Sino Distillery Group Limited
中國釀酒集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00039)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2013

The board of directors (the "Board") of Sino Distillery Group Limited (the "Company", formerly known as "BIO-DYNAMIC GROUP LIMITED") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013 (the "Period") together with comparative figures. The results for the Period are unaudited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*5*	**149,620**	96,271
Cost of sales		**(179,672)**	(84,792)
Gross (loss)/profit		**(30,052)**	11,479
Other income	*5*	**1,529**	3,110
Selling and distribution costs		**(12,525)**	(15,299)
Administrative expenses		**(22,648)**	(39,460)
Finance costs	*6*	**(8,071)**	(3,282)
Share of loss of an associate		**(171)**	–
LOSS BEFORE TAX	*7*	**(71,938)**	(43,452)
Income tax expense	*8*	**(58)**	(109)
LOSS FOR THE PERIOD		**(71,996)**	(43,561)
Attributable to:			
Owners of the parent		**(57,169)**	(37,023)
Non-controlling interests		**(14,827)**	(6,538)
		(71,996)	(43,561)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*10*	**HK(4.8) cents**	HK(3.1) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(71,996)**	(43,561)
Exchange differences on translation of foreign operations	**1,664**	(3,440)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**1,664**	(3,440)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(70,332)**	(47,001)
Attributable to:		
Owners of the parent	**(55,640)**	(39,854)
Non-controlling interests	**(14,692)**	(7,147)
	(70,332)	(47,001)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2013 (Unaudited)** *HK$'000*	31 December 2012 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**230,738**	236,693
Prepaid land lease payments		**31,908**	32,170
Other intangible assets		**12,289**	12,140
Investment in an associate		**3,322**	3,612
Total non-current assets		**278,257**	284,615
CURRENT ASSETS			
Inventories		**165,441**	129,159
Trade and bills receivables	*11*	**12,430**	5,973
Prepayments, deposits and other receivables		**117,020**	44,843
Due from related parties		**12,523**	10,238
Pledged deposits		**37,662**	37,317
Cash and cash equivalents		**5,174**	8,398
Total current assets		**350,250**	235,928
CURRENT LIABILITIES			
Trade and bills payables	*12*	**220,062**	182,205
Other payables and accruals		**222,171**	128,132
Interest-bearing bank and other borrowings		**110,742**	36,087
Due to related parties		**414**	30,939
Due to a non-controlling shareholder of a subsidiary		**31,553**	31,263
Tax payable		**5,933**	6,886
Total current liabilities		**590,875**	415,512
NET CURRENT LIABILITIES		**(240,625)**	(179,584)

	Notes	**30 June 2013 (Unaudited) *HK$'000***	31 December 2012 (Audited) *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**37,632**	105,031
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**203**	120
Deferred income		**11,954**	12,097
Total non-current liabilities		**12,157**	12,217
Net assets		**25,475**	92,814
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**119,516**	119,516
Reserves		**(90,043)**	(37,396)
		29,473	82,120
Non-controlling interests		**(3,998)**	10,694
Total equity		**25,475**	92,814

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2013

1. BASIS OF PRESENTATION

At 30 June 2013, the Group had net current liabilities of HK$240,625,000, inclusive of bank and other borrowings, other payables and the amount due to a non-controlling shareholder of a subsidiary of HK$110,742,000, HK$212,990,000 and HK$31,553,000, respectively, which were due for repayment or renewal within the next 12 months. The Group incurred a consolidated loss of HK$71,996,000 for the six months ended 30 June 2013 (six months ended 30 June 2012: HK$43,561,000). The directors consider that these conditions were caused mainly by the deteriorating performance of a subsidiary of the Group in Harbin, Heilongjiang Province, the People's Republic of China, over the last few years and the sharp decrease in the wine and liquor sales during the six months ended 30 June 2013.

In order to strengthen the capital base of the Group and to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, Able Turbo Enterprises Limited, Mr. Jiang Jianjun and King Wei Group (China) Investment Development Limited, all of which are shareholders of the Company, have agreed to jointly and severally provide continuous financial support to the Group.

