

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

LAUNCH

深圳市元征科技股份有限公司 LAUNCH TECH COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2488)

2014 INTERIM RESULT ANNOUNCEMENT

The board of directors (the "Board") of Launch Tech Company Limited (the "Company") hereby announces the preliminary unaudited consolidated result of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014 (the "Reporting Period") prepared in accordance with China Accounting Standards for Business Enterprises:

I. FINANCIAL INFORMATION

(All amounts in RMB'000 unless otherwise stated)

CONSOLIDATED BALANCE SHEET

| | <i>Notes</i> | 30 June 2014 | 31 December 2013 (Audited) |
|------------------------|--------------|---------------------|-------------------------------|
| Current assets: | | | |
| Cash | | 321,525 | 315,245 |
| Bills receivables | | 27,416 | 20,765 |
| Trade receivables | 5 | 250,105 | 249,351 |
| Prepayments | | 62,296 | 83,505 |
| Other receivables | | 74,221 | 28,249 |
| Inventories | 6 | 156,267 | 110,538 |
| Other current assets | | 5,803 | 3,955 |
| Total current assets | | 869,633 | 811,608 |

CONSOLIDATED BALANCE SHEET (continued)

| | <i>Notes</i> | 30 June 2014 | 31 December 2013 (Audited) |
|--|--------------|---------------------|-------------------------------|
| Non-current assets: | | | |
| Fixed assets | | 320,495 | 342,590 |
| Construction in progress | | 99,262 | 88,067 |
| Intangible assets | | 108,682 | 110,239 |
| Development expenditure | | 19,510 | 16,340 |
| Goodwill | | 1,139 | 1,139 |
| Deferred income tax assets | | 4 | 4 |
| Total non-current assets | | 549,092 | 558,380 |
| Total assets | | 1,418,725 | 1,369,989 |
| Current liabilities: | | | |
| Short-term borrowings | | 505,122 | 528,442 |
| Bill payables | | 131,429 | – |
| Trade payables | 7 | 28,125 | 137,203 |
| Receipts in advance | | 87,658 | 56,958 |
| Wage payables | | 3,677 | 2,968 |
| Tax payables | | 2,930 | -8,013 |
| Other payables | | 9,046 | 8,764 |
| Non-current liabilities due within one year | | 630 | 631 |
| Total current liabilities | | 768,617 | 726,953 |
| Non-current liabilities: | | | |
| Long-term borrowings | | 2,458 | 158 |
| Other non-current liabilities | | 20,000 | 20,000 |
| Total non-current liabilities | | 22,458 | 20,158 |
| Total liabilities | | 791,075 | 747,111 |
| Shareholders' equity: | | | |
| Share capital | | 60,360 | 60,360 |
| Capital reserve | | 283,189 | 283,189 |
| Surplus reserve | | 18,099 | 18,099 |
| Undistributed profit | 8 | 266,059 | 261,412 |
| Exchange difference arising on translation of foreign currency statements | | -260 | -323 |
| Total owners' equity attributable to parent company | | 627,447 | 622,737 |
| Minority shareholders' equity | | 203 | 140 |
| Total shareholders' equity | | 627,650 | 622,877 |
| Total liabilities and shareholders' equity | | 1,418,725 | 1,369,988 |

CONSOLIDATED INCOME STATEMENT

| | | For the six months ended 30 June | |
|--|--------------|----------------------------------|---------|
| | <i>Notes</i> | 2014 | 2013 |
| Operating income | | 359,647 | 321,663 |
| Less: Operating costs | | 217,027 | 213,802 |
| Business tax and surcharge | | 1,225 | 2,532 |
| Selling expenses | | 44,212 | 39,305 |
| Administrative expenses | | 78,502 | 53,685 |
| Finance costs | | 21,948 | 19,639 |
| Impairment loss on assets | | -295 | 1,415 |
| Add: Gain on investments | | – | 5,600 |
| Operating profit (loss expressed with “–”) | | -2,972 | -3,115 |
| Add: Non-operating income | | 7,625 | 7,150 |
| Less: Non-operating expenses | | 617 | 128 |
| Total profit | | 4,036 | 3,907 |
| Less: Income tax expenses | <i>9</i> | -674 | 1,643 |
| Net profit | | 4,710 | 2,264 |
| Net profit attributable to owners of parent company | | 4,647 | 2,264 |
| Profit or loss attributable to minority shareholders | | 63 | – |
| Earnings per share: | | | |
| Basic earnings per share | <i>10</i> | 0.08 | 0.04 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

