



**CHINA ERATAT SPORTS FASHION LIMITED**  
(Company Registration No: 200705552D)

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**UNAUDITED FIRST HALF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

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**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS**

**1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Second Quarter Ended on			First Half Ended on		
	30/09/2009	30/09/2008	Change	30/09/2009	30/09/2008	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Revenue</b>	<b>228,806</b>	<b>212,852</b>	7.5%	<b>488,541</b>	<b>382,661</b>	27.7%
Cost of sales	(162,303)	(147,483)	10.0%	(339,957)	(267,233)	27.2%
<b>Gross profit</b>	<b>66,503</b>	<b>65,369</b>	1.7%	<b>148,584</b>	<b>115,428</b>	28.7%
Other income	-	-	n.m.	37	-	n.m.
Selling and distribution expenses	(28,576)	(19,748)	44.7%	(54,678)	(32,618)	67.6%
Administrative expenses	(8,272)	(7,316)	13.1%	(15,590)	(12,948)	20.4%
Other operating expenses	(385)	(1,317)	-70.8%	(385)	(279)	38.0%
Finance income	141	313	-55.0%	287	478	-40.0%
<b>Profit before income tax</b>	<b>29,411</b>	<b>37,301</b>	-21.2%	<b>78,255</b>	<b>70,061</b>	11.7%
Income tax	(8,206)	(5,082)	61.5%	(21,646)	(9,441)	129.3%
<b>Profit after income tax</b>	<b>21,205</b>	<b>32,219</b>	-34.2%	<b>56,609</b>	<b>60,620</b>	-6.6%
Other comprehensive income	-	-	n.m.	-	(11)	n.m.
<b>Total comprehensive income for the period</b>	<b>21,205</b>	<b>32,219</b>		<b>56,609</b>	<b>60,609</b>	

"n.m." denotes "not meaningful"

**1(a)(ii) Additional information to the income statement**

1. Profit before income tax is arrived at after charging/(crediting):

	Second Quarter Ended on			First Half Ended on		
	30/09/2009	30/09/2008	Change	30/09/2009	30/09/2008	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Interest income	(141)	(313)	-55.0%	(287)	(478)	-40.0%
Depreciation of property, plant and equipment	1,131	902	25.4%	2,290	1,599	43.2%
Amortisation of land use rights	130	131	-0.8%	260	260	0.0%
Amortisation of prepaid land lease	48	-	n.m.	96	-	n.m.
Foreign exchange loss, net	337	1,317	-74.4%	385	279	38.0%

*"n.m." denotes "not meaningful"*

Notes:

- a) The increase in depreciation of property, plant and equipment was mainly attributable to higher assets, of which most were acquired in the second half of FY2009.
- b) Foreign exchange loss (net) mainly arose from remittance of funds between the Company and its PRC subsidiaries for both financial periods.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

**Statements of Financial Position:**

	GROUP		COMPANY	
	30/09/2009	31/03/2009	30/09/2009	31/03/2009
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-Current Assets</b>				
Property, plant and equipment	73,069	73,579	19	22
Land use rights	22,717	22,977	-	-
Prepaid land lease	544	640	-	-
Investment in subsidiaries	-	-	48,504	48,504
Goodwill	1,759	1,759	-	-
	<u>98,089</u>	<u>98,955</u>	<u>48,523</u>	<u>48,526</u>
<b>Current Assets</b>				
Inventories	19,246	10,986	-	-
Trade receivables	246,634	167,726	-	-
Other receivables	61,221	58,995	189	179
Prepaid land lease	192	192	-	-
Amounts due from subsidiaries	-	-	188,351	191,074
Cash and bank balances	158,643	154,251	2,879	2,459
	<u>485,936</u>	<u>392,150</u>	<u>191,419</u>	<u>193,712</u>
<b>Total Assets</b>	<b><u>584,025</u></b>	<b><u>491,105</u></b>	<b><u>239,942</u></b>	<b><u>242,238</u></b>
<b>Equity</b>				
Share capital	239,159	239,159	239,159	239,159
Reserves	255,070	204,519	(10,217)	(8,074)
	<u>494,229</u>	<u>443,678</u>	<u>228,942</u>	<u>231,085</u>
<b>Current Liabilities</b>				
Trade and bills payables	54,659	17,060	-	-
Other payables	26,931	24,011	1,216	1,369
Amounts due to subsidiaries	-	-	9,784	9,784
Amount due to a director	-	175	-	-
Provision for income tax	8,206	6,181	-	-
	<u>89,796</u>	<u>47,427</u>	<u>11,000</u>	<u>11,153</u>
<b>Total Liabilities</b>	<b><u>89,796</u></b>	<b><u>47,427</u></b>	<b><u>11,000</u></b>	<b><u>11,153</u></b>
<b>Total Equity and Liabilities</b>	<b><u>584,025</u></b>	<b><u>491,105</u></b>	<b><u>239,942</u></b>	<b><u>242,238</u></b>

