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## CHINA STARCH HOLDINGS LIMITED

### 中國澱粉控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3838)**

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

### INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of China Starch Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2014, together with the comparative figures as follows.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited)	
		Six months ended 30 June	
		2014	2013
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	2	2,249,623	1,536,171
Cost of sales		<u>(2,085,287)</u>	<u>(1,365,469)</u>
Gross profit		164,336	170,702
Distribution expenses		(59,997)	(35,950)
Administrative expenses		(41,839)	(44,184)
Other income		<u>8,157</u>	<u>8,472</u>
Operating profit		70,657	99,040
Finance income		16,700	17,444
Finance expenses		<u>(11,607)</u>	<u>(476)</u>
Profit before taxation	3	75,750	116,008
Income tax expenses	4	<u>(17,040)</u>	<u>(27,871)</u>
Profit and total comprehensive income for the period		<u><u>58,710</u></u>	<u><u>88,137</u></u>
Attributable to:			
Owners of the Company		57,418	87,437
Non-controlling interests		<u>1,292</u>	<u>700</u>
		<u><u>58,710</u></u>	<u><u>88,137</u></u>
Basic and diluted earnings per share ( <i>RMB</i> )	6	<u><u>0.0096</u></u>	<u><u>0.0148</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>30 June</b>	31 December
	<b>2014</b>	2013
	<b>RMB'000</b>	RMB'000
<i>Note</i>	<b>(Unaudited)</b>	(Audited)
<b>Non-current assets</b>		
Property, plant and equipment	1,259,291	1,208,295
Prepaid lease payments	200,797	148,452
Deposit for acquisition of prepaid lease payments	20,835	60,945
Deposit for acquisition of property, plant and equipment	–	29,684
Deferred tax assets	1,009	1,091
	1,481,932	1,448,467
	1,481,932	1,448,467
<b>Current assets</b>		
Prepaid lease payments	4,589	3,467
Inventories	219,583	384,881
Trade and other receivables	541,350	523,574
Pledged bank deposits	–	10,000
Fixed deposits with maturity period over three months	430,000	480,000
Cash and cash equivalents	302,564	155,200
	1,498,086	1,557,122
	1,498,086	1,557,122
<b>Total assets</b>	<b>2,980,018</b>	<b>3,005,589</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	532,656	532,357
Reserves	1,448,821	1,423,016
	1,981,477	1,955,373
Non-controlling interests	24,725	23,433
	2,006,202	1,978,806
	2,006,202	1,978,806
<b>Non-current liabilities</b>		
Borrowings	3,251	3,768
Deferred income	35,937	37,845
	39,188	41,613
	39,188	41,613

		<b>30 June</b>	31 December
		<b>2014</b>	2013
		<b>RMB'000</b>	<b>RMB'000</b>
	<i>Note</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Current liabilities</b>			
Trade and other payables	8	<b>523,572</b>	510,656
Income tax payable		<b>13,646</b>	21,314
Borrowings		<b>371,131</b>	426,921
Employee housing deposits		<b>26,279</b>	26,279
		<u><b>934,628</b></u>	<u>985,170</u>
<b>Total liabilities</b>		<u><b>973,816</b></u>	<u>1,026,783</u>
<b>Total equity and liabilities</b>		<u><b>2,980,018</b></u>	<u>3,005,589</u>
<b>Net current assets</b>		<u><b>563,458</b></u>	<u>571,952</u>
<b>Total assets less current liabilities</b>		<u><b>2,045,390</b></u>	<u>2,020,419</u>

Notes:

## 1. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2013 (the “2013 Financial Statements”), which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The accounting policies applied in the condensed consolidated interim financial statements are consistent with those of the 2013 Financial Statements, except for the accounting policy changes that are expected to be reflected in the 2014 annual audited financial statements. Details of these changes in accounting policies are set out in note 2.1 of the 2013 Financial Statements. The adoption of these changes has no material financial effect on the Group’s results and financial position for the current or prior periods. The Group has not applied any new standard or amendment that is not effective for the current accounting period.

These condensed consolidated interim financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These condensed consolidated interim financial statements have not been audited.