Financial information in this announcement was extracted from the audited financial statements (the “Financial Statements”) published in the 2013 Annual Report.

The Company carried out recognition and measurement on a going concern and actual transaction and event basis in accordance with the Basic Standard and 38 specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereafter referred to as “the Accounting Standards for Business Enterprises”) and the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (amended in 2010) issued by the China Securities Regulatory Commission (CSRC) and prepared the Financial Statements on such basis. The accounting policies are consistent with those adopted in the preparation of the Group’s 2013 annual results.

In addition, the Financial Statements have also complied with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND COMPILATION METHOD OF CONSOLIDATED FINANCIAL STATEMENTS

(1) Accounting period

The Reporting Period is from 1 January 2014 to the six months ended 30 June 2014.

(2) Reporting currency

Renminbi was adopted as the reporting currency. The Company’s foreign subsidiaries choose their reporting currencies on the basis of the primary economic environment in which they operate and converted into RMB when preparing financial statements.

(3) Method of preparing consolidated financial statements

All subsidiaries were included in the consolidated financial statements

The subsidiaries that are within the scope of the consolidation shall have the same accounting policies and the accounting periods with those of the Company. In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting periods of the Company. Based on the financial statements of the Company and its subsidiaries, the consolidated financial statements are prepared by the Company according to other relevant information and after the long-term equity investments in the subsidiaries are adjusted in accordance with the equity method. When consolidating the financial statements, the effects of intra-transactions between the Company and its subsidiaries, and among subsidiaries on the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity shall be offset.

3. REVENUE

Revenue from main operations includes the net value of the received and receivable for the sales of different types of vehicle maintenance equipment, and provision of internet upgrade service as follows:

| | For the six months ended 30 June | |
|-------------------------------------|---|----------------------|
| | Current year | Previous year |
| Product sales | 383,090 | 309,689 |
| Income of software upgrade fees | 8,540 | 8,188 |
| | <hr/> | <hr/> |
| Revenue from main operations | 391,630 | 317,877 |
| Revenue from other operations: rent | 4,017 | 3,786 |
| | <hr/> | <hr/> |
| | 395,647 | 321,663 |
| | <hr/> <hr/> | <hr/> <hr/> |

4. TRADE RECEIVABLES

| | At the period end | At the beginning of the year |
|------------------------------|--------------------------|-------------------------------------|
| Trade receivables | 286,745 | 286,126 |
| Less: provision of bad debts | 36,640 | 36,775 |
| | <hr/> | <hr/> |
| Net amount | 250,105 | 249,351 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Aging | At the period end | At the beginning of the year |
| Within 1 year | 144,895 | 136,256 |
| Over 1 year | 105,210 | 113,095 |
| | <hr/> | <hr/> |
| | 250,105 | 249,351 |
| | <hr/> <hr/> | <hr/> <hr/> |

5. INVENTORIES

| | At the period end | At the beginning of the year |
|------------------|--------------------------|---------------------------------|
| Raw materials | 34,093 | 26,515 |
| Work in progress | 35,113 | 13,893 |
| Finished goods | 87,061 | 70,130 |
| | <hr/> | <hr/> |
| | 156,267 | 110,538 |
| | <hr/> <hr/> | <hr/> <hr/> |

6. TRADE PAYABLES

| Aging | At the period end | At the beginning of the year |
|---------------|--------------------------|---------------------------------|
| Within 1 year | 24,804 | 130,636 |
| Over 1 year | 3,321 | 6,567 |
| | <hr/> | <hr/> |
| | 28,125 | 137,203 |
| | <hr/> <hr/> | <hr/> <hr/> |

