神威藥業
SHINEWAY

CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02877)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2008

HIGHLIGHTS

- Turnover increased by 25.9% from last year to RMB1,275,179,000.
- Operating profit increased by 34.8% from last year to RMB538,079,000.
- Profit for the year decreased by 18.8% from last year to RMB398,242,000.
- Profit for the year decreased mainly due to net exchange loss of RMB131,812,000 on bank deposits on currencies other than Renminbi at the end of the year (net exchange loss was RMB56,974,000 in 2007).
- Earnings per share decreased by 18.8% to RMB0.48 compared with RMB0.59 in 2007.
- Recommended final dividend of RMB12 cents per share.

RESULTS

The board of directors (the "Board") of China Shineway Pharmaceutical Group Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2008 with comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Notes	**2008** *RMB'000*	2007 *RMB'000*
Turnover	*2*	**1,275,179**	1,012,885
Cost of sales		**(360,862)**	(274,847)
Gross profit		**914,317**	738,038
Investment income, gains and losses	*3*	**32,700**	207,241
Other income		**37,247**	26,644
Distribution costs		**(276,338)**	(258,079)
Net exchange loss	*4*	**(131,812)**	(56,974)
Other administrative expenses		**(99,900)**	(80,929)
Profit before taxation	*5*	**476,214**	575,941
Income tax	*6*	**(77,972)**	(85,300)
Profit for the year		**398,242**	490,641
Earnings per share – basic	*7*	**RMB0.48**	RMB0.59
Dividends recognised as distribution during the year:	*8*		
Final dividend		**90,970**	82,700
Special dividends		**140,590**	16,540
Interim dividend		**99,240**	90,970
		330,800	190,210
Dividends proposed:	*8*		
Final dividend		**99,240**	90,970
Special dividend		**–**	132,320
		99,240	223,290

CONSOLIDATED BALANCE SHEET

At 31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
Non-current assets			
Property, plant and equipment		**326,323**	278,547
Land use rights		**19,219**	19,894
Goodwill		**58,479**	58,479
Deferred tax assets	9	**8,664**	7,329
		412,685	364,249
Current assets			
Inventories		**76,324**	78,352
Bills receivables	10	**297,954**	244,820
Trade receivables	10	**10,714**	8,865
Prepayment, deposits and other receivables		**43,136**	34,009
Bank balances and cash		**1,585,644**	1,678,442
		2,013,772	2,044,488
Current liabilities			
Trade payables	11	**64,137**	89,172
Other payables and accrued expenses		**197,460**	198,095
Amounts due to related companies		**9,628**	10,063
Government grants received		**6,980**	6,380
Tax liabilities		**11,535**	35,752
		289,740	339,462
Net current assets		**1,724,032**	1,705,026
Total assets less current liabilities		**2,136,717**	2,069,275
Capital and reserves			
Share capital		**87,662**	87,662
Reserves		**2,049,055**	1,981,613
Total equity		**2,136,717**	2,069,275

Notes:

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2001 Second Revision) Chapter 22 of the Cayman Islands on 14 August 2002 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Forway Investment Limited, a company incorporated in the British Virgin Islands ("BVI") with limited liability. The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in the note to the consolidated financial statements.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amount received and receivable from sales of Chinese pharmaceutical products.

The Group's operation is regarded as a single segment, being an enterprise engaged in research and development, manufacture and trading of Chinese pharmaceutical products. Over 90% of the Group's sales are made in the PRC and over 90% of the Group's segment assets are situated in the PRC during the year. Accordingly, no segmental analysis of business and geographical segments is presented for the year.

3. INVESTMENT INCOME, GAINS AND LOSSES

	2008	2007
	RMB'000	*RMB'000*
Interest on bank deposits	**39,231**	38,340
Net (loss) gain from held-for-trading investments	**(6,531)**	168,901
	32,700	207,241

During the years ended 31 December 2007 and 31 December 2008, the Group disposed of all held-for-trading investments.