## **Analysis of balance sheets**

### **A. The Group**

1. The increase in inventories and trade receivables was in line with the Group's increase in sales activities.

The trade receivable turnover days for the current reported financial period was 79 days, up from 49 days in the same period last year.

#### **Reasons for increase in turnover days:**

- The Group has been driving the Distributors to improve quality of retail business, through improving shop-front image, enlarging shop-area, and/or relocation. This is in line with the Group's marketing strategy and direction to raise the Eratat Brand's visibility and market positioning as a fashionable brand.
- Currently the retail points (which include specialty shops and shop-in-shops) are either owned directly by Distributors or third party whom they directly manage, with the latter being the majority. To cultivate Distributors' ownership and loyalty to Eratat Brand, the Group now requires our key Distributors to directly own more specialty shops progressively. As such, this would increase the Distributors' working capital needs.
- The Group helps and supports the Distributors in their quest to increase their direct-owned specialty shops by extending longer credit terms. However, extension of credit terms will only be given to good performing distributors in their sales, retail promotional activities, payment performance and inventory management. By extending credit terms will be a better strategy than to incentivize by giving sales discounts or rebates or renovation subsidies, which would adversely impact the Group's margins.

The trade receivables ageing of the Group is as follows:

<b>(RMB 'mil)</b>	<b><u>1-60 days</u></b>	<b><u>61-90 days</u></b>	<b><u>91-180 days</u></b>	<b><u>Total</u></b>
Balance as at 30.09.2009	177.9	68.7	-	246.6
Percentage	72.1%	27.9%	-	100.0%

2. The increase in other receivables was mainly attributed to trade deposits placed with suppliers for raw materials and apparel products.
3. The increases in other receivables, trade, bills and other payables were in line with the Group's increase in sales activities.

### **B. The Company**

1. The amounts due from subsidiaries are mainly advances to subsidiaries for working capital purposes. The amounts due are unsecured, interest free and are repayable on demand.