7. UNDISTRIBUTED PROFITS

Current year

| | Amount |
|--|---------------|
| As at the beginning of the period | 261,412 |
| Add: net profit attributable to parent company in the current period | 4,647 |
| | <hr/> |
| As at the end of the period | 266,059 |
| | <hr/> <hr/> |

Previous year

| | Amount |
|--|---------------|
| As at the beginning of the period | 254,378 |
| Add: net profit attributable to parent company in the current period | 2,264 |
| | <hr/> |
| As at the end of the period | 256,642 |
| | <hr/> <hr/> |

8. INCOME TAX EXPENSE

Applicable tax rate

| | |
|--------------------|-----|
| The Company | 15% |
| Launch Software | 15% |
| Shanghai Launch | 25% |
| Launch Europe GmbH | 32% |
| Xi'an Launch | 25% |
| Peng Ao Da | 15% |

9. EARNINGS PER SHARE

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit for holders of ordinary share of the parent company by average weighted number of outstanding ordinary shares of the parent company.

| Items | Current year | Previous year |
|---|---------------------|---------------|
| Consolidated net profit for holder of ordinary shares of the parent company | 4,647 | 2,264 |
| Average weighted number of outstanding ordinary shares of the parent | 60,360,000 | 60,360,000 |
| Basic earnings per share (RMB/share) | 0.08 | 0.04 |

(2) Diluted earnings per share

As there was no ordinary share with dilutive potential for the year 2014 and 2013, thus no diluted earnings per share is presented.

10. DIVIDEND

From the end of the Reporting Period, no dividend has been recommended by the board. (2013: nil).

11. SUBSIDIARIES

| Name of the corporation | Shareholding | Business nature | Registered capital |
|------------------------------------|--|---|--------------------|
| 上海元征機械設備有限責任公司 (“Shanghai Launch”) | Wholly-owned | Manufacturing of equipment and machines for maintenance | USD18,000,000 |
| 深圳市元征軟件開發有限公司 (“Launch Software”) | Wholly-owned | Software development | RMB40,000,000 |
| Launch Europe GmbH | Wholly-owned | Sales of LAUNCH products | RMB671,875 |
| 西安元征軟件科技有限公司 (“Xi’an Launch”) | Wholly-owned | Software development | RMB100,000,000 |
| 深圳市鵬奧達科技有限公司 (“Peng Ao Da”) | Controlling subsidiary (88% shareholding) | Software development | RMB1,000,000 |

12. CONTINGENT LIABILITY

At the end of the Reporting Period, the Company did not have any significant contingent liability.

13. PLEDGE OF ASSETS

As at 30 June 2014, the Company pledged properties and buildings with original value approximately amounted to 251,000,000 for certain bank borrowings.

14. CAPITAL COMMITMENT

As at 30 June 2014, the Company did not have any significant capital commitment.

15. POST-BALANCE SHEET EVENT

There is no material post-balance sheet event which is required to be disclosed but has not been disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's principal developments in the first half of the year under review are set as follows:

OPERATING RESULTS

In the first half of 2014, macroeconomic downward pressure still exists; however, capital and labor costs showed growth trend. Amid the slow economic recovery of the developed countries, the overall weak demand at home and abroad, the underdeveloped new needs of the market, the operating pressure is comparatively heavy as a whole. In this regard, the Group timely adjusted the business strategy, on the one hand, to accelerate the development of car networking business and on the other hand, to maintain the leading position of the traditional diagnostic equipment in the industry.

In the first half of 2014, the Group completed the development of parts of the car networking products and the platform construction. In order to better develop the car networking market, the Group provided the market with an experience edition of the car networking product. During several experience months, according to the feedbacks from tens of thousands of users, the Group not only improved the functional planning and contents of services, but also was more confident on the development of the car networking business.