## 2. SEGMENT INFORMATION

An analysis of the Group’s turnover for the period is as follows:

	Cornstarch <i>RMB'000</i>	Lysine <i>RMB'000</i>	Starch- based sweetener <i>RMB'000</i>	Modified starch <i>RMB'000</i>	Electricity and steam <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2014</b>						
Sales to external customers	1,593,667	366,467	110,824	137,153	41,512	2,249,623
Inter-segment sales	<u>99,153</u>	<u>8,484</u>	<u>–</u>	<u>–</u>	<u>47,554</u>	<u>155,191</u>
<b>Reportable segment results</b>	<b>126,308</b>	<b>(7,841)</b>	<b>5,668</b>	<b>18,225</b>	<b>14,408</b>	<b>156,768</b>
Unallocated income						5,447
Unallocated expenses						(91,558)
Finance income						16,700
Finance expenses						<u>(11,607)</u>
<b>Profit before taxation</b>						<u><b>75,750</b></u>
<b>Six months ended 30 June 2013</b>						
Sales to external customers	1,036,919	257,693	107,684	102,767	31,108	1,536,171
Inter-segment sales	<u>81,730</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>63,506</u>	<u>145,236</u>
<b>Reportable segment results</b>	<b>68,583</b>	<b>73,938</b>	<b>4,691</b>	<b>15,902</b>	<b>3,980</b>	<b>167,094</b>
Unallocated income						6,001
Unallocated expenses						(74,055)
Finance income						17,444
Finance expenses						<u>(476)</u>
<b>Profit before taxation</b>						<u><b>116,008</b></u>

### 3. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
Depreciation of property, plant and equipment	58,755	35,769
Amortisation of prepaid lease payments	1,813	1,374
	<hr/>	<hr/>
Total depreciation and amortisation	60,568	37,143
Loss/(gain) on disposal of property, plant and equipment	1,340	(457)
Net foreign exchange loss	434	2,679
Cost of inventories recognised as expenses	1,995,337	1,281,611
Employee benefits expenses (including directors' emoluments)	63,358	60,611
Research and development expenses ( <i>note</i> )	3,116	3,412
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

Research and development expenses include staff costs of employees in the research and development department, which are included in the employee benefits expenses as disclosed above.

### 4. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the Group entities' profit neither arose in nor was derived from Hong Kong during both periods. Taxation on overseas profits has been calculated on the estimated assessable profits for the periods at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
Current income tax		
PRC corporate income tax	16,958	27,790
Deferred taxation	82	81
	<hr/>	<hr/>
	17,040	27,871
	<hr/> <hr/>	<hr/> <hr/>

### 5. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: nil).

A final dividend of HK0.67 cents per share (with a scrip dividend option) for the year ended 31 December 2013 (2012: HK0.67 cents per share) has been approved at the annual general meeting of the Company held on 20 May 2014. The payment of the final dividend and the issue of the scrip shares have been completed on 23 June 2014.

## 6. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2014 is based on earnings of RMB57,418,000 (2013: RMB87,437,000) and on the weighted average number of 5,992,296,000 ordinary shares (2013: 5,889,121,000 ordinary shares) in issue.

No diluted earnings per share has been presented because no dilutive potential ordinary shares exist for both six months ended 30 June 2014 and 2013.

## 7. TRADE AND OTHER RECEIVABLES

	<b>30 June 2014 RMB'000</b>	31 December 2013 RMB'000
Trade receivables	274,395	165,181
Bank acceptance bills	221,560	308,461
Other receivables and prepayments	45,395	49,932
	<u>541,350</u>	<u>523,574</u>

The Group normally grants credit period ranging 0 to 120 days (31 December 2013: 0 to 120 days) to customers.

An ageing analysis of trade receivables at the end of the reporting period is shown as follows:

	<b>30 June 2014 RMB'000</b>	31 December 2013 RMB'000
0–30 days	242,730	110,794
31–60 days	13,735	21,314
61–90 days	2,827	12,478
Over 90 days	15,103	20,595
	<u>274,395</u>	<u>165,181</u>

As at 31 December 2013, included in other receivables and prepayments is an amount due from non-controlling interests of RMB11,833,000. No impairment has been made to receivables from non-controlling interests.