***1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year***

None.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Second Quarter Ended on		Half Year Ended on	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities :</b>				
Profit before income tax	29,411	37,301	78,255	70,061
Adjustments for :				
Interest income	(141)	(313)	(287)	(478)
Interest expense	-	-	-	-
Depreciation of property, plant and equipment	1,131	901	2,290	1,599
Amortisation of land use rights	130	131	260	260
Amortisation of prepaid land lease	48	-	96	-
Exchange difference arising from consolidation	-	(11)	-	(11)
<b>Operating cash flows before movements in working capital</b>	<b>30,579</b>	<b>38,009</b>	<b>80,614</b>	<b>71,431</b>
Inventories	(6,736)	9,914	(8,259)	(17,027)
Trade and other receivables	(9,034)	(1,264)	(81,135)	433
Trade and other payables	27,775	12,698	40,519	50,232
Due to directors	-	-	(175)	-
<b>Cash generated from operations</b>	<b>42,584</b>	<b>59,357</b>	<b>31,564</b>	<b>105,069</b>
Income tax paid	(12,794)	(4,359)	(19,621)	(6,583)
<b>Net cash generated from operating activities</b>	<b>29,790</b>	<b>54,998</b>	<b>11,943</b>	<b>98,486</b>
<b>Cash flows from investing activities :</b>				
Interest received	141	313	287	478
Purchase of property, plant and equipment	(76)	(423)	(107)	(8,105)
Construction-in-progress	(682)	(4,121)	(1,708)	(4,326)
Proceeds from disposal of property, plant and equipment	35	-	35	31
<b>Net cash used in investing activities</b>	<b>(582)</b>	<b>(4,231)</b>	<b>(1,493)</b>	<b>(11,922)</b>
<b>Cash flows from financing activities :</b>				
Proceeds from issue of shares	-	-	-	170,168
Short-term borrowings	-	-	-	570
Dividends paid	(6,058)	-	(6,058)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,058)</b>	<b>-</b>	<b>(6,058)</b>	<b>170,738</b>
<b>Net increase in cash and cash equivalents</b>	<b>23,150</b>	<b>50,767</b>	<b>4,392</b>	<b>257,302</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>135,493</b>	<b>210,437</b>	<b>154,251</b>	<b>3,902</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>158,643</b>	<b>261,204</b>	<b>158,643</b>	<b>261,204</b>
<b>Cash and cash equivalent comprise :</b>				
Cash and bank balances	158,643	261,279	158,643	261,279
Less: Pledged deposits	-	(75)	-	(75)
	<b>158,643</b>	<b>261,204</b>	<b>158,643</b>	<b>261,204</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>GROUP</b>	<b>Share capital RMB'000</b>	<b>Statutory reserve RMB'000</b>	<b>Merger reserve RMB'000</b>	<b>Foreign currency translation reserve RMB'000</b>	<b>Retained earnings/ (Accumu- lated losses) RMB'000</b>	<b>Total RMB'000</b>
Balance at 1 April 2008	68,991	10,957	2,545	60	81,136	163,689
Profit for the period	-	-	-	-	60,620	60,620
Exchange difference arising from consolidation recognised directly in equity	-	-	-	(11)	-	(11)
Total comprehensive income	-	-	-	(11)	60,620	60,609
New shares issued	170,168	-	-	-	-	170,168
Balance at 30 September 2008	239,159	10,957	2,545	49	141,756	394,466
Balance at 1 April 2009	239,159	10,957	2,545	(16,043)	207,060	443,678
Profit for the period	-	-	-	-	56,609	56,609
Total comprehensive income	-	-	-	-	56,609	56,609
First and final dividend - FY2009	-	-	-	-	(6,058)	(6,058)
Balance at 30 September 2009	239,159	10,957	2,545	(16,043)	257,611	494,229
<b>COMPANY</b>	<b>Share capital RMB'000</b>	<b>Statutory reserve RMB'000</b>	<b>Merger reserve RMB'000</b>	<b>Foreign currency translation reserve RMB'000</b>	<b>Retained earnings/ (Accumu- lated losses) RMB'000</b>	<b>Total RMB'000</b>
Balance at 1 April 2008	68,991	-	-	-	(2,290)	66,701
Loss for the period	-	-	-	-	(2,271)	(2,271)
Total comprehensive income	-	-	-	-	(2,271)	(2,271)
New share issued	170,168	-	-	-	-	170,168
Balance at 30 September 2008	239,159	-	-	-	(4,561)	234,598
Balance at 1 April 2009	239,159	-	-	(16,213)	8,139	231,085
Profit for the period	-	-	-	-	3,915	3,915
Total comprehensive income	-	-	-	-	3,915	3,915
First and final dividend - FY2009	-	-	-	-	(6,058)	(6,058)
Balance at 30 September 2009	239,159	-	-	(16,213)	5,996	228,942

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

	Number of Ordinary Shares	Resultant Issued Share Capital	
		S\$'000	RMB'000
Share capital as at 1 April 2009 and 30 September 2009	414,912,514	47,647	239,159

The Company does not have any treasury shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year**

	Group		Company	
	<u>30/09/2009</u>	<u>31/03/2009</u>	<u>30/09/2009</u>	<u>31/03/2009</u>
Number of issued shares	414,912,514	414,912,514	414,912,514	414,912,514

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited nor reviewed by the auditors.

**3** *Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)*

Not applicable.

**4** *Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied*

The Group has applied the same accounting policies and methods of computation for the current reporting period ended 30 September 2009 as those used for the audited financial statement as at 31 March 2009, except for the adoption of the new or revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 April 2009.

Among the new or revised FRS is Revised, FRS 1 *Presentation of Financial Statement* which requires an equity to present, in a statement of changes equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are presented in a statement of comprehensive income. Revised FRS 1 does not have any impact on the Group's financial position or results.

**5** *If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change*

On 1 April 2009, the Group adopted Revised, FRS 1 *Presentation of Financial Statements* as described above.