4. NET EXCHANGE LOSS

	2008	2007
	RMB'000	*RMB'000*
Exchange loss (gain) due to change of exchange rate between AUD and RMB	**102,586**	(4,849)
Exchange loss due to change of exchange rate between HKD and RMB	**29,226**	61,823
Total	**131,812**	56,974

5. PROFIT BEFORE TAXATION

	2008	2007
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	**1,983**	1,822
Cost of inventories recognised as expense	**265,062**	212,615
Depreciation of property, plant and equipment	**36,041**	32,084
Operating lease rentals in respect of land use rights	**675**	675
Staff costs (including directors' remuneration)	**72,218**	56,704
Pension costs	**8,500**	5,579
Minimum lease payments under operating lease in respect of rented premises	**1,827**	2,202
Research and development costs (included in other administrative expenses)	**13,995**	4,930
Loss on disposal of property, plant and equipment	**146**	–
Donations	**1,184**	–
and after crediting:		
Government subsidies received (included in other income) *(Note)*	**34,541**	23,990

Note: It mainly represented the incentives received from the Government of the PRC for investments in relevant regions in PRC by the Group.

6. INCOME TAX

	2008 *RMB'000*	2007 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**(70,388)**	(83,431)
Underprovision in prior year	**(8,919)**	–
	(79,307)	(83,431)
Deferred tax: *(note 9)*		
Current year	**1,335**	1
Attributable to a change in tax rate	**–**	(1,870)
	1,335	(1,869)
	(77,972)	(85,300)

The provision for PRC Enterprise Income Tax is calculated based on the estimated taxable income for PRC taxation purposes at the rate of taxation applicable for the year.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. Under the New Law and Implementation Regulation, the Enterprise Income Tax rate of certain Group's subsidiaries in the PRC was reduced from 33% to 25% progressively from 1 January 2008 onwards. The relevant tax rates for the Group's subsidiaries in the PRC range from 10% to 25% (2007: 10% to 33%).

Pursuant to the relevant law and regulations in the PRC, Shineway Pharmaceutical Co., Ltd. ("Shineway Pharmaceutical") and Hebei Shineway Pharmaceutical Co., Ltd. ("Hebei Shineway") are entitled to a 50% relief from the Enterprise Income Tax for the current and prior year. The first profit-making period of Shineway Pharmaceutical and Hebei Shineway commenced on 1 January 2004 and the full exemption from the Enterprise Income Tax ended on 31 December 2005.

Pursuant to the 藏財稅字 (94) 117號, Xizang Shineway Pharmaceutical Co., Ltd. ("Xizang Shineway") was exempted from the Enterprise Income Tax for the period from 21 May 2007 to 20 May 2008. Pursuant to 西藏拉薩經濟技術開發區優惠政策, the Enterprise Income Tax rate applicable to Xizang Shineway is 10%, 12% and 15% on its assessable profit for the year ended 31 December 2008, and the years ending 31 December 2009 and 2010 respectively.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2008	2007
	RMB'000	*RMB'000*
Earnings for the purposes of basic earnings per share	**398,242**	490,641

	Number of ordinary shares	
	2008	2007
Number of ordinary shares for the purposes of basic earnings per share	**827,000,000**	827,000,000

No diluted earnings per share is presented, as the Company did not have any potential ordinary shares outstanding.

8. DIVIDENDS

	2008	2007
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Final dividend paid for 2007 of RMB11 cents (2006: RMB10 cents) per share	**90,970**	82,700
Special dividend paid for 2007 of RMB16 cents (2006: RMB2 cents) per share	**132,320**	16,540
Interim dividend paid for 2008 of RMB12 cents (2007: RMB11 cents) per share	**99,240**	90,970
Special interim dividend paid for 2008 of RMB1 cent (2007: nil) per share	**8,270**	–
	330,800	190,210
Dividends proposed		
Proposed final dividend of RMB12 cents (2007: RMB11 cents) per share	**99,240**	90,970
Proposed special dividend: nil (2007: RMB16 cents per share)	**–**	132,320
	99,240	223,290

In respect of the year ended 31 December 2008, the directors proposed that a final dividend of RMB12 cents (2007: final dividend of RMB11 cents and special dividend of RMB16 cents) per share will be paid on 18 May 2009, to shareholders whose names appear on the register of members of the Company on 15 May 2009. These dividends are subject to approval by shareholders at the Annual General Meeting and have not been included as liabilities in the consolidated financial statements.

Dividends payable in cash in Hong Kong Dollars will be converted from RMB at the forward exchange rates quoted by bank at 10:00 a.m. on 31 March 2009 (RMB1 = HK$1.1321). Accordingly, the amount payable on 18 May 2009 will be:

Proposed dividend: Final – RMB12 cents per share; approximately HK$0.1359 per share.