In light of the above, the directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future, and are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the financial statements.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

The interim condensed consolidated financial statements has been prepared under the historical cost convention. The financial statements is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, except for the adoption of new and revised standards as of 1 January 2013, noted below:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 Amendments	Amendments to HKAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
HKAS 19 Amendments	Amendments to HKAS 19 Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in May 2012

The adoption of these new and revised standards has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the ethanol segment is engaged in the production and sale of ethanol products and ethanol by-products;

(b) the wine and liquor segment is engaged in the sale and distribution of wine and liquor; and

(c) the animal feed segment is engaged in the production and sale of forages.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results. Segment results are measured consistently with the Group's loss before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

No intersegment sale and transfer was transacted for the six months ended 30 June 2013 and 2012.

	Ethanol (Unaudited) *HK$'000*	Wine and liquor (Unaudited) *HK$'000*	Animal feed (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Six months ended 30 June 2013				
Segment revenue:				
Sales to external customers	**101,263**	**48,357**	**–**	**149,620**
Other revenue	**394**	**553**	**–**	**947**
	101,657	**48,910**	**–**	**150,567**
Segment results	**(55,893)**	**(5,844)**	**(170)**	**(61,907)**
Reconciliation:				
Interest income				**582**
Finance costs				**(8,071)**
Corporate and other unallocated expenses				**(2,542)**
Loss before tax				**(71,938)**

	Ethanol	Wine and liquor	Animal feed	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2012				
Segment revenue:				
Sales to external customers	26,188	70,083	–	96,271
Other revenue	503	2,425	–	2,928
	26,691	72,508	–	99,199
Segment results	(30,122)	416	(2,268)	(31,974)
Reconciliation:				
Interest income				182
Finance costs				(3,282)
Corporate and other unallocated expenses				(8,378)
Loss before tax				(43,452)

5. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue and other income is as follows:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**149,620**	96,271
Other income		
Government grants	**–**	249
Interest income	**582**	182
Others	**947**	2,679
	1,529	3,110

6. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans and other loans wholly repayable within five years	**4,720**	3,282
Interest on trade payables	**3,351**	–
	8,071	3,282

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**165,731**	81,809
Depreciation	**11,407**	13,497
Amortisation of prepaid land lease payments	**561**	536
Amortisation of other intangible assets	**438**	5,171
Provision against inventories	**13,941**	2,983

8. INCOME TAX

During the period, no Hong Kong profits tax has been provided as there was no assessable profit arising from Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in Mainland China in which the Group operates.

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current	**73**	860
Deferred	**(15)**	(751)
Total tax charge for the period	**58**	109

9. DIVIDENDS

The directors do not recommend the payment of any dividend for the six months ended 30 June 2013 (2012: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,195,162,397 (2012: 1,190,725,137) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2013 and 2012 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

11. TRADE AND BILLS RECEIVABLES

Other than the cash and credit card sales, the Group allows a credit period which is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit.

None of the trade and bills receivables is impaired. An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2013 (Unaudited) ***HK$'000***	31 December 2012 (Audited) *HK$'000*
Within 1 month	**12,222**	5,243
1 to 2 months	**–**	355
Over 3 months	**208**	375
	12,430	5,973

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2013 (Unaudited)	31 December 2012 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**13,726**	50,044
1 to 2 months	**34,275**	52,842
2 to 3 months	**8,990**	192
Over 3 months	**163,071**	79,127
	220,062	182,205

Except for trade payables of HK$115,290,000 (31 December 2012: HK$79,112,000) which bear interest rates ranging between 6% and 6.9% and are settled on 90-day terms and 300-day terms, the trade and bills payables are non-interest bearing and are normally settled on 30-day terms and 180-day terms, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the Period, the Group's revenue was approximately HK$149.6 million, representing an increase of 55.4% over the corresponding period last year. Loss attributable to owners of the parent was approximately HK$57.2 million, representing an increase of 54.4% over the corresponding period last year. Loss per share for the Period was HK4.8 cents (2012: HK3.1 cents).

Segmental information

Ethanol business

The Group's ethanol business is principally engaged in the production and sale of ethanol products and ethanol by-products in the PRC. Currently, Harbin China Distillery Co., Limited ("Harbin Distillery"), a 75% owned subsidiary of the Group, manages and operates an ethanol production facility located in Harbin, PRC. This ethanol production facility is designed to have an annual production capacity of 60,000 tonnes.

During the Period, the profitability of Harbin Distillery is highly sensitive to ethanol and corn price and the demand for ethanol products is partly correlated to the downstream liquor industry. Although the ethanol business recorded revenue of approximately HK$101.3 million, up 286.7% over same period last year and accounted for 67.7% (2012: 27.2%) of the total revenue due to the recent weak liquor market in the PRC, the demand and prices for ethanol products are lower, the gross loss for the Period was approximately HK$38.5 million (2012: HK$7.5 million).