**6** *Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-*

*(a) Based on the weighted average number of ordinary shares on issue; and*

*(b) On a fully diluted basis (detailing any adjustments made to the earnings)*

	Financial Year Ended on	
	30/09/2009	30/09/2008
Profit attributable to shareholders of the Company (RMB'000)	56,609	60,620
<u>Number of shares</u>		
Weighted average number of ordinary shares in issue for basic EPS	414,912,514	392,955,036
Earnings per share (RMB cents)		
- Basic	13.64	15.43

Diluted earnings per share is not presented as there is no potential dilutive ordinary share existing during the relevant financial years presented.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year**

	Group		Company	
	30/09/2009	31/03/2009	30/09/2009	31/03/2009
Net assets (RMB'000)	494,229	443,678	228,942	231,085
Number of shares	414,912,514	414,912,514	414,912,514	414,912,514
Net assets value per share (RMB cents)	119.12	106.93	55.18	55.69

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Our performance for the six months financial period ended on 30 September 2009 ("FY101H") remained strong, with the revenue and net profit before income tax ("NPBT") increased by 27.7% to RMB488.5 million and 11.7% to RMB78.3 million respectively.

**Revenue**

	FY101H		FY091H		Change	
	RMB mil		RMB mil		RMB mil %	
Footwear						
- Eratat Brand	289.6	59.3%	216.3	56.5%	73.3	33.9%
- Third Party Brand	11.1	2.3%	39.8	10.4%	(28.1)	(70.6%)
Footwear (Total)	300.7	61.6%	256.1	66.9%	44.6	17.4%
Apparel	187.8	38.4%	126.5	33.1%	61.3	48.5%
	488.5	100.0%	382.7	100.0%	105.8	27.7%

The increase in revenue was contributed by:

- (i) an increase in revenue contribution from our sports footwear segment of RMB44.6 million (or 17.4%) to RMB300.7 million in FY101H. During the first half of FY2010, the sale of Eratat Brand footwear increased by RMB73.3 million, but offset by reduction of sale of Third Party Brand footwear of RMB28.1 million; and
- (ii) an increase in revenue contribution from our sports apparel segment of RMB61.3 million (or 48.5%) to RMB187.8 million in FY101H.

The revenue contribution by footwear and apparel is 61.6% and 38.4% respectively (FY091H: 66.9% and 33.1% respectively). It is a deliberate effort of the Group to increase apparel sales contribution ratio to provide wider apparel product range to meet the needs of our target consumers, which is in line with the Group's business strategy to focus on growing its Eratat Brand equity.

The increase in Eratat Brand revenue was mainly due to higher sales of both product segments achieved in FY101H as a result of the success of our product development and sales and marketing strategies to further penetrate into our existing and new markets. The absolute sales contribution by individual distributors also increased proportionately.

Accordingly, our distribution network expanded to increase the number of retail locations of our ERATAT products from 1635 retail locations via PRC Distributors as at the end of FY09 to 1645 retail locations as at the end of FY101H. As part of the Group's effort to raise and enhance Eratat Brand's visibility and market positioning as a fashionable brand, we continue to strengthen the existing retail locations in areas of sales performance, shop-front image, enlarging shop-area and/or relocation. Operations of under-performing retail points will be ceased. As such the number of retail locations is expected to grow steadily while we prioritise the quality of each retail location.

### **Profitability**

In line with the 27.7% increase in our revenue during FY101H, our cost of sales also increased by 27.2% to RMB340.0 million.

Our gross profit increased by 28.7% to RMB148.6 million in FY101H, while overall gross profit margin increased from 30.2% in FY091H to 30.4% in FY101H. This was mainly due to:

- increase in apparel segment sales contribution to 38.4% of total revenue (FY091H: 33.1%), which generates higher gross profit margin;
- improvement in gross profit margin of footwear as about 10% of our footwear in FY101H was outsourced to third party manufacturers in PRC, as compared to about 24% in FY091H;

The selling and distribution expenses, which represented about 11.2% (FY091H: 8.8%) of the overall revenue, increased by 67.6% to RMB54.7 million in FY101H. The increase was mainly attributable to increase in advertising and promotional expenses, which was caused by our increased marketing and sales activities, as well as higher apparel product development expenditure to expand the apparel product range.

The administrative expenses, which represented about 3.2% (FY091H: 3.1%) of the overall revenue, increased by 20.4% to RMB15.6 million. The increase was mainly due to an increase in staff and administrative related expenses to meet the needs of our increased business activities as aforesaid.

### **Profit before income tax and profit before income tax margin**

The NPBT increased by 11.7% to RMB78.3 million in FY101H. This was in line with the higher revenue and gross profits arising from our business activities, which were offset by increases in selling and distribution expenses and administrative expenses, as aforementioned.

