as a single derivative (the "conversion right") was valued by estimating the value of the whole bond with and without the conversion feature. The difference in value reflects the value of the conversion right.

| | <i>RMB'000</i> |
|-------------------------------------------------------------------------------------|--------------------------------|
| Fair value of conversion right as at 31 December 2007 | 440,618 |
| Add: Fair value of conversion right of the bonds issued upon exercise of PIK option | 2,027 |
| Less: Fair value of conversion right as at 31 December 2008 | <u>(552,314)</u> |
| Fair value changes of conversion right | <u><u>(109,669)</u></u> |

The fair value change in the conversion right, redemption right and interest settlement option for the year is negative RMB109,669,000 (2007: positive RMB136,050,000), which is recognised in the consolidated income statement and disclosed separately. The related interest expense of the liability component of the Convertible Bonds for the year ended 31 December 2008 amounted to RMB53,882,000 (2007: RMB50,515,000), which is calculated using the effective interest method with an effective interest rate of 11.38%.

RMB'000

| | |
|--------------------------------------------------------------|-----------------|
| Liability component as at 31 December 2007 | 504,564 |
| Add: Interest expense for the year (note 9) | 53,822 |
| Less: Interest payment during the year | (6,724) |
| Interest changed to conversion of bonds issued on PIK option | (2,027) |
| Unrealised exchange gain (note 9) | (32,553) |
| | <hr/> |
| Liability component as at 31 December 2008 | 517,082 |
| | <hr/> <hr/> |

As of 31 December 2008, the Convertible Bonds have been reclassified as current liabilities due to the 28 June 2009 redemption option.

The Company engaged an international valuer to revalue the fair value of the conversion right of Convertible Bonds based on the share price of the Company and other relevant parameters as of 31 March 2009 after the cessation of the Coca Cola-Huiyuan Offer Period (refer to note 19 for details). This revaluation would have resulted in an unrealized gain of approximately RMB348.8 million from the fair value change in conversion right of Convertible Bonds for the 3 months ended 31 March 2009.

17. Trade and other payables

| | 2008 | 2007 |
|----------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Trade payables | 152,691 | 275,116 |
| Other payables | 319,622 | 370,807 |
| | <hr/> | <hr/> |
| | 472,313 | 645,923 |
| | <hr/> <hr/> | <hr/> <hr/> |

The ageing analysis of the trade payable to third parties as at 31 December 2008 and 2007 is as follows:

| | 2008 | 2007 |
|-------------------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 3 months | 142,181 | 262,206 |
| Between 4 and 6 months | 4,356 | 5,806 |
| Between 7 and 12 months | 2,511 | 3,252 |
| Between 1 and 2 years | 2,051 | 699 |
| Between 2 and 3 years | 174 | 979 |
| Over 3 years | 1,418 | 2,174 |
| | <hr/> | <hr/> |
| | 152,691 | 275,116 |
| | <hr/> <hr/> | <hr/> <hr/> |

18. Contingencies

There were no material contingent liabilities as at 31 December 2008 (2007: nil).

19. Events after the balance sheet date

On 18 March 2009, the Ministry of Commerce of the PRC announced that it decided not to grant the anti-trust approval in the PRC in relation to the voluntary conditional cash offers dated 3 September 2008 made by RBS Asia Corporate Finance Limited on behalf of Atlantic Industries, a wholly-owned subsidiary of the Coca-Cola Company, to acquire all of the issued shares in the capital of and all of the outstanding Convertible Bonds of, and for the cancellation of all outstanding options of, the Company (the "Offers"). Accordingly, the Coca-Cola Company, Atlantic Industries and the Company announced jointly on 19 March 2009 (the "Announcement") that the pre-condition for the Offers, which was the obtaining of the anti-trust approval in the PRC by the Coca-Cola Company and Atlantic Industries, was not met and therefore the Offers would not be made. The share price of the Company has been significantly affected by the Announcement which is a material factor in the assessment of the fair value of the conversion right of the Convertible Bonds. The financial impact subsequently on the fair value of the conversion right of the Convertible Bonds is disclosed in note 16.