In the first half of 2014, since the car networking products have not yet put into mass production and marketing, the operating income from the car networking business has not yet made a significant contribution to the Group's revenue; in addition, to successfully develop the car networking market, the Group not only invested more in the R & D of the car networking application platform, but also strengthened the efforts to publicize the car networking products; therefore, the car networking business wrote off a portion of the profits from traditional diagnostic products. The operating result of the first half basically met our expectation laid down in the beginning of the year.

BUSINESS REVIEW

Market

The Group initiated the restructuring and development of the car networking business in 2014. In the first half of 2014, the Group focused on the building of the marketing team as well as the warm-up publicity of the car networking market to well prepare for the full implementation of the O2O market strategy. In traditional business, the Group focused on the development of high margin automotive diagnostic devices and the control over low-margin business; therefore, operating income in the first half maintained steady growth. The sales volume of high value-added automotive diagnostic devices soared as compared to the last year and the low value-added business obviously decreased. The operating results basically hit the desired objectives.

In the first half of 2014, the Group invited overseas and domestic distributors for the nineteenth Launch annual conference in Shenzhen, China, at which, the attending global distributors and main partners spoke highly of the products under the car networking products launched by the Company, fully affirmed the Company's technological achievements and were deeply interested in new product reserved. Users in the industry strongly preferred thereto. The sales generating from the annual conference basically achieved the desired objectives. The attending distributors that conference expressed full confidence on the Group's future development plans. According to the distributors attending the annual conference, the Group's performance in the second half is expected to significantly increase. In addition to the annual conference once a year, the Group mainly organized and participated 57 marketing campaigns, and 27 exhibitions, both local and overseas:

1. held golo launch event in Shenzhen, Beijing, Shanghai, Xi'an, Wuhan and Guangzhou
2. held 50 product trainings in major cities in China
3. held, together with China Unicom, a Car Parade titled "War, Auto and Life. golo"
4. participated 2014 AMR International Auto Maintenance Fair
5. participated in the 2014 Beijing International Auto Show
6. participated in activities of Dongguan Auto Show, Shenzhen Auto Club, Dongguan Drift Racing, Chongqing Auto Show and other marketing activities
7. participated in exhibition shows in 19 oversea countries

Financial

In the first half of 2014, the Group's revenue and profit grew significantly, especially the diagnostic product, the sales of which showed substantial growth, generating increasing market share. As the Group, in order to accelerate the development of car networking business, has invested more in the R&D of the car cloud platform and the car networking product; in addition, to successfully develop the car networking market, the Group has also invested a lot of advertising expenses in terms of the construction of the marketing team and warm-up publicity of the car networking market; in terms of the financial expenses, although the amount of bank loans remained flat basically, the finance costs also increased to some extent due to the growth of interest rates on bank loans. The increases in the aforementioned cost resulted in obvious increase of the Group's operating costs as compared to last year; therefore, the net profit was not so much, but it improved significantly. In addition, the Group's capital structure is reasonable within high quality of assets.

Technology & Products

In the first half of 2014, the successfully developed and developing technologies and products by the Group's IPD R&D system included:

- 1) DBSCar.com product line: golo2 Project, golo3 Project, golo4 Project, golo Technician Project, RCU-P Module, RCU-H Module;
- 2) diagnostic equipment product line: X-431 PADII Project, Maximus 2.0, MaxGo, CUBE, CRP229 Project;
- 3) Tire and maintenance product line: X-712S 4-wheel alignment development Project;
- 4) Technological development project: RCU-U, Encryption system based on hardware, golo2s, golo3s

Patents & Honors

In the first half of 2014, the Group obtained 4 new patents and 8 software copyrights; 54 patents and 9 software copyrights were undergoing the approval process. In addition, the Group was awarded 10 honors, including:

- 1) China Connected Car Business Development Award 2014;
- 2) Famous Trademark of Guangdong Province;
- 3) Equipment Management Outstanding Unit for Communication and Transportation Enterprises 2013;
- 4) Enterprise of Continuous Innovation;
- 5) Shenzhen Top Brand Authorization Certificate

Production

With the full implementation of enhanced production and effective control in product specifications and yield, the Group achieved significant results in areas such as manufacturing technology, manufacturing procedures, quality management and inventory management, which allowed it to have better cost control, ensured product quality and significantly enhanced production efficiency. Furthermore, the R&D system of the Shanghai plant has been optimized and improved. The mode of enhanced production contributed significantly to the growth of the Group's product sales.