Harbin Distillery had undergone a plant modification in 2012 to expand its storage facilities, improve equipment to reduce production cost and for the production of anhydrous ethanol in addition to consumable ethanol. Meanwhile, Harbin Distillery is actively looking for ways to increase the selling price of the ethanol products by transporting its products by rail to other parts of China. Harbin Distillery is also seeking to diversify its raw materials by producing ethanol with kenaf. Looking forward, Harbin Distillery will continue to focus on improving efficiency in production and expanding product portfolio so as to strengthen its financial performance and position.

Wine and liquor business

The Group's wine and liquor business is principally engaged in the sale and distribution of wine and liquor in the PRC. Currently, the Group operates a retail and distribution network for selling wine and liquor in Guangzhou, Harbin and Hunan Province of the PRC. As at 30 June 2013, the Group had 22 wine and liquor specialty stores and 24 franchise stores in Guangzhou. The Group is the exclusive distributor of Diancang Jiugui and Meiming Wenshi in China until May 2020.

Since 2012, the revenue of this business was hit by government calls for cracking down on extravagance in government departments and state-owned institutions and enterprises and plasticiser contamination scandal. The operating environment of the liquor industry in China remained difficult during the Period. The Group will closely monitor the market situations and trends and adopt corresponding measures of risk management to alleviate the negative impacts. Meanwhile, the Group will continue to improve the product mix and focus on higher margin products to grow its business. Apart from strengthening the established markets, the Group will strive to expand its retail and distribution network to other parts of China.

Due to the government policy, during the Period, the wine and liquor business recorded revenue of approximately HK$48.4 million, down 31.0% over the corresponding period last year and accounted for 32.3% (2012: 72.8%) of the total revenue. Gross profit was approximately HK$8.4 million (2012: HK$19.0 million), representing a decrease of 55.8% over the corresponding period last year.

Animal feed business

During the Period, as the Group directed most of its resources to the development of the Group's ethanol business and wine and liquor business, the development of the Group's animal feed business was hindered.

Financial review

The Group's revenue was approximately HK$149.6 million, representing an increase of 55.4% over the corresponding period last year. The increase was mainly attributable to the increase in revenue of ethanol business. Gross loss of the Group was approximately HK$30.1 million (2012: Gross profit of HK$11.5 million). Loss attributable to owners of the parent was approximately HK$57.2 million (2012: HK$37.0 million), representing an increase of 54.4% over the corresponding period last year. Loss per share for the Period was HK4.8 cents (2012: HK3.1 cents). During the Period, the ethanol business constituted the key business of the Group. The increase in loss attributable to owners of the parent was mainly due to the increase in loss of the Group's ethanol business.

Selling and distribution costs were approximately HK$12.5 million, representing a decrease of 18.1% over the corresponding period last year and 8.3% (2012: 15.9%) of the Group's revenue. The substantial decrease in selling and distribution costs to revenue ratio was because the ethanol business has relatively less selling and distribution costs to revenue ratio than wine and liquor business.

Administrative expenses were approximately HK$22.6 million (2012: HK$39.5 million), representing a decrease of 42.8% over the corresponding period last year.

Finance cost was approximately HK$8.1 million (2012: HK$3.3 million), representing an increase of 145.5% over the corresponding period last year. The increase was due to increase of bank loans.

Business prospects

The Group will continue to explore the new markets and increase the area of promotion and marketing in the existing business. The Group would also look for other business and related profitable business for acquisition purpose.

In order to seek for more business opportunities and to maximize return to shareholders of the Company, on 5 July 2013, Shenzhen Meiming Wenshi Trading Limited, an indirect wholly-owned subsidiary of the Company, has entered into the Equity Transfer Agreement with an independent third party in order to explore the possibility of diversification of the Group's business. The target company was engaged in promotion and application of research and development in plant biotechnology, promotion and application in plant cloning technology, cropping and marketing in vegetable and floriculture and operation in green food business.

On 12 August 2013, the Company entered into a non-legally binding memorandum of understanding with an independent third party ("Vendor") pursuant to which the Company intended to acquire and the Vendor intended to sell 100% of the issued share capital of a company (the "Target"). The Target and its subsidiary are in the process of acquiring a company incorporated in China which is holding a piece of multipurpose agricultural land (the "Land") in the Yinchuan City of Ningxia Province, China. The Company intended to acquire the Land for the development of an eco-pasture base.