9. DEFERRED TAXATION

The followings are the major deferred tax assets recognised and movement thereon during the year.

	Accelerated tax depreciation	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2007	7,962	1,236	9,198
Effect of change in tax rate	(1,870)	–	(1,870)
(Charged) credited to the consolidated income statement for the year	(146)	147	1
At 1 January 2008	5,946	1,383	7,329
(Charged) credited to the consolidated income statement for the year	(147)	1,482	1,335
At 31 December 2008	**5,799**	**2,865**	**8,664**

At the balance sheet date, the Group has unused tax losses of approximately RMB32,501,000 (2007: RMB17,845,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB52,557,000 (2007: Nil) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

10. OTHER FINANCIAL ASSETS

	2008	2007
	RMB'000	*RMB'000*
Bills receivables and trade receivables:		
Bills receivables	**297,954**	244,820
Trade receivables	**10,714**	8,865
	308,668	253,685

The Group allows a credit period normally ranging from six months to one year to its trade customers. The bills receivables and trade receivables are of the age within six months at the balance sheet dates.

The directors of the Company consider that the carrying amounts of bills receivables and trade receivables approximate their fair values.

11. OTHER FINANCIAL LIABILITIES

	2008	2007
	RMB'000	*RMB'000*
Trade payables	**64,137**	89,172

An aged analysis of the Group's trade payables at the balance sheet date is as follows:

	2008	2007
	RMB'000	*RMB'000*
Within 6 months	**57,079**	83,744
Over 6 months but less than 1 year	**3,625**	5,258
Over 1 year but less than 2 years	**3,263**	108
Over 2 years	**170**	62
	64,137	89,172

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchase ranges from two months to six months. The directors of the Company consider that the carrying amounts of trade payables approximate their fair values.

Included in trade payables are the following amounts denominated in currency other than the functional currency of the relevant group entity.

	2008	2007
	RMB'000	*RMB'000*
Hong Kong Dollars	**4,726**	5,248

MANAGEMENT DISCUSSION AND ANALYSIS
BUSINESS REVIEW

The Group's business in modern Chinese medicine injection, soft capsule and granule products continued to grow. For the fiscal year 2008, the Group recorded a turnover of RMB1,275,179,000, an increase of 25.9% from previous year.

A breakdown of the sales by product format is set out as follows:

	Sales	**Growth rate**	**Sales mix**
Injections	RMB723,631,000	22.3%	56.7%
Soft Capsules	RMB335,036,000	26.9%	26.3%
Granules	RMB194,587,000	41.6%	15.3%
Other product formats	RMB21,925,000	11.0%	1.7%

The Group reported RMB538,079,000 of operating profit, representing an increase of 34.8% from last year.

Profit for fiscal year 2008 is RMB398,242,000, representing a decrease of 18.8% as compared to last year. The decline in profit for the year is mainly attributable to net exchange loss of RMB131,812,000 derived from the Group's bank deposits in Hong Kong Dollars and Australian Dollars as a result of market volatility in the respective exchange rates.

Injection Products

Market demand for Chinese medicine injection products continues to soar. During 2008, the Group sold RMB723,631,000 of injection products, an increase of 22.3% from last year. Amongst these injection products, Qing Kai Ling injection, Shu Xie Ning injection, and Shen Mai injection recorded growth in sales of 23.8%, 48.5% and 10.6% respectively. Injection products account for approximately 56.7% of the Group's total turnover of 2008 as compared to 58.4% of last year.

The pharmaceutical market has strong demand for Chinese medicine injections. The Group's production capacity for injection products now reaches 2 billion vials per annum. The Group believes that it is presently the largest Chinese medicine injection manufacturer in the PRC in terms of sales volume and production capacity. A number of the Group's injection products are designated by regulatory agencies as "State Protected Chinese Medicine" and "Good Quality/Good Price".

During the year, several injection products of other manufacturers were reported for their adverse drug reaction. Relevant regulatory agencies in the PRC have then issued a "Notice of Control in the Manufacturing and Clinical Use Administration of Chinese Medicine Injections" aiming to strengthen production quality and safety in use of Chinese medicine injections. The Notice requires more rigorous safety and quality assurance standards on Chinese medicine injections, elevates entry barriers, and provides further guidance on clinical uses in order to reduce incidents of adverse reaction caused by negligence in drug application. The Group believes that as the country strengthens scrutiny and raises standards on Chinese medicine injections, those with inferior production knowhow and quality would likely be banished. Consequently, large scale pharmaceutical manufacturers which produce Chinese medicine injections of superb quality and advanced technologies will excel.

