



Norstar Founders Group Limited

Stock Code : 2339

2008/2009

INTERIM REPORT



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## Corporate Information

### Executive Directors

Ms. Lilly Huang (Chairman)  
Mr. Zhou Tian Bao (Chief Executive Officer)  
Ms. Zhang Zhen Juan  
Mr. Yang Bin  
Mr. Dai Wei  
Mr. Chen Xiang Dong

### Non-Executive Director

Mr. Lee Cheuk Yin, Dannis

### Independent Non-Executive Directors

Mr. Choi Tat Ying, Jacky  
Ms. Zhang Xin, Cindy  
Mr. Zhang Jian Chun

### Company Secretary

Mr. Chiu Ka Wing

### Audit Committee

Mr. Choi Tat Ying, Jacky (Chairman)  
Ms. Zhang Xin, Cindy  
Mr. Zhang Jian Chun

### Remuneration Committee

Mr. Choi Tat Ying, Jacky (Chairman)  
Ms. Zhang Xin, Cindy  
Mr. Zhang Jian Chun  
Mr. Lee Cheuk Yin, Dannis

### Nomination Committee

Mr. Lee Cheuk Yin, Dannis (Chairman)  
Mr. Choi Tat Ying, Jacky  
Ms. Zhang Xin, Cindy  
Mr. Zhang Jian Chun

### Auditor

RSM Nelson Wheeler

### Principal Bankers

Bank of Tokyo-Mitsubishi UFJ Limited  
The Hong Kong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
DBS Bank (Hong Kong) Limited  
UniCredito-Italiano S.p.A - Hong Kong Branch  
KBC Bank N.V.  
Intesa Sanpaolo S.p.A  
Oversea-Chinese Banking Corporation Limited

Wing Hang Bank Limited  
Hua Xia Bank  
Bank of Communications  
State Bank of India  
Commerzbank

### Public Relations Consultant Strategic Financial Relations Limited

Unit A, 29th Floor, Tower I, Admiralty Centre  
18 Harcourt Road  
Admiralty, Hong Kong  
Website : [www.sprg.com.hk](http://www.sprg.com.hk)

### Principal Share Registrar and Transfer Office

#### Bank of Bermuda (Cayman) Limited

P.O. Box 513 GT  
Strathvale House  
North Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

### Hong Kong Branch Share Registrar and Transfer Office

#### Computershare Hong Kong Investor Services Limited

Shop 1712 – 1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

### Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY 1-1111  
Cayman Islands

### Head Office and Principal Place of Business in Hong Kong

19th Floor, Tower II, Admiralty Centre  
18 Harcourt Road  
Admiralty, Hong Kong

### Stock Code

HKEx : 2339

### Website

[www.norstar.com.hk](http://www.norstar.com.hk)

## Financial Highlights

		For the six months ended 30 September		
		2008	2007	Change %
		(Unaudited)	(Unaudited)	
<b>Operating results</b>				
Turnover	RMB'000	<b>2,244,126</b>	1,946,521	15.29
Gross profit	RMB'000	<b>361,551</b>	318,744	13.43
EBITDA	RMB'000	<b>271,749</b>	293,983	-7.56
Profit attributable to shareholders	RMB'000	<b>200,145</b>	222,539	-10.06
<b>Ratio</b>				
Gross profit margin	%	<b>16.1</b>	16.4	-1.83
Net profit margin	%	<b>8.9</b>	11.4	-21.93
Interest cover	times	<b>11.2</b>	7.7	45.45
Current ratio	times	<b>6.2</b>	7.2	-13.89
Net debt / equity ratio	%	<b>Net Cash</b>	Net Cash	Not applicable
<b>Share data</b>				
Shares in issue	thousands	<b>1,259,462</b>	1,259,462	—
Share closing price (as at period end)	HK\$	<b>1.34</b>	2.93	-54.27
Market capitalization	HK\$'000	<b>1,687,679</b>	3,690,222	-54.27
Basic earnings per share	RMB cents	<b>15.89</b>	17.74	-10.43
Net asset value per share	RMB	<b>2.78</b>	2.49	11.65

## Glossary

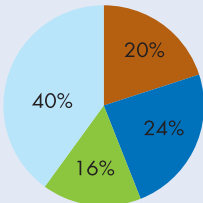
EBITDA = Earnings before associate, interest, tax, depreciation and amortisation

$$\text{Gross profit margin} = \frac{\text{Gross profit}}{\text{Turnover}} \quad \text{Net profit margin} = \frac{\text{Profit attributable to shareholders}}{\text{Turnover}}$$

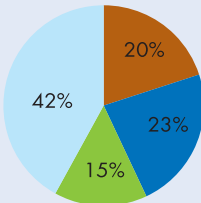
$$\text{Interest cover} = \frac{\text{Profit from operations}}{\text{Interest expenses}} \quad \text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Net debt / equity ratio} = \frac{\text{Gross Debt - cash \& bank balances}}{\text{Shareholders' funds}}$$

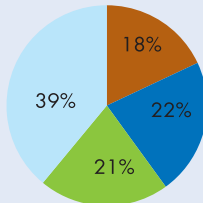
**Group turnover by geographical location**