Management

In the first half of 2014, the Group invited a large number of internet technology and automotive diagnostic technology talents to optimize human resource allocation and our R & D management team structure. Furthermore, the Group continued to adopt various strict performance appraisal and incentive measures to motivate and inspire the staff, particularly for its R&D and marketing personnels, who were full of confidence in the Group's development planning and incentive policy with high morale.

In the first half of 2014, the Group continued to carry out enhanced production and fully implemented 6S management and procedure management. Also, the Group implemented refined management in human resources management, systematical procedure management, marketing management, general budget management, cost control and management, quality management, efficiency management, R&D management and corporate culture establishment.

In the first half of 2014, the Group established an information system security management team to optimize the Group's ERP, CRM, IO and OA systems and significantly enhanced the procedural efficiency. Moreover, the IPD R&D system of the Group has been improving and stabilizing, and the internal communication system was streamlined.

Prospect

For the second half of 2014, the Group will continue to strengthen and perfect internal management, implement various incentive systems, and strictly apply the internal appraisal and reward and punishment system. It will also deepen its corporate culture establishment in respect of "innovation, quality, efficiency, professionalism and competitiveness". The Group will strive to raise the staff's passion for work and inspire their potential and morale, which will in turn enhance the overall competitive advantage of the Group.

In development plan, Connected Car business will be the Group's direction of development with Connected Car users as the core. It will focus on the development of the Connected Car application technologies and services, strive to build the vehicle cloud platform as the centre and construct the business chain of car owners, technicians, repair enterprise and third-party service. It strives to rapidly become core enterprise of the Connected Car based on automotive diagnostic technology. As for its traditional business, the Group will maintain its leading position in the automotive diagnostic equipment industry, controlling business with low additional value.

As for marketing, the Group will absorb talents with experience in online marketing and continue to implement refined management. With online marketing being the focus, the business development model will be optimized and organically linked up with the traditional business model. Relevant marketing policies will be formulated according to the characteristics of different regional markets to suit the Group's overall development and strategic planning. It will also conduct various marketing activities to promote awareness towards the differential advantages of the Group's products and enhance the popularity and brand appeal of "LAUNCH". Furthermore, the Group will keep improving its after sale technical service network and provide satisfactory technology and services to the market.

For R&D, the Group will continue to use the IPD R&D system, recruit experienced R&D and internet technology talents, optimize the structure of the R&D team and stabilize the team, and strictly apply internal appraisal and incentive system and encourage innovation. With diagnostic technology as the core technology, the Group will give full play to its technological advantage drawing on its 20 years of experience in the area to expedite the R&D of new products. The Group will leverage on its differential advantages in technology and products to increase the dependence of distributors on it and to win the confidence of end users.

While developing new products and technology, the Group will maintain strict control on R&D, manufacturing and sale costs, and adopt enhanced production and flexible market management and human resources policy to facilitate the Group's healthy and sustainable growth and provide even better return for shareholders and investors.

As for production, the Group will continue to implement enhanced production and optimize manufacturing procedures to enhance the production management of high value-added and high-tech products and gradually outsource production processes of products of low-value, in order to enhance production efficiency, ensure product quality, reduce production cost and control inventory effectively to cope with the requirement of a rapidly growing market and achieve higher profit margin for the benefit of shareholders and investors.

FINANCIAL ANALYSIS

Analysis of Financial Status and Business Performance During the Reporting Period

Operating results

In first six months of 2014, total profit of the Company increased by 2,000,000 as compared with the same period last year.

(1) Operation revenues, operation costs and gross profits margin were 12%, 1% and 4% higher than the same period of last year respectively. Gross profit margin increased to 40%.

