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**Horwath Capital China
&
China First Capital**

Press Release

Horwath Capital China and China First Capital announce strategic partnership to provide China's outstanding private SME companies with targeted financial and investment banking services to accelerate SME growth and assure successful IPOs

Two financial firms join forces to provide, for the first time, truly comprehensive international-standard financial advisory, legal, accounting and pre-IPO capital-raising for SME companies.

Beijing and Shenzhen, China, May 5, 2009: China's private sector continues to flourish, despite the global economic downturn. The strongest engine of this growth is China's outstanding private Small & Medium Enterprises (SMEs), which are among the most successful and fastest-growing companies in the world over the last five years.

To serve these fast-growing Chinese SMEs, *Horwath Capital China* and *China First Capital*, two premier international financial services firms active in China, today announced a strategic partnership. to provide for the time in China the highest-level of integrated financial services specifically targeted to outstanding Chinese SMEs. As a result, China's SMEs will be able to reach their business goals more quickly and efficiently, including a successful IPO. The new partnership will provide SMEs with a complete range of financial advisory, accounting, tax and investment banking services – specifically tailored to the requirements and challenges faced by China's SMEs as they mature into market leading large businesses in China.

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“We formed this partnership to serve a real and growing need among China’s best SMEs,” explains Peter Fuhrman, Chairman of China First Capital. “These great companies often experience problems raising private equity capital and managing their companies according to international financial and legal standards ahead of an Initial Public Offering (IPO). The Horwath-China First Capital partnership is an innovative response by two strong companies to give China’s SMEs access to the best financial and capital-raising expertise, in a way that meets SME’s current needs, and anticipates their future ones.”

Dr. David Yu, Chief Executive Officer of Horwath Capital China, adds, “We have deep experience and knowledge of international and Chinese domestic financial rules and best practices. As Chinese SMEs grow and prosper, we want to assist them in every way that will have a positive impact on their financial performance and future plans for an IPO. We seek long-term engagements, focused on the long-term success of our SME clients.”

China’s best SMEs face challenges to finance their continued fast growth. As a result, a particular focus on the strategic partnership between Horwath Capital China and China First Capital will be raising pre-IPO capital for SMEs from among the best private equity firms, both international and domestic, active in China. This equity capital will allow SMEs to build market share, while improving overall profit levels.

Private Equity firms have over \$20 billion to invest in China. China’s private SMEs are among the most attractive investment opportunities for private equity in China.

In addition, the partnership will provide Chinese SMEs a full range of international-standard accounting, legal, due diligence, mergers and acquisition advisory services.

“Many of today’s private SMEs will in the future become China’s corporate giants with successful IPOs on the stock market,” affirms Peter Fuhrman of China First Capital. “Our strategic partnership with Horwath will help accelerate the pace of this change.”

“We share a similar entrepreneurial viewpoint as many SME owners,” adds Horwath’s David Yu. “We understand their competitive challenges as well as their dreams. We want to be their legal and financial experts, their investment banker, and their trusted advisors as these SMEs grow. That’s why we formed this partnership with China First Capital, to be the first in China to provide SMEs the highest standards of financial services and investment banking, in one place, from one group of dedicated professionals.”

David Yu of Horwath Capital China is both a trained lawyer and accountant. He is an expert in the field of investment and management of Private Equity Funds, Mergers & Acquisitions, Initial Public Offerings and Reverse Takeovers in both the domestic and international capital markets. He also possesses abundant experience in capital management, real estate portfolio investment, securities and trusts. As a private entrepreneur, and as a Director of CITIC Merchant with a PhD in Financial Law, David has a profound knowledge and experience of how the Chinese financial system works.

Peter Fuhrman, the founder of China First Capital, has nearly 30 years experience in private equity, venture capital, corporate finance and SME management. He has been the Chief Executive Officer of an international private equity firm based in California, and also Chief Executive Officer of one of America's fastest-growing SME business. He has also served as Chairman and CEO of a US company during its Initial Public Offering on NASDAQ. Fuhrman has published articles in leading global publications on entrepreneurship and finance, and also lectured at UCLA Business School on private equity and venture capital. He also has over twenty-five years' experience in China, and was one of the first American graduate students to study in China, at Nanjing University in 1981.

Horwath is one of the largest global professional service organizations with more than 140 independent member firms operating from close to 560 offices in over 100 countries around the world. As a leading mid-tier business advisory firm, *Horwath Capital China*, is best positioned to help growing entrepreneurs succeed. *Horwath Capital China* assists its clients with professional consulting in the fields of Accounting, Corporate Finance, Risk, Capital Markets and Tax.

China First Capital is an investment and merchant bank with focused leadership on serving China's middle market private Small and Medium Enterprises (SMEs), assisting them with capital-raising strategic M&A and other financial transactions. Unlike traditional investment banks *China First Capital's* role as financial and strategic advisor to Chinese SMEs often begins at early stages of corporate development and continues through the capital raising process from private equity to a successful IPO and beyond to global leadership.

For more information, contact:

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