Soft Capsule Products

During the year, the Group recorded RMB335,036,000 on sales of soft capsule products, an increase of 26.9% from last year. Sales of Wu Fu Xin Nao Qing soft capsule, Huo Xiang Zheng Qi soft capsule, and Qing Kai Ling soft capsule increased 20.9%, 37.5% and 53.8% respectively as compared to last year.

Soft Capsule products account for 26.3% of the Group's turnover in 2008, as compared to 26.1% in last year. The Group's production capacity for soft capsule products is presently at 3.5 billion capsules per annum. The Group believes that it is currently the largest Chinese medicine soft capsule manufacturer in the PRC in terms of sales volume and production capacity.

In the coming year, the Group will continue to strengthen our advertising and promoting effort on soft capsule products to advance their business growth.

Granule Products

Sales of granule products in 2008 had increased by 41.6% as compared to last year, amounting to RMB194,587,000. Granule products of the Group have been well-liked by the public. Among them, Pediatric Qing Fei Hua Tan granule and Pediatric Huatan Zhike granule recorded sales increases of 100.6% and 39.3% from last year. The growth can be attributable to the Group's strategies to unify our granule brand names and market positioning, as well as strengthening advertising and market promotion effort.

Granule products account for 15.3% of the Group's turnover in 2008 as compared to 13.6% in 2007.

RESEARCH AND DEVELOPMENT

The Group received new medicine certificates for 3 new products – Lian Shen Tong Lin tablet, Qi Huang Tong Mi soft capsule, Xingsu Zhike soft capsule. Lian Shen Tong Lin tablet is believed to be the first modern Chinese medicine for the treatment of non-gonococcal urethritis. Its excellent therapeutic effect has been broadly praised by medical practitioners.

During the year, there are 19 product research projects which are either undergoing pharmaceutical and clinical trial or have completed clinical trial. Among these projects are 8 projects related to treatment of various cardiovascular diseases, 1 project for treatment of digestive system illnesses and 2 projects for anti-viral treatment. All of these research projects are progressed as planned.

The Group has entered into a memorandum of understanding with a university in Australia to initiate an international cooperation of research in Chinese medicine. The joint research project aims to develop a new medicine for the treatment of Alzheimer's disease.

PATENT APPLICATIONS

The Group continues to pursue for intellectual property rights. During the year, the Group received an invention patent on the "Application of Centella Selected Triterpenes in Preventing Membranous Nephropathy" from the Intellectual Property Office of the PRC.

At present, the Group has obtained 7 patents for our inventions, and 9 invention patent applications are pending for approval.

STATE PROTECTED CHINESE MEDICINES

As at 31 December 2008, the Group had 9 medicines listed as State Protected Chinese Medicines including Shen Mai injection, Shu Xie Ning injection, Guan Xin Ning injection, Pediatric Qing Fei Hua Tan granule and Li Yan Jie Du granule.

PROSPECT

Financial Tsunami has caused slow down in global economy. In such an unfavorable business atmosphere, Chinese pharmaceutical industry is seen as one of the sectors that can sustain growth in the coming years.

In January 2009, the State Council of PRC has, in principal, resolved on the "Opinions on Medical Reform" and "2009-2011 Implementation Plan of Medical Reform". The resolutions serve to define the goals on revamping health care regulatory structure. The authorities also announced its plan to allocate RMB850 billion as budget for implementation of medical reform, in order to provide universal medical insurance coverage to the public residing both in the cities and rural areas, to improve the standards of basic health care needs and service quality and to provide relief on medical costs.

Medical reform will likely bring new opportunities to the pharmaceutical industry. The pharmaceutical market will grow as the country increases its spending on health care.

Chinese medicine injection is an important milestone of the modernization of Chinese medicine. Adverse incidents of Chinese medicine injections will trigger the country's determination to expedite reform. The Ministry of Health, the State Food and Drug Administration and the State Administration of Traditional Chinese Medicine has then published a "Notice for Strengthening Production and Clinical Application of Chinese Medicine Injections" to guide the safety use of Chinese medicine injections. The next step will likely be focused on eradicating manufacturers of poor production quality. Bars for registration of medicine production will further be raised, leading to higher product quality and consolidation of the pharmaceutical industry.