However, for the second quarter ended on 30 September 2009 ("FY10Q2"), the NPBT reduced by 21.2% to RMB29.4 million. While the revenue increased by 7.5% to RMB228.8 million which resulted in gross profit of RMB66.5 million, but this was offset by higher selling and distribution expenses because our advertising and promotional activities only started to intensify in the second half of last financial year (ie FY092H), thus causing FY10Q2 NPBT to be lower than that of FY09Q2.

## **Taxation**

Our income tax expense increased by 129.3% to RMB21.6 million in FY101H. This was in line with the increase in profit before income tax as aforementioned. In addition, the concessionary tax rate of 12% in Haimingwei had expired on 31 December 2008, and the subsidiary company has been subject to a tax rate of 25% since 1 January 2009, thus resulting in higher tax expense during this financial period under review.

As a result of higher tax rate, the net profit after tax reduced by 6.6% to RMB56.6 million for the half year financial period under review.

## **Use of IPO Proceeds**

	Intended use as per Prospectus dated 8 April 2008		Utilised as at 30 September 2009	Unutilised Balance
	SGD mil	RMB mil	RMB mil	RMB mil
Expansion of production capacities and facilities	10.0	50.8	27.2	23.6
Expansion of market presence and distribution network	3.0	15.2	15.2	-
Strengthen of ERATAT brand image and recognition	3.0	15.2	15.2	-
Enhance product development capabilities and expand existing range of ERATAT products	1.0	5.1	5.1	-
Working capital	17.3	87.9	87.9	-
	34.3	174.2	150.6	23.6

## **Update on Internal Controls**

The Company has in August 2009 appointed Grant Thornton Transactions Services Pte Ltd as our internal auditor, to undertake the assessment of the Group's internal controls for the next three years. They will be reviewing business cycles of the Company's subsidiary company, Quanzhou City Quangang Hongli Shoes Co., Ltd, in the second half of FY2010.

### ***9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results***

No forecast had been issued for the financial period under review.

**10** *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months*

We will continue with our cooperation with Anhui TV (安徽卫视) to capture our target customers (namely the youths and adults). Following our successful TV reality programme called “Eratat Mountain Climbing Show” (鳄莱特登山运动会) in 2008, we had launched another new series called “Eratat Life Sports Show” (鳄莱特生活运动会) in January 2009, which will be shown weekly from April to November 2009. This programme was solely sponsored by us, to engage the TV audience to actively participate in the reality shows. Advertisements of our Eratat Brand will also be shown multiple times on the station daily to increase awareness of our brand.

We believe that such wide coverage by the media can accelerate the awareness of Eratat brand across China.

Moreover, our last bi-annual trade fairs, which was held in August this year, have shown encouraging response from our PRC distributors with their strong orders. We received approximately RMB400 million worth of orders during the trade fair, which is expected to be delivered from January to June 2010.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic about the Group’s financial performance in FY2010.

**11** *Dividend*

*(a) Any dividend declared for the current period reported on?*

None.

*(b) Any dividend declared for the previous corresponding period of the immediately preceding financial year?*

None.

*(c) Date payable*

Not applicable.

*(d) Book closure date and time*

Not applicable.

**12** *If no dividend has been declared (recommended), a statement to that effect*

Not applicable.

**13** *Interested Person Transactions for the financial period ended 30 September 2009*

There are no interested person transactions for the financial period ended 30 September 2009 pursuant to Chapter 9 of the Listing Manual.

**BY ORDER OF THE BOARD**

Lin Jiancheng (林建程)  
Executive Chairman & CEO

11 November 2009

### **Confirmation pursuant to the Rule 705(4) of the Listing Manual**

Pursuant to SGX Listing Rule 705(4) of the Listing Manual, we, Lin Jiancheng and Ye Sanzhi, on behalf of the Board of Directors of the Company, do hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited results of the Company and of the Group for the financial period ended 30 September 2009 to be false or misleading.

### **ON BEHALF OF THE BOARD**

Lin Jiancheng (林建程)  
Executive Chairman & CEO

Ye Sanzhi (叶三支)  
Director

*Kim Eng Capital Pte. Ltd. ("Kim Eng") was the issue manager in the initial public offering of the Company. This announcement has been prepared and released by the Company. Kim Eng assumes no responsibility for the contents of this announcement.*