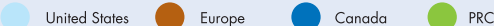
**2007/2008**



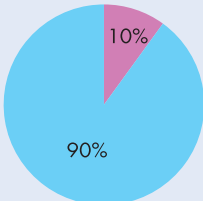
**1H 2007/2008**



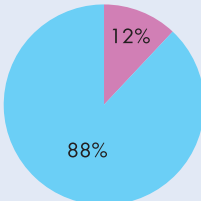
**1H 2008/2009**



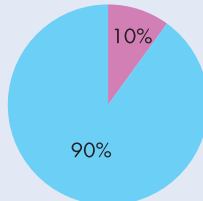
**Group turnover by sector**



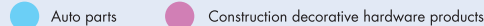
**2007/2008**



**1H 2007/2008**

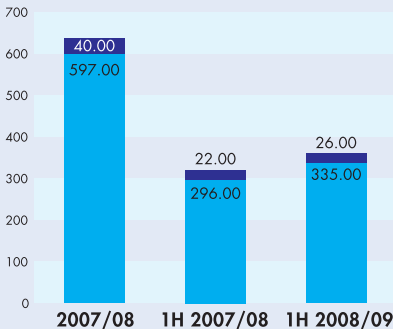


**1H 2008/2009**



**Gross profit by sector**

(RMB million)



## Management Discussion and Analysis

### Business and Financial Review

For the six months ended 30 September 2008, the Group recorded a total turnover of RMB2,244,126,000, representing a 15.3% increase from RMB1,946,521,000 in the same period last year. Gross profit grew 13.4% to approximately RMB361,551,000 against around RMB318,744,000 in the same period last year.

Including the profits from an associated company, profit attributable to shareholders was RMB200,145,000, a 10.1% year-on-year decrease when compared to the approximately RMB222,539,000 in the last corresponding period. Earnings per share were RMB15.89 cents, 10.4% lower than in the same period last year.

The overall gross profit margin of the Group for the period was approximately 16.1%, against 16.4% in the same period last year.

In the wake of economic uncertainty and an unstable global market, the Group believes it is in the best interest of shareholders that it reserves cash for maintaining liquidity. Accordingly, the Board of Directors does not recommend payment of interim dividend (2007: HK\$0.022 per share) for the period under review.

### Auto Parts

This segment continued to be the core business of the Group. During this period, its turnover amounted to approximately RMB2,013,829,000, up by 17.3% from last year's approximately RMB1,717,070,000, accounting for around 89.8% of the Group's total turnover. However, the gross profit margin of the segment decreased to 16.7% from 17.3% in the same period last year, attributable to the surge in material cost, in particular steel cost, and appreciation of the RMB bearing directly and negatively on production cost.

#### — Assembly Business

It accounted for approximately 21.7% of the total sales of the auto parts segment during the period. As a result of the Group increasing production capacity for suspension systems/axle modules in early 2008, sales grew 40.6% when compared with the same period last year. The sales of shock absorbers, however, were down by approximately 11.3%. The gross profit margins of the two products were of levels similar with those of the same period last year. The Group started production of ball joints in October 2007 and achieved sales of approximately RMB48,000,000 for the period.

## Business and Financial Review (continued)

### — Manufacturing Business

During the period, the segment grew steadily. Sales grew 9.4% year-on-year to RMB1,412,216,000 and accounted for approximately 70.1% of the total turnover from auto parts. Disc brake pads and lined brake shoes, which are high value added products sold at relatively higher prices, have been driving sales. However, as they are mainly for export to the U.S., Canada and Europe and the RMB appreciated sharply during the period, their higher selling prices did not translate into obvious gain and gross profit margin of the segment dropped a slight 1 percentage point.

### — Trading Business

Compared with the same period last year, income from trading of auto parts increased 14.1% to approximately RMB 165,560,000, accounting for approximately 8.2% of the total auto parts sales for the period. Universal joints and transmission shafts were the major auto part products sourced by customers. Business of the segment remained stable with a gross profit margin at similar level as in the last corresponding period.

## Construction Decorative Hardware

During the period, construction decorative hardware products generated turnover of approximately RMB230,297,000, which was slightly higher than the amount in the previous corresponding period. Contribution of the segment to total sales of the Group dropped from 11.8% in the same period last year to 10.2%. The gross profit margin of the segment, however, rose to 11.3% from 9.7% in the same period last year.

## Operating Cost

### Distribution and Selling Expenses

The total distribution and selling expenses of the Group for the period dropped 6.7% against the same period last year, thanks to more effective logistic delivery arrangement and the sharing of part of the delivery costs with some of its customers.

### Administrative Expense

Total administrative expenses increased substantially over the last corresponding period to RMB140,773,000. As the Group denominates sales mainly in US dollars (except for sales in the PRC), it incurred exchange loss from appreciation of the RMB against US dollars during the period. Furthermore, in the second quarter of 2008/09, the Group booked an approximately RMB39,000,000 professional fee in relation to undertaking a development project study. The Group had suspended the related research work due to its estimation of the global market development.

## Business and Financial Review (continued)

### Other Revenues

During the period, other revenues rose 70.4% year-on-year. Interest income was also up, by 57.5%, to RMB 34,183,000, mainly resulting from risen interest rate for deposit in the PRC. In addition, income from sales of waste materials surged more than a fold to approximately RMB24,174,000. Increasing demand for raw materials in the market has boosted waste material prices substantially.

### Finance Costs

During the period, total finance costs dropped 41.2% against the previous period last year, as a result of decrease in interest rate of syndicated loan.

### Share of Profits of an Associate

The Group owned 40% stake in Profound Global, which specialises in manufacturing metal products and distributing those products in the PRC and overseas, and surface finishing for auto parts manufacturers in the PRC. During the period, Profound Global Group recorded turnover of approximately RMB596,561,000 and unaudited net profit of RMB46,703,000. The rise in net profit was mainly the result of the Group enjoying a 50% exemption on profit tax under the new government policy.

### Prospects

Although the Group performed steadily during the period under review, deterioration of the global economy in the last few months and fluctuating raw material prices and exchange rates have created uncertainty in the economy and automobile market in short term. However, the Group is ready to face the likely more severe challenges in the future. The management remains optimistic about the Group's mid- to long-term prospect.