Sales

Sales of the Group's core juice products, comprising 100% fruit juices, nectars and juice drinks, increased by 6.0% from RMB2,497.9 million in 2007 to RMB2,647.5 million in 2008 primarily due to an increase in sales across nectars and juice drinks, which was partly offset by a decrease in the sales of 100% fruit juices.

Sales of nectars continued to be the Group's main revenue driver accounting for 43.1% of its total sales and 47.3% of its total sales volume in 2008. Sales of nectars increased by 8.4% from RMB1,120.5 million in 2007 to RMB1,214.9 million in 2008, primarily due to an increase in sales volume. The average selling prices for nectars remained stable in 2008.

Sales of juice drinks, which accounted for 30.2% of the Group's total sales, increased by 8.9% from RMB781.5 million in 2007 to RMB850.9 million in 2008, primarily due to a 2.6% increase in average selling prices and a 6.2% increase in the sales volume.

Sales of 100% fruit juices, which accounted for 20.6% of the Group's total sales, decreased by 2.4% from RMB596.0 million in 2007 to RMB581.6 million in 2008 primarily due to a 8.8% decrease in sales volume, which was partly offset by a 7.0% increase in average selling price. The decrease in sales volume was mainly due to the change in the Group's focus from sales through distributors to direct sales through its own sales branches, which has caused certain transitional impacts.

The sales of other beverage products increased by 8.7% from RMB158.4 million in 2007 to RMB172.2 million mainly as a result of an increase in sales of bottled water.

Cost of Sales

Cost of sales increased by 11.9% from RMB1,707.1 million in 2007 to RMB1,910.9 million in 2008. The increase in cost of sales was primarily due to an increase in cost of raw materials and depreciation charges, which accounted for 81.7% and 7.4% of the total cost of sales, respectively. The increase in cost of raw materials was primarily a result of the rising cost of juice concentrates and purees, which increased by 29.4% in 2008. An increase of 22.0% in depreciation charges also contributed to higher cost of sales, which was due to the addition of production facilities in 2008, while the production volume had not yet been fully ramped up.

Gross Profit

Gross profit decreased by 4.2% from RMB949.2 million in 2007 to RMB908.9 million in 2008 primarily due to the increase in costs of sales, which was partly offset by the increase in its sales. Gross profit margin decreased from 35.7% in 2007 to 32.2% in 2008.

Other Income

Other income increased by 3.0% from RMB70.5 million in 2007 to RMB72.7 million in 2008, primarily attributed to a RMB25.5 million increase in interest income on the structured and time deposits that were re-designated from general bank deposits, which was partly offset by a RMB13.8 million decrease in income from sales of raw materials and scrap.

Selling and Marketing Expenses

Selling and marketing expenses increased by 6.0% from RMB569.7 million in 2007 to RMB603.6 million in 2008, mainly due to a RMB39.5 million increase in advertising and promotional costs. The increase in advertising and promotional costs is primarily due to the expenses and costs relating to the launch of new products and the marketing activities for the Beijing Olympic Games.

Administrative Expenses

Administrative expenses increased by 23.9% from RMB132.6 million in 2007 to RMB164.3 million in 2008, primarily as a result of an increase in the number of subsidiaries and branches of the Group and RMB13.4 million in expenses recognized for the share options granted in 2008.

Finance Income/Cost

The Group recorded a RMB13.1 million finance income in 2008 as compared to a RMB6.2 million finance cost in 2007, primarily as a result of a RMB66.1 million increase in foreign exchange gain from RMB3.0 million in 2007 to RMB69.1 million in 2008, which was partly offset by a decrease of RMB68.4 million in interest income from bank deposits, due to a decrease in bank deposits and the designation of bank deposits to structured and time deposits, of which the relevant interest income was reflected as other income of the Group.