Analysis of assets, liabilities and equity interests

Total assets value amounted to 1,419,000,000 during the Reporting Period, increased by 4% as compared with the beginning of the year, of which inventory increased. Total liabilities amounted to 791,000,000, increased by 6% as compared with the beginning of the year, mainly due to increase in short term loans. Total equity interest attributable to shareholders amounted to 628,000,000, increased by 1% as compared with the beginning of the year.

Principal Sources of Fund and Its Use

Cash flows from operating activities

The Company's cash inflows during the Reporting Period were mainly derived from revenue of goods selling. Cash outflow was mainly related to production and operating activities. The Company's net cash inflow from operating activities for the reporting period amounted to 90,000,000.

Cash flows from investment activities

Cash inflow from investment activities during the Reporting Period was nil. Cash outflow to investment activities amounted to 42,000,000, which was mainly used for capital expense on purchase of plant facilities and research. The above expenditures were mainly financed by the Company's internal resources.

Cash flows from fund-raising activities

Cash inflow from fund-raising activities during the Reporting Period amounted to 509,000,000, which was mainly derived from bank loans. Cash outflow from fund-raising activities during the Reporting Period amounted to 550,000,000 was mainly for repayment of bank loans and interest. Net cash flow from fund-raising activities for the Reporting Period amounted to 41,000,000.

Capital Structure

The Company's capital structure consists of interests and liabilities attributable to shareholders during the Reporting Period. Interests attributable to shareholders amounted to 627,000,000; and total liabilities amounted to 791,000,000. Total assets amounted to 1,419,000,000. As at the end of the period, the Company's gearing ratio was 179% (At the beginning of the period: 183%).

Capital structure by liquidity

| | | |
|---------------------------|---|---|
| Total current liabilities | 769,000,000 (At the beginning of the period: 727,000,000) | Accounting for 54% (At the beginning of the period: 53%) of the capital |
| Total equity interest | 628,000,000 (At the beginning of the period: 623,000,000) | Accounting for 43% (At the beginning of the period: 45%) of the capital |

NOTES TO OTHER MATERIAL EVENTS

1. Receipt of government subsidies

The Company had received return of value-added tax amounting to approximately 2,000,000 from the government. Other government subsidies concerning the development of science and technology was approximately RMB4,000,000.

2. Scope of consolidation

During the Reporting Period, there was no change in respect of the consolidation.

3. Review of financial statements for the Reporting Period by the audit committee

The 2014 interim financial statements has been reviewed and confirmed by the audit committee of the Board of the Company.

4. Code on Corporate Governance Practices

During the Reporting Period, the Company was in compliance with the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited.

5. Model Code for securities transactions by directors and supervisors

During the Reporting Period, the Company has adopted a set of code of practice regarding securities transactions by directors and supervisors on terms no less exacting than the standards set out in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors and supervisors of the Company, the Company confirmed that, each of the Directors and supervisors has complied with the required standards regarding securities transactions by directors set out in the Model Code within the 6 months ended 30 June 2014.

6. Share capital

- (1) During the Reporting Period, there was no change in the total number of shares and the structure of share capital of the Company.
- (2) During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares.
- (3) During the Reporting Period, the Company had no share options granted under the share option scheme.

INTERIM REPORT AND OTHER INFORMATION

This announcement will set out on the websites of the Company (www.cnlaunch.com) and the Stock Exchange (www.hkexnews.hk). Interim report will be despatched to shareholders and will be published on the aforesaid websites in due course.

By Order of the Board
Launch Tech Company Limited
Liu Xin
Chairman

Shenzhen, the PRC
29 August 2014

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Xin (Chairman), Mr. Liu Jun, Ms. Huang Zhao Huan and Mr. Jiang Shiwen as executive Directors, Ms. Liu Yong as non-executive Director, and Ms. Zhang Yan, Mr. Liu Yuan and Dr. Zou Shulin as independent non-executive Directors.

* *For identification purpose only*