Given that the European and American automobile markets are more developed, the PRC automobile market has been the focus of foreign automobile companies. With China promising to be one of the fastest growing automobile markets in the world, the Group will step up effort in developing OE business and providing high-tech automobile components to the mid- to high-end automobile markets. Armed with solid experience in chassis system business, the Group will seek to upgrade production and R&D capabilities using advanced technologies introduced from overseas. These initiatives will allow the Group to expand production capacity and its product scope promptly in respond to market demands. In addition, the Group will strive to capture opportunities to work with more foreign and local mainstream automobile manufacturers to help customers enhance chassis system technology and develop new products, with the aim of increasing the proportion of contribution from OE and aftermarket businesses in China to the Group's total turnover.



## **Business and Financial Review (continued)**

### **Prospects (continued)**

In 2008, the sales of new vehicles in Europe and the U.S. plummeted. However, as the auto parts exported by the Group target mainly the aftermarket. The continuously weak markets and exchange rate fluctuation though are expected to pose pressure on the profitability of the Group's products. Expecting international automakers and auto parts distributors to continue to procure quality auto parts at lower price from the PRC, the Group believes its auto parts export business will be able to grow steadily in the long run.

To develop the aftermarket in the medium to long run, Norstar will push forward with optimising its cost and business structures, aiming to enhance profitability by increasing the sales proportion of high value-added products. Moreover, the Group will seek to take advantage of the economies of scale presented by the chassis systems production to extend its export product range to cover shock absorbers and ball joints for sale in the international automobile parts aftermarket.

Aspiring to become a world-class auto parts manufacturer and system integrator, the Group is dedicated to expanding through organic growth and mergers and acquisitions and riding on its vertically and horizontally integrated operation to enlarge market share and bring better returns to shareholders.

### **Progress of projects**

#### — Axle modules/suspension system assembly

The Group expanded production capacity for axle modules/suspension systems to 200,000 sets per annum in FY2007/08. To cater to strong domestic demand for these products, the Group had subsequently deployed resources to upgrade related technologies, systems and production lines. Apart from orders from more than 10 existing customers, the Group has been negotiating with several new customers including foreign automobile manufacturers to build business relationship. The Group is conducting quality inspection and tests on some of the related products.

## **Business and Financial Review (continued)**

### **Progress of projects (continued)**

— Disc brake pads/lined brake shoes for OE market

With access to the friction material technology of Delphi for supporting development of OE and aftermarket businesses in local and overseas, the Group will gradually increase the proportion of OE product supply to enhance profitability and sales contribution.

— Suspension system and shock absorber parts

The Group commenced production of ball joints in second half of FY2007/08. The new product is for internal use and selling to local automakers in the PRC. This has enabled the Group to have a vertically integrated operation and an improved overall profit margin for its suspension system products. The Group will plan to increase production capacity for ball joints according to customer demands in the future.

The Group is developing core parts of shock absorbers. It had completed installation, quality inspection and testing of related equipment and has started production for supplying internal demand. The Group has also made considerable progress in cooperating with automobile manufacturers like Dongfeng Motor Corporation to develop shock absorbers. These endeavours are expected to contribute revenue to the Group in FY2009/10.

— Brake systems

The disc brake pads/lined brake shoes produced by the Group are the major components of brake systems. The Group has begun to produce brake systems at its Anhui plant. Some of the products have been supplied for internal use and some of the production facilities are being installed and adjusted for manufacturing products for external sales in FY2009/10.

### **Research & Development plan**

With energy in short supply, developing automobiles with low carbon dioxide emission and light weight has become a trend for the automobile industry. Norstar will focus on developing core production technologies for light weight automobiles. To this end, it will strengthen strategic international cooperation and research and development efforts. It will also take part in helping major automakers to optimize chassis systems of existing automobile models and develop new systems for new models. The Group aims to become a leading new generation manufacturer of chassis systems and modules.

## **Business and Financial Review (continued)**

### **The Group's financial position, liquidity and capital structure**

As at 30 September 2008, the Group had total net assets of approximately RMB3,506,108,000 and net current assets of around RMB3,031,344,000, compared with approximately RMB3,133,436,000 and RMB2,890,283,000 respectively as at 30 September 2007.

During this period, total cashflow from operations amounted to RMB119,967,000, compared to RMB241,154,000 for the same period last year. Capital expenditure for the period amounted to RMB17,027,000.

As at 30 September 2008, the Group maintained a total cash and bank balance of approximately RMB2,690,212,000, which was principally denominated in RMB with a small portion in HK dollars and US dollars. Total bank borrowings for the Group, which amounted to approximately RMB1,407,493,000 as at 30 September 2008. The Group will closely monitor and manage its currency and interest rate exposure.

### **Charge on assets**

As at 30 September 2008, bank deposits of approximately RMB15,217,000 (31 March 2008: RMB15,439,000) were pledged as security for certain banking facilities of the Group.

### **Capital commitments and contingent liabilities**

As at 30 September 2008, the Group's total capital commitments amounted to RMB329,400,000 (31 March 2008: RMB142,490,000). There were no material contingent liabilities as at 30 September 2008 (31 March 2008: Nil).

### **Employees and remuneration policies**

As at 30 September 2008, the Group had a total of 1,626 employees. Total staff costs amounted to RMB44,795,000 during the period. Remuneration packages are determined by reference to the qualifications and experience of the staff concerned and are reviewed annually by management with reference to market conditions and performance of the staff. The Group also participates in Mandatory Provident Fund Scheme in Hong Kong and State-managed retirement benefit scheme in the PRC. As at 30 September 2008, a total of 39,054,000 share options were granted to eligible participants under the share option scheme of the Company in order to reward them for their contribution to the Group.