Income Tax Expenses

Income tax expenses decreased by 20.0% from RMB37.4 million in 2007 to RMB29.9 million in 2008, primarily due to the decrease in taxable profits.

Unadjusted and Adjusted Profit Attributable to Equity Holders of the Company

As a result of the foregoing, profit attributable to equity holders of the Company decreased by 86.1% from RMB640.2 million in 2007 to RMB88.9 million in 2008. The margin for profit attributable to its equity holders decreased from 24.1% in 2007 to 3.2% in 2008. Nonetheless, if the impact of one-off interest income from share subscription, interest expenses on Convertible Bonds, change in fair value of conversion right of Convertible Bonds, exchange gain relating to Convertible Bonds and amortization of employee share option scheme was disregarded, our adjusted profit attributable to equity holders of the Company would have decreased by approximately 27% from RMB319.5 million in 2007 to RMB233.1 million in 2008.

Liquidity and Capital Resources

The Group's working capital and other capital requirements were principally funded by operations and cash at hand, short-term and long-term bank borrowings.

As at 31 December 2008, the Group had an aggregate of RMB938.5 million in outstanding bank loans and RMB1,069.4 million in outstanding Convertible Bonds as compared to RMB511.3 million of outstanding bank loans and RMB945.2 million of outstanding Convertible Bonds in 2007. The gearing ratio (total debt (including Convertible Bonds)/total equity) of the Group was 43.8% as at 31 December 2008, representing an increase of 12.6 percentage points as compared to 31.2% in 2007. The Company intends to repay the bank loans in the total amount of US\$45 million in late April 2009 and the Group's gearing ratio will be reduced to less than 40%.

The Group's indebtedness include bank loans and the Convertible Bonds. As at 31 December 2008, the Group had the following indebtedness:

| | Repayable within one year | Repayable after one year <i>(RMB in million)</i> | Total |
|-------------------|--------------------------------------|----------------------------------------------------------------|----------------|
| Bank loans | 460.2 | 478.3 | 938.5 |
| Convertible Bonds | <u>1,069.4</u> | <u>—</u> | <u>1,069.4</u> |
| Total | 1,529.6 | 478.3 | 2,007.9 |
| Analysed as: | | | |
| Secured | — | — | — |
| Unsecured | <u>1,529.6</u> | <u>478.3</u> | <u>2,007.9</u> |

Operating Activities

Net cash generated from operating activities was RMB175.7 million in 2008, while the Group's profit before tax for the same period was RMB118.9 million. The difference of RMB56.8 million was primarily due to a RMB109.7 million changes in fair value of the conversion right of the Convertible Bonds, a RMB172.3 million of depreciation of fixed assets, a RMB106.3 million decrease in trade and other receivables as a result of the decrease of prepayments for raw materials, partially offset by a RMB254.4 million decrease in trade and other payables mainly as a result of the Group's efforts in taking advantage of the early payment discounts offered by its suppliers.

Investing Activities

Net cash used in investing activities in 2008 was RMB464.2 million as compared to net cash used in investing activities of RMB2,109.6 million in 2007. The decrease of RMB1,645.4 million was primarily due to a decrease in other loans and receivables of RMB2,149.4 million during 2008, compared with an increase of RMB1,246.0 million during 2007, which was partially offset by an increase of purchase of property, plant and equipment and prepayment for acquisition of the distributors' sales networks totally amounting to RMB633.5 million.

Financing Activities

Net cash generated from financing activities in 2008 was RMB307.6 million, as compared to net cash generated from financing activities of RMB3,357.3 million in 2007. The decrease of RMB3,049.7 million was primarily due to the fact that the Group had a RMB3,485.2 million net proceeds from the Company's global offering of shares completed in February 2007.

Capital Expenditure

Capital expenditures comprised purchases of property, plant and equipment, and additions to land use rights. The Group consistently increased its annual total capital expenditures in 2008. During the year ended 31 December 2008, the Group spent RMB1,072.9 million on the purchase of property, plant and equipment, RMB95.2 million in the acquisition of land use rights and RMB148.6 million in prepayment for the acquisition of the distributors' sales networks.