The detail of bank acceptance bills at the end of the reporting period is shown as follows:

	<b>30 June 2014 RMB'000</b>	31 December 2013 RMB'000
Endorsed bills	131,209	123,970
Bills on hand	90,351	140,458
Discounted bills	–	44,033
	<u>221,560</u>	<u>308,461</u>

The bank acceptance bills are normally with maturity period of 180 days (31 December 2013: 180 days). There is no recent history of default on bank acceptance bills.

## 8. TRADE AND OTHER PAYABLES

	<b>30 June 2014 RMB'000</b>	31 December 2013 RMB'000
Trade and bills payables		
0–60 days	<b>38,727</b>	81,427
61–90 days	<b>9,296</b>	2,555
Over 90 days	<b>28,190</b>	14,802
	<b>76,213</b>	98,784
Advances from customers	<b>172,609</b>	63,430
Others	<b>274,750</b>	348,442
	<b>523,572</b>	510,656

As at 30 June 2014, bills payables are secured by bank acceptance bills of RMB3,190,000 (31 December 2013: RMB9,000,000).

Included in trade and other payables is an amount due to non-controlling interests of RMB12,550,000 (31 December 2013: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### General Review and Outlook

#### *Review*

In the past few years, China's economy and growth have been running at a generally slower pace, but there is still pressure for it to slow down further. The corn refinery industry in China has also experienced a structural change by undergoing a significant level of consolidation. This change has tended to drag down the industry's growth and increase the downward pressure on the industry players, many players have quitted the industry due to several negative impacts caused by the slowdown, such as losing competitiveness, continuous operating losses and serious financial difficulties etc. As a result, the industry has become more stringent and austere, whilst those who are able to sustain growth and outperform its competitors can survive. The Company, as one of the leading cornstarch manufacturers in China, is also unavoidably affected by the trend of this business cycle. Although the Group's results in the first half of 2014 is not as favourable as those in the previous years, the financial position of the Group remains strong and healthy despite this challenge.

During the current period under review, an increase in overall sales volume was noted when compared to the corresponding period in last year. The increase was mainly due to the additional sales volume. Turnover of the Group recorded a substantial growth by 46.4% to approximately RMB2,249,623,000 (2013: RMB1,536,171,000) with gross profit margin of the Group decreased by 3.8 percentage point to 7.3% (2013: 11.1%) and contributed a gross profit of approximately RMB164,336,000 (2013: RMB170,702,000). Profit after taxation decreased by 33.4% to approximately RMB58,710,000 (2013: RMB88,137,000).

Basic earnings per share of the Company was RMB0.0096 per share based on the weighted average number of 5,992,296,000 ordinary shares (2013: RMB0.0148 per share based on the weighted average number of 5,889,121,000 ordinary shares).

### ***Relocation of production site in Shouguang***

As disclosed in the announcement of the Company dated 15 July 2014, the Group expected that the relocation (the “Relocation”) of the existing production plants and facilities (the “Existing Plant”) located in Shouguang, Shandong Province of the People’s Republic of China (the “PRC”) to the new production site (the “New Plant”) as granted by the Municipal Government of Shouguang (the “Shouguang Government”) will be completed by the end of 2014.

The New Plant has an annual cornstarch and lysine production capacities of approximately 450,000 tonnes and 55,000 tonnes respectively, which are the same as the production capacities of the Existing Plant. The production facilities of modified starch, with an annual production capacity of approximately 100,000 tonnes, are being constructed and are expected to be completed in or about the fourth quarter of 2014. For the purpose of the Relocation, the production of modified starch in the Existing Plant was temporarily suspended since mid July 2014. The modified starch production will be resumed shortly after the completion of the modified starch production facilities on the New Plant. The Group has stocked up sufficient finished goods for sales to modified starch customers during the construction period.

As at the date of this report, the Group’s production and sale of electricity at the Existing Plant are being carried out as usual. In the meantime, the sale of steam has been suspended due to the Relocation. The exact date of suspension of the operation of electricity is subject to the approval by the Shouguang Government. As there will be no production facilities of electricity and steam in the New Plant, the segment of electricity and steam may or may not be further engaged in, subject to any acquisition opportunities, in the future. Turnover of electricity and steam segment only contributed to approximately 1.8% of the total turnover of the Group for the six months ended 30 June 2014.