## Condensed Consolidated Income Statement

For the six months ended 30 September 2008

(RMB'000)	Notes	<b>2008</b> <b>(unaudited)</b>	2007 (unaudited)
<b>Turnover</b>	3	<b>2,244,126</b>	1,946,521
Cost of goods sold		<b>(1,882,575)</b>	(1,627,777)
Gross profit		<b>361,551</b>	318,744
Other income	3	<b>63,089</b>	37,026
Distribution and selling expenses		<b>(25,379)</b>	(27,201)
Administrative expenses		<b>(140,773)</b>	(48,584)
Profit from operations	4	<b>258,488</b>	279,985
Finance costs	5	<b>(24,338)</b>	(41,366)
		<b>234,150</b>	238,619
Share of profit of an associate		<b>18,681</b>	8,490
<b>Profit before tax</b>		<b>252,831</b>	247,109
Income tax expense	6	<b>(52,686)</b>	(24,570)
<b>Profit for the period attributable to equity holders of the Company</b>		<b>200,145</b>	222,539
<b>Dividends</b>	7	—	27,015
<b>Earnings per share</b>	8		
Basic		<b>RMB15.89 cents</b>	RMB17.74 cents
Diluted		<b>RMB15.89 cents</b>	RMB17.47 cents

## Condensed Consolidated Balance Sheet

At 30 September 2008

(RMB'000)	Notes	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>955,205</b>	979,068
Prepaid land lease payments		<b>54,410</b>	55,034
Goodwill		<b>29,639</b>	29,639
Other intangible assets		<b>10,114</b>	10,823
Interest in an associate		<b>451,632</b>	435,248
		<b>1,501,000</b>	1,509,812
<b>Current assets</b>			
Inventories		<b>63,014</b>	62,290
VAT receivable		<b>102,730</b>	75,009
Trade and other receivables	10	<b>759,355</b>	621,079
Derivative financial instruments		<b>732</b>	4,261
Pledged bank deposits		<b>15,217</b>	15,439
Cash and bank balances		<b>2,674,995</b>	2,782,306
		<b>3,616,043</b>	3,560,384
<b>Current liabilities</b>			
Trade and other payables	11	<b>134,368</b>	114,433
Derivative financial instruments		<b>39,145</b>	15,212
Short-term borrowings	12	<b>71,708</b>	186,946
Current portion of non-current borrowings	13	<b>309,549</b>	39,564
Current Tax liabilities		<b>29,929</b>	16,297
		<b>584,699</b>	372,452
<b>Net current assets</b>		<b>3,031,344</b>	3,187,932
<b>Total assets less current liabilities</b>		<b>4,532,344</b>	4,697,744
<b>Non-current liabilities</b>			
Non-current borrowings	13	<b>1,026,236</b>	1,321,677
<b>NET ASSETS</b>		<b>3,506,108</b>	3,376,067
<b>Capital and reserves</b>			
Share capital	14	<b>132,383</b>	132,383
Reserves		<b>3,373,725</b>	3,243,684
<b>Equity attributable to Equity holders of the Company</b>		<b>3,506,108</b>	3,376,067

## Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 September 2008

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Foreign Currency translation reserve	Share-based payment reserve	Merger reserve	General reserve fund	Enterprise expansion fund	Retained profits	Total
(in RMB'000)										
At 1 April 2008	132,383	1,719,525	—	5,181	11,828	(299,310)	185,597	185,597	1,435,266	3,376,067
Translation differences	—	—	—	(3,898)	—	—	—	—	—	(3,898)
Profit for the period	—	—	—	—	—	—	—	—	200,145	200,145
Recognition of share-based payments	—	—	—	—	5,679	—	—	—	—	5,679
2008 Final dividend paid	—	—	—	—	—	—	—	—	(71,885)	(71,885)
<b>At 30 September 2008</b>	<b>132,383</b>	<b>1,719,525</b>	<b>—</b>	<b>1,283</b>	<b>17,507</b>	<b>(299,310)</b>	<b>185,597</b>	<b>185,597</b>	<b>1,563,526</b>	<b>3,506,108</b>
At 1 April 2007	131,598	1,699,017	1,190	26,984	3,554	(299,310)	136,304	136,304	1,128,657	2,964,298
Profit for the period	—	—	—	—	—	—	—	—	222,539	222,539
Recognition of share-based payments	—	—	—	—	3,341	—	—	—	—	3,341
Issuance of shares upon conversion of convertible bonds	785	20,508	(404)	—	—	—	—	—	—	20,889
Transfer to General & Enterprise expansion fund	—	—	—	—	—	—	3,054	3,054	(6,108)	—
Exchange arised from Associate	—	—	—	1,852	—	—	—	—	—	1,852
2007 Final dividend paid	—	—	—	—	—	—	—	—	(79,483)	(79,483)
<b>At 30 September 2007</b>	<b>132,383</b>	<b>1,719,525</b>	<b>786</b>	<b>28,836</b>	<b>6,895</b>	<b>(299,310)</b>	<b>139,358</b>	<b>139,358</b>	<b>1,265,605</b>	<b>3,133,436</b>

## Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2008

(RMB'000)	Six months ended 30 September	
	2008 (unaudited)	2007 (unaudited)
Net cash generated from operating activities	<b>119,967</b>	241,154
Net cash inflow/(outflow) from investing activities	<b>12,971</b>	(49,832)
Net cash (outflow)/inflow from financing activities	<b>(210,432)</b>	480,131
Net (decrease)/increase in cash and cash equivalents	<b>(77,494)</b>	671,453
Effect of foreign exchange rate changes	<b>(29,817)</b>	(17,542)
Cash and cash equivalents at 1 April	<b>2,782,306</b>	1,727,085
Cash and cash equivalents at 30 September	<b>2,674,995</b>	2,380,996
Analysis of cash and cash equivalents		
Cash and bank balances	<b>2,690,212</b>	2,397,254
Pledged bank deposits	<b>(15,217)</b>	(16,258)
	<b>2,674,995</b>	2,380,996

## Notes to the Financial Statements

For the six months ended 30 September 2008

### 1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

### 2 Significant Accounting Policies

The condensed consolidated financial statements have been prepared on historical cost basis except for financial instruments, which are measured at fair values. The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new standards and interpretations but the management considered the new standards has no material impact to the Group's accounting policies.



## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 3. Turnover, Other Income and Segment Information

The Group is principally engaged in the manufacture and sale of auto parts and construction decorative hardware products. The Group's turnover which represents the sales of goods to customers and other income are as follows:

(RMB'000)	Six months ended 30 September	
	2008 (unaudited)	2007 (unaudited)
Turnover		
Auto parts	<b>2,013,829</b>	1,717,070
Construction decorative hardware products	<b>230,297</b>	229,451
	<b>2,244,126</b>	1,946,521
Other income		
Fair value gains on derivative financial instruments	<b>2,572</b>	2,292
Gain on disposals of property, plant and equipment	<b>236</b>	1,249
Interest income	<b>34,183</b>	21,703
Income from scrap sales	<b>24,174</b>	9,633
Rental income	<b>1,800</b>	1,800
Sundry income	<b>124</b>	349
	<b>63,089</b>	37,026
Total turnover and other income	<b>2,307,215</b>	1,983,547

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 3. Turnover, Other Income and Segment Information (continued)

#### Primary reporting format — geographical segments

The Group operates within one geographical segment in the People's Republic of China (the "PRC"). All segment assets, liabilities and capital expenditure are located in the PRC and therefore no geographical segments are presented, except for the segment turnover and segment results. Segment turnover and segment results are presented based on geographical location of customers.

#### Secondary reporting format — business segments

The Group's business is mainly categorised into two business segments:

- Auto parts; and
- Construction decorative hardware products.

#### (i) Primary reporting format — geographical segments

##### For the six months ended 30 September 2008 (unaudited)

(RMB'000)	United States	Canada	Europe	PRC	Total
Segment turnover	876,665	486,044	416,348	465,069	2,244,126
Segment results	135,822	82,061	66,156	77,512	361,551

For the six months ended 30 September 2007 (unaudited)

(RMB'000)	United States	Canada	Europe	PRC	Total
Segment turnover	810,199	448,103	387,764	300,455	1,946,521
Segment results	128,771	77,159	64,324	48,490	318,744

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 3. Turnover, Other Income and Segment Information (continued)

#### (ii) Secondary reporting format — business segments

For the six months ended 30 September 2008 (unaudited)

(RMB'000)	Auto parts	Construction decorative hardware products	Total
Turnover	2,013,829	230,297	2,244,126
Segment results	335,480	26,071	361,551
Other income			63,089
Unallocated costs			(166,152)
Profit from operations			258,488

For the six months ended 30 September 2007 (unaudited)

(RMB'000)	Auto parts	Construction decorative hardware products	Total
Turnover	1,717,070	229,451	1,946,521
Segment results	296,453	22,291	318,744
Other income			37,026
Unallocated costs			(75,785)
Profit from operations			279,985

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 4. Profit from Operations

Profit from operations has been arrived at after charging:

(RMB'000)	Six months ended 30 September	
	2008 (unaudited)	2007 (unaudited)
Staff costs	<b>44,795</b>	45,642
Cost of inventories sold	<b>1,882,575</b>	1,627,777
Amortization of other intangible assets	<b>709</b>	463
Depreciation	<b>40,432</b>	32,971
Gain on disposals of property, plant and equipment	<b>272</b>	—
Operating lease rentals in respect of:		
— Land	<b>624</b>	624
— Factory and office premises	<b>1,697</b>	4,028
— Plant and machinery	<b>1,410</b>	2,550
Net exchange loss / (gain)	<b>8,151</b>	(7,249)

### 5. Finance Costs

(RMB'000)	Six months ended 30 September	
	2008 (unaudited)	2007 (unaudited)
Interest on bank borrowings	<b>22,727</b>	37,605
Interest on convertible bonds	—	791
Finance charges on obligations under finance leases	<b>916</b>	904
Bank charges	<b>695</b>	2,066
	<b>24,338</b>	41,366

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 6. Income tax expense

The amount of taxation charged to the condensed consolidated income statement represents:

(RMB'000)	<b>Six months ended 30 September</b>	
	<b>2008 (unaudited)</b>	2007 (unaudited)
PRC enterprise income tax	<b>52,686</b>	24,570

No provision for Hong Kong profits tax has been made for the current and prior period as the Group had no assessable profits in Hong Kong.

Norstar Automotive Industries, Inc. ("Norstar Automotive") and Norstar Auto Suspension Manufacturing (Beijing) Inc. ("Norstar Auto Suspension"), the principal subsidiaries of the Group, are incorporated in the PRC.

Pursuant to the approval document issued by local tax bureau and based on existing legislation, Norstar Automotive is subject to PRC enterprise income tax of 18% in year 2008. Further, the applicable tax rate for Norstar Auto Suspension is 9%.

(a) Deferred taxation

As at 30 September 2007 and 2008 respectively, no provision for deferred tax has been made in the financial statements as tax effect of temporary differences is immaterial to the Group.

(b) Reconciliation between tax expense and accounting profit at applicable tax rate:

(RMB'000)	<b>Six months ended 30 September</b>	
	<b>2008 (unaudited)</b>	2007 (unaudited)
<b>Profit before tax (excluding share of profit of an associate)</b>	<b>234,150</b>	238,619
Tax at the applicable tax rate	<b>42,147</b>	27,441
Tax effect of (income) / expenses that are not (taxable) / deductible in determining taxable profit	<b>8,190</b>	(6,704)
Tax effect of unrecognized tax losses	<b>2,349</b>	3,833
Income tax expense	<b>52,686</b>	24,570

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 7. Dividends

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2008 (2007: HK\$0.022 per share each).