As at 31 December 2008, the Group had capital commitments of RMB63.7 million for the purchase of property, plant and equipment.

The Group intends to reduce its capital expenditure in 2009. The Group expects that its capital expenditures in 2009 will amount to approximately RMB200 million, which will be applied mainly for general maintenance and replacement of equipment and machinery. The Group plans to finance its capital expenditure requirements in 2009 primarily with cash generated from its operations.

The Group intends to repay the US\$45 million syndicated loan in late April 2009 in light of its decision to slow down its capital expansion plans.

Analysis on Turnover of Inventories, Trade Receivables and Trade Payables

The Group's inventories primarily consist of raw materials (including packaging materials, juice concentrates and purees, sugars and additives) and finished goods (including juices and other beverage products). Raw materials make up the majority of the Group's inventory. Raw materials turnover days decreased from 173 days in 2007 to 148 days in 2008 as a result of the Group's more stringent raw materials inventory management. Turnover days for trade receivables remained stable in 2008 as compared to 2007. Turnover days for trade payables decreased to 29 days in 2008 from 59 days in 2007 as a result of our efforts in taking advantage of the early payment discounts offered by the suppliers.

Contingent Liabilities

As at 31 December 2008, the Group did not have any material contingent liabilities.

Off-balance Sheet Transactions

As at 31 December 2008, the Group had not entered into any off balance sheet transactions.

Pledge of Assets

As at 31 December 2008, none of the property, plant, equipment and land use rights of the Group were pledged to secure bank borrowings.

Capital Leases

As at 31 December 2008, the Group did not have any capital leases.

Financial Risk Management

The activities of the Group expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, cash flow and fair value interest rate risk, and capital risk. Financial risk management is carried out by the group treasury which identifies, evaluates and hedges financial risk in accordance to policies approved by the Board.

Foreign Exchange Rate Risk

The Group's production depends on importation of certain raw materials and the Group is exposed to foreign currency exchange risk arising from various currency exposures primarily with respect to the United States Dollar ("USD") and the Euro. The Group is also exposed to foreign currency exchange risk arising from the bank deposits, Convertible Bonds and bank borrowings denominated in the USD. The Group did not use forward contract/derivative instruments in 2008 but may use them from time to time to hedge against certain material foreign exchange exposures.

As at 31 December 2008, assuming the exchange rate of RMB increased/decreased by 1% against the USD with all other variables remaining unchanged, the Group's post-tax profit for 2008 would have been decreased/increased by RMB20,078,970 (2007: RMB14,565,000), mainly due to the foreign exchange losses/gains on retranslation of USD-denominated Convertible Bonds and bank borrowings.

Credit risk

The Group has no significant concentrations of credit risk. Most of the Group's sales are settled in cash or by cheque by its customers on delivery of goods. Credit sales are made only to selected long-term customers. The Group assesses the credit quality of its customers by taking into account various factors including their financial position and past experience. The utilization of credit limits is regularly monitored. The Group has policies in place to ensure that trade receivables are followed up in a timely manner. The balance of the trade receivables from the top 5 largest customers was

RMB52,773,000 as at 31 December 2008 (2007: RMB78,718,000), representing 35% of the total balance of trade receivables at 31 December 2008 (2007: 45%).

Employees

As at the 31 December 2008, the Group had 4,935 employees, approximately 891 of whom were engineers and technicians who had attended technical school or higher education. The employees' remuneration packages are determined with reference to their experience and qualifications and general market conditions. The Company has implemented the share option schemes in order to attract and retain the best available personnel and to provide additional incentives to its employees.

FUTURE PROSPECTS

During the year of 2008, Coca-Cola made a voluntary general offer to purchase all the issued shares in the capital of the Company. Although the take-over was not approved by the Ministry of Commerce of the PRC, it demonstrated the opportunities in the juice and beverage markets in China, and the recognition of Huiyuan as a leading market brand name. Leveraging on the growing popularity of juice beverage among the consumers and Huiyuan's strong brand recognition, we will continue to accelerate the development of the Group's business.