It is estimated that the Relocation will result in a write-off of non-current assets of the Group of approximately RMB187 million in respect of the existing production facilities and buildings located on the Existing Plant. The land on which the Existing Plant is located will be resumed by the Shouguang Government after the completion of Relocation. Subsidies, the extent of which is subject to determination by the Shouguang Government, are expected to be provided to the Group by the Shouguang Government as a result of or in connection with the Relocation.

The Board is of the opinion that the Relocation, the current suspension of the Group’s steam business and the proposed suspension of the Group’s electricity business will not have any material adverse financial impact. No impairment has been made in relation to the non-current assets located on the Existing Plant as at 30 June 2014.



## ***Outlook***

The Group has been launching a project to upgrade the existing cornstarch production facilities in the Linqing plant from annual production capacity of 400,000 tonnes to 600,000 tonnes. The construction of the upgraded facilities in the Linqing plant is expected to be completed in the fourth quarter of 2014. In the meantime, the Group has carried out certain improvement on reducing production overheads of starch-based sweetener, of which the production facilities are located in the Linqing plant.

It is the Company's objective to become a leading cornstarch manufacturer in the PRC. We will keep our commitment to develop our businesses using cornstarch as raw material and to produce our products at competitive prices.

## **Business Analysis**

### ***Cornstarch and ancillary corn-refined products***

<b>Six months ended 30 June</b>	<b>2014</b> <b>RMB'000</b>	2013 RMB'000
Turnover	<b>1,593,667</b>	1,036,919
Gross profit	<b>126,308</b>	68,583
Gross profit margin	<b>7.9%</b>	6.6%

Turnover of cornstarch and ancillary corn-refined products increased significantly by 53.7% to approximately RMB1,593,667,000 (2013: RMB1,036,919,000). This business segment represented about 70.9% (2013: 67.5%) of total turnover of the Group for the period under review.

The products of this segment include cornstarch, corn gluten meal, corn fibre, corn germ and corn slurry. As cornstarch is widely applicable in various industries with the nature of low substitutability and is non-reusable, the Directors are confident about the future development of the industry. Our production cost in the New Plant will be reduced by using modern production facilities and deploying automatic machineries more extensively. Gross profit margin of this business segment increased slightly from 6.6% to 7.9% during the period under review. The average selling price of cornstarch was approximately RMB2,397 per tonne (2013: RMB2,514 per tonne).

During the period under review, sales volume of cornstarch increased significantly by 58.3% to 425,629 tonnes (2013: 268,922 tonnes).

### ***Lysine and related products***

<b>Six months ended 30 June</b>	<b>2014</b> <b>RMB'000</b>	2013 RMB'000
Turnover	<b>366,467</b>	257,693
Gross (loss)/profit	<b>(7,841)</b>	73,938
Gross (loss)/profit margin	<b>(2.1%)</b>	28.7%

The business segment of lysine includes the sales of lysine, fertilisers and other deep-processing products during the period under review. The turnover of this business segment increased significantly by 42.2% to approximately RMB366,467,000 (2013: RMB257,693,000). This business segment represented about 16.3% (2013: 16.8%) of total turnover of the Group for the period under review.

With the overcapacity of lysine and the depressed animal feed market, the average selling price of our lysine products was inevitably and deeply suppressed, which resulted in a trading loss during the period from March to May 2014. The selling price of lysine products become relatively stable subsequent to the end of June 2014. During the period under review, the Group continuously spent much effort in the development of overseas lysine market. Sales volume of lysine products increased significantly from 30,096 tonnes to 67,596 tonnes.

#### *Starch-based sweetener*

<b>Six months ended 30 June</b>	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
Turnover	<b>110,824</b>	107,684
Gross profit	<b>5,668</b>	3,891
Gross profit margin	<b>5.1%</b>	3.6%

Turnover of starch-based sweetener increased slightly by 2.9% to approximately RMB110,824,000 (2013: RMB107,684,000). This business segment represented about 4.9% (2013: 7.0%) of total turnover of the Group for the period under review.