Final dividend for the year ended 31 March 2008 amounting to HK\$81,865,000 was approved by the shareholders at the annual general meeting held on 25 July 2008 and was paid during the Period.

### 8. Earnings Per Share

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

(RMB'000)	<b>Six months ended</b>	
	<b>2008</b>	<b>2007</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings</b>		
Earnings for the purpose of calculating basic earnings per share	<b>200,145</b>	222,539
Finance costs saving on exercise of convertible bonds	—	(239)
<b>Earnings for the purpose of calculating diluted earnings per share</b>	<b>200,145</b>	222,300
<b>Number of shares</b>		
Issued ordinary shares at 1 April	<b>1,259,461,601</b>	1,251,367,851
Effect of conversion of convertible bonds	—	2,985,400
<b>Weighted average number of ordinary shares for the purpose of calculating basic earnings per share</b>		
	<b>1,259,461,601</b>	1,254,353,251
Effect of dilutive potential ordinary shares arising from convertible bonds outstanding	—	13,759,375
arising from share options	—	4,512,631
<b>Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share</b>	<b>1,259,461,601</b>	1,272,625,257

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 9. Property, Plant and Equipment

(RMB'000)	(unaudited)
Net book value at 1 April 2008	979,068
Adjustment	—
Additions	17,027
Disposal	(422)
Depreciation	(40,432)
Exchange realignment	(36)
Net book value at 30 September 2008	955,205

### 10. Trade and Other Receivables

(RMB'000)	30 September 2008 (unaudited)	31 March 2008 (audited)
Trade receivables	<b>626,646</b>	512,242
Dividend receivable	—	10,808
Prepayments and other receivables	<b>132,428</b>	98,029
Due from director (note a)	<b>281</b>	—
	<b>759,355</b>	621,079

Aging analysis of trade receivables is as follows:

(RMB'000)	30 September 2008 (unaudited)	31 March 2008 (audited)
0 – 90 days	<b>617,574</b>	508,394
91 – 180 days	—	3,464
181 – 365 days	<b>9,052</b>	364
Over one year	<b>20</b>	20
	<b>626,646</b>	512,242

Normally, 30 to 90 days' credit terms are granted to customers.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 11. Trade and Other Payables

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
Trade payables	<b>41,554</b>	48,059
Accruals and other payables	<b>86,375</b>	62,116
VAT payable	<b>3,854</b>	2,501
Due to an associate (note a)	<b>2,214</b>	1,161
Due to directors (note b)	<b>371</b>	596
	<b>134,368</b>	114,433

(a) The amount due is trade nature, unsecured, interest-free and repayable within 60 days.

(b) The amounts due are unsecured, interest-free and have no fixed repayment terms.

Aging analysis of trade payables is as follows:

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
0 – 90 days	<b>38,672</b>	39,168
91 – 180 days	<b>314</b>	6,812
181 – 365 days	<b>1,755</b>	1,625
Over 1 year	<b>813</b>	454
	<b>41,554</b>	48,059



## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 12. Short-Term Borrowings

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
Wholly repayable within one year		
Guaranteed by the Company (a)	<b>71,708</b>	36,946
Guaranteed by a related party	—	150,000
	<b>71,708</b>	186,946

(a) The loans bear variable interest ranging from 1.62% to 4.55% per annum (31 March 2008: 1.8% to 5.0% per annum)

### 13. Non-Current Borrowings

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
Syndicated loan	<b>1,273,204</b>	1,296,259
Other bank loans	<b>15,780</b>	27,915
Finance lease payables	<b>46,801</b>	37,067
	<b>1,335,785</b>	1,361,241
Current portion of non-current borrowings	<b>(309,549)</b>	(39,564)
	<b>1,026,236</b>	1,321,677

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 14. Share Capital

	No. of shares In millions	Ordinary share capital at HK\$0.1 each	
		HK\$'000	RMB'000
<b>Authorized :</b>			
At 1 April and 30 September 2008	5,000	500,000	
<b>Issued and fully paid :</b>			
At 1 April and 30 September 2008	1,259	125,946	132,383

### 15. Share-based payment

The Company adopted a share option scheme on 4 September 2003 whereby the Directors of the Company were authorized, at their discretion, to invite, inter alia, employees of the Group (including Directors of any company in the Group) to take up options to subscribe for shares of the Company.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 15. Share-based payment (continued)

A total of 39,054,000 share options were granted to eligible participants on 26 September 2006 and 14 December 2007 under the share option scheme of the Company. The following table discloses movements of the Company's share options during the six months ended 30 September 2008.

Share option holders	As at 01/04/2008	Number of share options			As at 30/09/2008
		Granted during the period	Exercised during the period	Lapsed during the period	
<b>Director</b>					
Ms. Zhang Zhen Juan	10,000,000	—	—	—	10,000,000
Mr. Dai Wei	5,000,000	—	—	—	5,000,000
Mr. Chen Xiang Dong	5,000,000	—	—	—	5,000,000
Mr. Yang Bin	1,000,000	—	—	—	1,000,000
Mr. Lee Cheuk Yin, Dannis	500,000	—	—	—	500,000
Mr. Choi Tat Ying, Jacky	500,000	—	—	—	500,000
	22,000,000	—	—	—	22,000,000
<b>Employees of the Group</b>					
In aggregate	17,054,000	—	—	—	17,054,000
Total for all categories	39,054,000	—	—	—	39,054,000