Liquidity, financial resources and capital structure

During the Period, the issued share capital of the Company comprised 1,195,162,397 shares and there were no other capital instruments in issue. As at 30 June 2013, the Group had equity attributable to owners of the parent of approximately HK$29.5 million (31 December 2012: HK$82.1 million). Net current liabilities of the Group as at 30 June 2013 amounted to approximately HK$240.6 million (31 December 2012: HK$179.6 million). The Group's unpledged cash and cash equivalents as at 30 June 2013 amounted to approximately HK$5.2 million (31 December 2012: HK$8.4 million), which were denominated in Hong Kong dollars and Renminbi.

As at 30 June 2013, the Group's total borrowings amounted to approximately HK$142.7 million (31 December 2012: HK$98.2 million). The Group's borrowings included bank loans of approximately HK$95.4 million (31 December 2012: HK$32.3 million), other borrowings of approximately HK$15.3 million (31 December 2012: HK$3.7 million), amounts due to related parties of approximately HK$0.4 million (31 December 2012: HK$30.9 million) and an amount due to a non-controlling shareholder of a subsidiary of approximately HK$31.6 million (31 December 2012: HK$31.3 million). Around 91.9% of the borrowings are denominated in Renminbi with the rest in Hong Kong dollars. The bank loans, other borrowings and amounts due to related parties of approximately HK$15.3 million (31 December 2012: HK$15.5 million) are charged at fixed interest rates. The gearing ratio of the Group as at 30 June 2013, calculated as net debt divided by equity attributable to owners of the parent plus net debt, was 92.1% (31 December 2012: 81.5%).

Having considered the Group's current unpledged cash and cash equivalents, bank and other borrowings, banking facilities and the financial support from shareholders, the management believes that the Group's financial resources are sufficient for its day-to-day operations. The Group did not use financial instruments for financial hedging purposes during the Period. The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. Fluctuations in Renminbi may impact the Group's results and net asset value as the Company's consolidated financial statements are presented in Hong Kong dollars. The Group's treasury policy is to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

Charge on assets and contingent liabilities

As at 30 June 2013, certain of the Group's property, plant and equipment, leasehold land and bank deposits with aggregate net book value of approximately HK$95.9 million (31 December 2012: HK$89.5 million) were pledged to banks to secure the Group's bank loans and bills payables. As at 30 June 2013, the Group had no material contingent liabilities (31 December 2012: Nil).

Employee and remuneration policy

As at 30 June 2013, the Group had approximately 500 (2012: 493) employees in Hong Kong and the PRC with total staff costs amounted to approximately HK$18.1 million (2012: HK$20.9 million). Remuneration of employees is offered at competitive standards, generally structured with reference to market terms and individual qualifications. The Company has adopted a share option scheme and the purpose of which is to provide incentives to participants for their contribution to the Group, and to enable the Group to recruit and retain quality employees to serve the Group on a long-term basis.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2013.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code on ethics and securities transactions (the "Code"), which incorporates a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Specified employees who are likely to be in possession of unpublished price-sensitive information of the Company are also subject to the compliance with the Code. Having made specific enquiry of all directors, the Company confirms that the directors have complied with the required standard set out in the Code throughout the six months ended 30 June 2013.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013, save as disclosed as follows.

In respect of code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Jiang Jianjun is the Chairman and the Managing Director of the Company (The Company regards the role of its Managing Director to be same as that of chief executive under the CG Code) during the period from 8 May 2013 to 30 June 2013. The Board believes that such structure would provide the Company with strong and consistent leadership and allow the Company's business operations, planning and decision making as well as execution of long term strategies to be carried out more effectively and efficiently. Nonetheless, the Board would review the structure to ensure that the present structure would not impair the balance of power in the Company.

In respect of code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Han Dong, an Executive Director of the Company, and Mr. Li Xiaofeng, an Independent Non-executive Director of the Company, were unable to attend the annual general meeting of the Company held on 7 May 2013 due to their other business engagements.

By order of the Board
Sino Distillery Group Limited
Jiang Jianjun
Chairman and Managing Director

Hong Kong, 22 August 2013

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Qu Shuncai and Mr. Song Shaohua; the Non-executive Director is Mr. Huang Qingxi; and the Independent Non-executive Directors are Dr. Loke Yu alias Loke Hoi Lam, Mr. Zhang Yonggen and Mr. Li Xiaofeng.