#### *Modified starch*

<b>Six months ended 30 June</b>	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
Turnover	<b>137,153</b>	102,767
Gross profit	<b>28,491</b>	21,940
Gross profit margin	<b>20.8%</b>	21.3%

Turnover of modified starch increased by 33.5% to approximately RMB137,153,000 (2013: RMB102,767,000). This business segment represented about 6.1% (2013: 6.7%) of total turnover of the Group for the period under review.

An increase in turnover of this business segment was mainly attributable to the strong demand in both domestic and overseas markets.

## Electricity and steam

### Six months ended 30 June

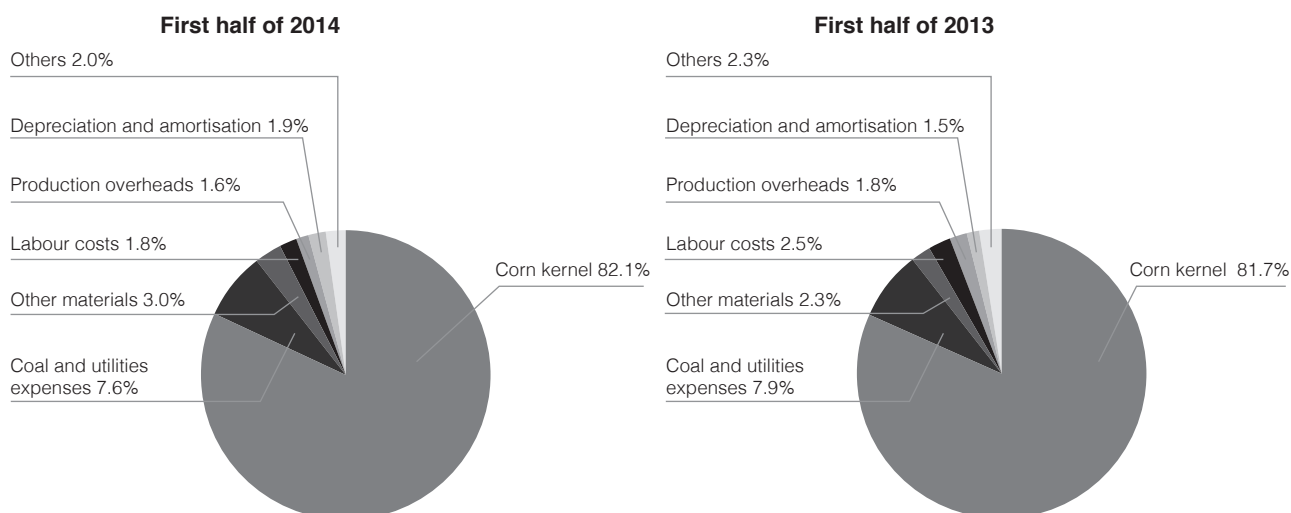
	<b>2014</b>	2013
	<b>RMB'000</b>	RMB'000
Turnover	<b>41,512</b>	31,108
Gross profit	<b>11,710</b>	2,350
Gross profit margin	<b>28.2%</b>	7.6%

Turnover of electricity and steam increased by 33.4% to approximately RMB41,512,000 (2013: RMB31,108,000). This business segment represented about 1.8% (2013: 2.0%) of total turnover of the Group for the period under review.

An increase in turnover of this segment was mainly attributable to the reconnection of power supply to the Shouguang local electricity union network since August 2013. Benefited from the decrease in coal price, the gross profit margin increased to 28.2% (2013: 7.6%) during the period under review.

### Cost of goods sold

Cost of goods sold increased significantly by 52.7% to approximately RMB2,085,287,000 (2013: RMB1,365,469,000). The increase in cost of goods sold was mainly attributable to the increase in sales volume during the period under review. The cost of goods sold of the Group mainly consists of corn kernel and coal, which are subject to the price changes in the commodity market in China. The average corn kernel cost and coal price during the period under review was approximately RMB2,004 per tonne (2013: RMB2,047 per tonne) and RMB608 per tonne (2013: RMB657 per tonne) respectively. Instead of entering into any future contract to hedge the price fluctuation of corn kernel and coal, the Group makes bulk purchases from the spot market when the management considers the price of corn kernel and coal is low.