Details of options granted

	Date of grant	Number of options granted	Vesting period	Exercise period	Exercise price
1st Batch A	26/9/2006	7,004,000	26/9/2006 - 25/9/2008	26/9/2008 - 03/9/2013	HK\$2.57
1st Batch B	26/9/2006	7,004,000	26/9/2006 - 25/9/2009	26/9/2009 - 03/9/2013	HK\$2.57
1st Batch C	26/9/2006	7,017,000	26/9/2006 - 25/9/2010	26/9/2010 - 03/9/2013	HK\$2.57
2nd Batch A	14/12/2007	6,380,000	14/12/2007 - 25/9/2009	26/9/2009 - 03/9/2013	HK\$2.29
2nd Batch B	14/12/2007	6,380,000	14/12/2007 - 25/9/2010	26/9/2010 - 03/9/2013	HK\$2.29
2nd Batch C	14/12/2007	6,394,000	14/12/2007 - 25/9/2011	26/9/2011 - 03/9/2013	HK\$2.29

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 15. Share-based payment (continued)

Notes:

- (1) Consideration paid to the Company for each grant of options was HK\$1.00.
- (2) For the year ended 31 March 2008, options were granted on 14 December 2007, the estimated fair value of the options is approximately HK\$15,667,000. For the year ended 31 March 2007, options were granted on 26 September 2006, the estimated fair value of the options granted was approximately HK\$19,095,000.

The closing prices of the shares of the Company quoted on the Stock Exchange on 25 September 2006 and 13 December 2007, being the trading dates immediately before the date on which the share options were granted, were HK\$2.55 and HK\$2.24 respectively.

- (3) There was no exercisable share option at the end of both periods. The options outstanding at the end of the period have a remaining contractual life of 5 years (2007: 6 years) and the exercise prices range from HK\$2.29 to HK\$2.57 (2007: HK\$2.57).
- (4) The Binomial model was applied to estimate the fair value of share options granted by the Company. This pricing model requires the input of highly subjective assumptions, including the volatility of the share price and expected life of option. Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, effective exercise price, exercise restrictions and behavioural considerations. The changes in input assumptions can materially affect the fair value estimate. The following significant assumptions were used to deliver the fair value.

	1st Batch	2nd Batch
Date of grant:	26 September 2006	14 December 2007
Share price at the grant date:	HK\$2.56	HK\$2.29
Exercise price:	HK\$2.57	HK\$2.29
Expected life:	4.0-6.3 years	4.1-5.4 years
Expected volatility:	43.7%	45%
Expected dividend yield:	1.5% on semi-annual basis	2.99% per annum
Risk free interest rate:	3.816%	2.997%
Exit rate:	0% for Directors; 20% for employees	0% for Directors; 5% for employees
Trigger price multiple:	2 times for Directors; 1.5 times for employees	2 times for Directors; 1.5 times for employees

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 15. Share-based payment (continued)

- (5) Options are forfeited if the employee leaves the Group before the options vest. All the options forfeited before expiry of the options will be treated as lapsed options under the relevant share option scheme.

Based on the above assumptions, the computed fair values under the options granted in 1st Batch and 2nd Batch were approximately HK\$0.908 per option and HK\$0.818 per option respectively. The expenses recognised in the consolidated income statement for share options during the period ended 30 September 2008 was approximately RMB 5,679,000 (2007: RMB 3,340,000).

### 16. Capital Commitments

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
Contracted but not provided for		
— purchases of machineries and equipment	<b>199,382</b>	52,020
— construction in progress	<b>107,927</b>	88,717
— license fee of production technology	<b>22,091</b>	1,753
	<b>329,400</b>	142,490

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 17. Lease Commitments

As at 30 September 2008, the total future minimum lease payments under non-cancellable operating leases in respect of plant, office building, machinery and equipment are payable as follows:

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
Within one year	<b>3,270</b>	4,620
In the second to fifth years inclusive	<b>1,920</b>	2,880
	<b>5,190</b>	7,500

The Group also had the future minimum lease payments under non-cancellable operating leases in respect of its office premises and staff quarters located in the PRC and Hong Kong as follows:

(RMB'000)	<b>30 September 2008 (unaudited)</b>	31 March 2008 (audited)
Within one year	<b>1,261</b>	1,557
In the second to fifth years inclusive	—	584
	<b>1,261</b>	2,141

The Group leases a number of properties and items of plant, machinery and equipment under operating leases. The leases run for an initial period from one to three years, with an option to renew the lease and renegotiate. The terms at the expiring date or dates will be mutually agreed between the Group and respective lessors. None of these include contingent rentals.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2008

### 18. Related Party Transactions

During the six months ended 30 September 2008, the Group had the following transactions with its related parties during the period:

(RMB'000)	Six months ended 30 September	
	2008 (unaudited)	2007 (unaudited)
Rental for leased office building, manufacturing premises, plant and machinery and equipment paid to AITC (Note a)	<b>2,310</b>	3,900
Rental for office building and staff quarters paid to related Companies (Note b)	<b>797</b>	878
Sale of raw materials to an associate	<b>178,438</b>	—

Notes :

- (a) Pursuant to lease agreements entered into between Norstar Automotive and Anhui Industries and Trading Corporation ("AITC"), AITC has leased to Norstar Automotive certain office buildings, manufacturing premises, plant and machinery and equipment. AITC, a company established in the PRC, is jointly owned and managed by Mr. Zhou Tian Bao, a director of the Company, and his spouse.
- (b) Those premises are beneficially owned by Mr. Zhou Tian Bao.

A related company provided corporate guarantee of up to a maximum amount of RMB200 million (2007: RMB200 million) in respect of short-term banking facilities given to the Group.

### 19. Contingent liabilities

As at 30 September 2008, the Group had no significant contingent liabilities (31 March 2008: Nil).