The pharmaceutical industry has entered into a turning point. Changes in regulations and market reform will displace those that lack production technologies and commitment on product quality. On the other hand, large scale pharmaceutical manufacturers with products of superb quality and advanced technologies will be given the opportunities to excel. As medical reform being implemented, consolidation of the industry will intensify. Industry resource will lean to those with niche and expertise. As a leading manufacturer of modern Chinese medicine, the Group will likely benefit from the medical reform.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, bank deposits of the Group amounted approximately to RMB1,585,644,000 (2007: RMB1,678,442,000), of which RMB754,557,000 (2007: RMB1,110,132,000) were denominated in RMB, others being equivalent to RMB449,980,000, RMB379,414,000 and RMB1,693,000 (2007: RMB23,921,000, RMB264,076,000 and RMB280,313,000) were denominated in Australian Dollars, Hong Kong Dollars and United States Dollars respectively. Except for trade and other payables, the Group did not have any other liabilities.

For the year ended 31 December 2008, the Group recorded a net exchanges loss of RMB131,812,000 (2007: RMB56,974,000) derived from the Group's bank deposits in Hong Kong Dollars and Australian Dollars as a result of market volatility in the respective exchange rates.

During the year, the Group did not entered into any derivative instrument investments.

The Group did not have any loans or bank borrowings as at 31 December 2008 (2007: Nil). Accordingly the gearing ratio based on interest bearing debt for the year is Nil (2007: Nil).

The Directors believe that the financial position of the Group is healthy, with sufficient financial resources to meet the requirement for future development.

ANNUAL GENERAL MEETING

The 2009 Annual General Meeting of the Company will be held on Friday, 15 May 2009 and the Notice of Annual General Meeting will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 11 May 2009 to Friday, 15 May 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the shareholders of the Company to attend, act and vote at the Annual General Meeting of the Company and to qualify the entitlement of the proposed final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 8 May 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's issued shares during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31 December 2008 and up to the date of publication of the Annual Report, applied and complied with the principles in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules, except for the deviations below.

1. The Code provision A.2.1 stipulates that the roles of chairman of the board (the "Chairman") and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive officer should be clearly established and set out in writing. The Company does not use the title "Chief Executive Officer". The duty of Chief Executive Officer has been assumed by the President of the Company.

   Mr. Li Zhenjiang has been both the Chairman and President of the Company, his responsibilities are clearly set out in writing and approved by the Board. Given the Group's current stage of development, the Board considers that vesting the roles of Chairman and President in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

2. The Code provision E1.2 stipulates that the Chairman should attend the Annual General Meeting of the Company. The Chairman did not attend the 2008 Annual General Meeting due to other business engagement. An executive director had chaired the 2008 Annual General Meeting and answered questions from shareholders. The chairman of the Audit and Remuneration Committee was also available to answer questions at the 2008 Annual General Meeting.

COMPLIANCE WITH MODEL CODE

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules as the code of conduct for directors in their dealing in the Company's securities. The Company made specific enquiries with each director and each of them confirmed that he or she had complied with the Model Code during the financial year ended 31 December 2008.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 December 2008 in conjunction with the Company's auditors.

PUBLICATION OF FURTHER INFORMATION

The Annual Report of the Company inclusive of the Directors' Report and Audited Consolidated Financial Statements for the year ended 31 December 2008 and Corporate Governance Report will be published on the Company's website (www.shineway.com.hk) and the website of the Stock Exchange (www.hkex.com.hk) on or before 15 April 2009.

APPRECIATION

On behalf of the Board, I would like to express our gratitude for the support of our business partners, customers and shareholders, and the hard work and contribution of our employees in the past year. The Group's achievements are inseparable from the effort made by our employees. With solid business foundation and our relentless in innovation, China Shineway is positioned to deliver good results.

By Order of the Board
China Shineway Pharmaceutical Group Limited
Li Zhenjiang
Chairman

Hong Kong, 31 March 2009

As at the date of this announcement, the executive Directors are Mr. Li Zhenjiang, Ms. Wang Zhihua, Ms. Xin Yunxia, Mr. Li Huimin and Mr. Hung Randy King Kuen and the independent non-executive Directors are Mr. Ren Dequan, Ms. Cheng Li and Mr. Ma Kwai Yuen, Terence.