Looking forward, we will continue our strategic development in the following aspects:

- to strengthen our brand recognition and our consumers' loyalty;
- to enhance our product mix and launch more products in order to develop our brand awareness in various consumer groups;
- to expand our production capacity to take advantage of our reliable and stable raw materials supply;
- to expand our sales and distribution network in order to penetrate into the markets at all levels.

We will continue to adhere to our operation mission to 'cultivate a juice drinking habit, and promote juice as part of a healthy diet to benefit the consumers'. We endeavour to consolidate our leading market position and to attract more consumers with innovative and high quality products, as well as bring satisfactory returns to our shareholders. In 2009, the Group have already launched new products including "LEMON me" and Super Berry Fruit Juice. All these new products have been very well received in the market. We look forward to the day when Huiyuan enters into the international market as a renowned brand originating from China.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance practice for enhancing accountability and transparency of the Company to the investors and the shareholders. In this regard, the Company has adopted the "Code of Corporate Governance Practices" (the "Corporate Governance Code") as contained in Appendix 14 to the Rules Governing the Listing

of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) as its own code to govern its corporate governance practices. Saved for code provision A.2.1 of the Corporate Governance Code, which stipulates that the role of chairman and chief executive officer should be separate, the Company has complied with the stipulations of the Corporate Governance Code.

The positions of the chairman of the Board and the president (i.e., the chief executive officer) of the Company are held by Mr. Zhu Xinli. Although this deviates from the practice in A.2.1 of the Corporate Governance Code where the two positions should be held by different individuals, Mr. Zhu has considerable and extensive experience in the juice and beverage industry and in enterprise operation and management in general. The Board believes that it is in the best interest of the Company to have an executive chairman so that Board can benefit from his knowledge of the business and his capability in leading the Board in discussing the strategy and long-term development of the industry.

From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result. The Board considers that the balance of power between the Board and the senior management can still be maintained under the current structure.

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

During the year ended 31 December 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF FINANCIAL STATEMENTS

The financial management and audit committee of the Board, has discussed with management and reviewed the consolidated financial statements of the Group for the year ended 31 December 2008. The financial information set out in page 4 to 14 of this announcement of the Group’s results for the year ended 31 December 2008 have been agreed by PricewaterhouseCoopers, the Company’s auditor, to the amounts set out in the Group’s consolidated financial statements for the year as approved by the Board. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

ACKNOWLEDGEMENT

The Company would like to take this opportunity to express its sincere thanks to its employees for their commitment and diligence during the year.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of RMB0.015 per ordinary share for the year ended 31 December 2008.

Subject to approval of shareholders at the forthcoming annual general meeting of the Company, the final dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on 20 May 2009.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 26 May 2009. A notice convening the annual general meeting together with the 2008 annual report and the relevant circulars will be published and dispatched to the shareholders of the Company in the manner as required by the Hong Kong Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 May 2009 to 26 May 2009 (both days inclusive) during which no share transfer will be registered. To qualify for attending the annual general meeting and receiving the final dividend of the Company, all transfer of shares accompanied by the relevant share certificates must be lodged with Company branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 20 May 2009 on 4:30 p.m.. The dividend will be payable on or about 12 June 2009.

By order of the Board
CHINA HUIYUAN JUICE GROUP LIMITED
Zhu Xinli
Chairman

Beijing, 14 April 2009

As at the date of this announcement, our directors are Mr. ZHU Xinli, Mr. JIANG Xu and Mr. WU Chungkuan as executive directors, Mr. QIN Peng and Mr. SUN Qiang Chang as non-executive directors and Mr. WANG Bing, Ms. ZHAO Yali, Mr. TSUI Yiu Wa, Alec and Mr. SONG Quanhou as independent non-executive directors.

* *For identification purpose only*