## **Review of Other Operations**

### ***Distribution and administrative expenses***

The increase in distribution expenses was mainly attributable to the increase in transportation costs.

The decrease in administrative expenses was due to a reduction in loss of exchange difference during the period under review.

### ***Income tax***

The decrease in income tax expenses was mainly attributable to the decrease in profit before taxation.

## **Human Resources and Remuneration Policies**

As at 30 June 2014, the Group had 2,221 full time staff (2013: 2,373). The Company's remuneration policy and share option scheme have remained unchanged since the 2013 Annual Report.

## **Financial Review**

### ***Finance expenses***

As a result of an increase in borrowings and interest rate during the period under review, finance expenses increased significantly from approximately RMB476,000 to RMB11,607,000.

### ***Liquidity, financial resources and capital structure***

As at 30 June 2014, the available and unutilised banking facilities of the Group amounted to approximately RMB1,440 million and RMB1,070 million respectively. As at 31 December 2013, the available and unutilised banking facilities of the Group amounted to approximately RMB1,290 million and RMB866 million respectively.

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. The major financial figures and key financial ratios are summarised as follows:

	<b>30 June 2014 RMB'000</b>	31 December 2013 RMB'000
Cash advances for discounted bills, secured	–	44,033
Bank borrowings, secured	<b>49,950</b>	60,000
Bank borrowings, unsecured	<b>320,000</b>	319,565
Government loan, interest-free and unsecured	<b>4,432</b>	7,091
	<b>374,382</b>	430,689
Carrying amount payables:		
Within 1 year	<b>371,132</b>	426,921
1 to 2 years	<b>886</b>	886
2 to 5 years	<b>2,364</b>	2,659
Over 5 years	–	223
	<b>374,382</b>	430,689
Debtors turnover (days)	<b>39</b>	45
Creditors turnover (days)	<b>8</b>	11
Inventories turnover (days)	<b>26</b>	33
Current ratio	<b>1.6</b>	1.6
Quick ratio	<b>1.4</b>	1.2
Gearing ratio — borrowings to total assets	<b>12.6%</b>	14.3%

The bank borrowings carried interest at fixed rates ranging from 6.00% to 6.30% per annum.

#### ***Pledge of assets***

As at 30 June 2014, bills payables were secured by bank acceptance bills in the amount of RMB3,190,000 (31 December 2013: RMB9,000,000). In addition, the net book value of leasehold land and buildings pledged as security for a bank loan granted to a subsidiary of the Group amounted to approximately RMB27,167,000 (31 December 2013: nil).

#### ***Contingent liabilities***

The Group did not have any significant contingent liabilities as at 30 June 2014.

### *Financial management, treasury policy and foreign currency exposure*

There were no significant changes in the Group's financial management, treasury policy and foreign currency exposure as disclosed under the Management Discussion and Analysis in the 2013 Annual Report.

### **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2014 (2013: nil).

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the period under review.

### **CORPORATE GOVERNANCE**

During the six months ended 30 June 2014, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, except that Mr. Tian Qixiang, the chairman of the Board, did not attend the annual general meeting of the Company held on 20 May 2014 because of his other business engagement.

### **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") comprises all independent non-executive Directors. The Audit Committee has reviewed and discussed with the management of the Company the unaudited consolidated interim results for the six months ended 30 June 2014.

The consolidated interim results of the Company for the six months ended 30 June 2014 have not been audited.

### **INTERIM REPORT**

The 2014 Interim Report will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company ([www.chinastarch.com.hk](http://www.chinastarch.com.hk)) in due course.

By order of the Board  
**CHINA STARCH HOLDINGS LIMITED**  
**Tian Qixiang**  
*Chairman*

Shouguang, The People's Republic of China, 28 August 2014

*As at the date of this announcement, the directors of the Company are:*

***Executive Directors:***

*Mr. Tian Qixiang (Chairman)*

*Mr. Gao Shijun (Chief Executive Officer)*

*Mr. Yu Yingquan*

*Mr. Liu Xianggang*

***Independent non-executive Directors:***

*Mr. Yue Kwai Wa, Ken*

*Mr. Chen Zhijun*

*Mr. Sun Mingdao*