## Other Information

### Interests of directors and chief executive

At 30 September 2008, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by directors of listed Companies were as follows:

Name of directors	Number of shares held			Underlying shares of outstanding share options	Approximate aggregate percentage of interests
	Personal interests	Corporate interests	Total		
Ms. Lilly Huang (Note 1)	—	600,000,000	600,000,000	—	47.64%
Mr. Zhou Tian Bao (Note 2)	8,832,000	645,000,000	653,832,000	—	51.91%
Ms. Zhang Zhen Juan	—	—	—	10,000,000	—
Mr. Dai Wei	—	—	—	5,000,000	—
Mr. Chen Xiang Dong	—	—	—	5,000,000	—
Mr. Yang Bin	—	—	—	1,000,000	—
Mr. Lee Cheuk Yin, Dannis	—	—	—	500,000	—
Mr. Choi Tat Ying, Jacky	—	—	—	500,000	—

Details of share options granted to Directors are stated in the note “Share-based Payment” in Note 15 to the financial statements.

Interests in shares and underlying shares stated above represent long positions.

Notes:

- (1) The shares are held by Century Founders Group Limited in which Ms. Lilly Huang owns a 52% shareholding interest. Ms. Lilly Huang is therefore deemed to be interested in the entire interest of Century Founders Group Limited in the Company for the purpose of Part XV of the SFO.
- (2) Mr. Zhou Tian Bao is interested and deemed to be interested in an aggregate of 653,832,000 shares in the Company. These shares are held in the following capacity:
  - i) 8,832,000 shares are held in his personal name;
  - ii) 45,000,000 shares are held by Mark Up Investments Limited which is a company wholly-owned by Mr. Zhou Tian Bao. Mr. Zhou Tian Bao is therefore deemed to be interested in the entire interest of Mark Up Investments Limited in the Company for the purpose of Part XV of the SFO;
  - iii) 600,000,000 shares are held by Century Founders Group Limited in which Mark Up Investments Limited own a 48% shareholding interest. Mr. Zhou Tian Bao is therefore deemed to be interested in the entire interest of Century Founders Group Limited in the Company for the purpose of Part XV of the SFO.



- (3) The calculation is based on the number of shares as a percentage of the total number of issued shares of the Company (i.e. 1,259,461,601 shares) as at 30 September 2008.

Save as disclosed above, none of directors and the chief executive of the Company was interested or had any short position in any shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 30 September 2008.

## Interests of substantial shareholders

So far as is known to the directors of the Company, as at 30 September 2008, other than the interests of the directors of the Company as disclosed above, the following persons had interests in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of shareholders	Number of shares held	Approximate percentage of shareholding (Note 3)
Century Founders Group Limited (Note 2)	600,000,000	47.64%
Mark Up Investments Limited	645,000,000	51.21%
Ms. Lilly Huang (Note 2)	600,000,000	47.64%
Mr. Zhou Tian Bao	653,832,000	51.91%
Sansar Capital Management, LLC	176,350,000	14.00%
Toscafund Asset Management LLP	100,800,000	8.00%

Notes:

- (1) Interests in shares stated above represent long positions.
- (2) Century Founders Group Limited owns 600,000,000 shares. Ms. Lilly Huang owns a 52% shareholding interest in Century Founders Group Limited and the remaining 48% shareholding interest is owned by Mark Up Investments Limited, a company wholly-owned by Mr. Zhou Tian Bao.
- (3) The calculation is based on the number of shares as a percentage of the total number of issued shares of the Company (ie. 1,259,461,601 shares) as at 30 September 2008.

Save as disclosed above and so far as the directors are aware, as at 30 September 2008, no other person (other than the directors of the Company) had an interest or short position in the Company's shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO.

## **Directors' interests in contacts**

Save for those transactions described in the note "Related Party Transaction" in Note 18 to the financial statements, none of the Directors had material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period.

## **Purchase, sale or redemption of securities**

During the six months period ended 30 September 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares.

## **Compliance with the code on corporate governance practices**

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company is firmly committed to maintaining a quality Board, sound internal control, and transparency and accountability to all shareholders. The Company had complied with the Code on Corporate Governance Practices (the "CG Code") as set out in appendix 14 of the Listing Rules throughout the six months ended 30 September 2008.

## **The Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by directors of the listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, they all confirmed that they have complied with the Model Code throughout the period under review.

## **The Board**

The Board is comprised of six executive Directors and four non-executive Directors. Of the four non-executive Directors, three of them are independent non-executive Directors.

The Board is responsible for preparing the accounts, and is accountable to shareholders for the overall activities and financial performance of the Group. The Board considers that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board with an appropriate consideration to materiality. As at 30 September 2008, the Board, having made appropriate enquiries, is not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

## Audit committee

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules.

The existing audit committee is comprised of three independent non-executive Directors, namely, Mr. Choi Tat Ying, Jacky (Chairman), Mr. Zhang Jian Chun and Ms. Zhang Xin, Cindy. The primary duty of the audit committee include the review and supervision of the Group's financial reporting process and internal control systems, review of the Group's financial information and monitors the appointment and function of the Group's external auditor.

The financial statements for the six months ended 30 September 2008 have been reviewed by the audit committee.

## Remuneration committee

The remuneration committee is comprised of three independent non-executive Directors, namely, Mr. Choi Tat Ying, Jacky (Chairman), Mr. Zhang Jian Chun, Ms. Zhang Xin, Cindy and one non-executive Director, Mr. Lee Cheuk Yin, Dannis. The primary duties of the committee are to make recommendation to the Board the remuneration of executive Directors, senior management and the fees and emoluments of non-executive Directors.

## Nomination committee

The nomination committee is comprised of one non-executive Director, Mr. Lee Cheuk Yin, Dannis (Chairman) and three independent non-executive Directors, namely, Mr. Choi Tat Ying, Jacky, Mr. Zhang Jian Chun and Ms. Zhang Xin, Cindy. The primary duties of the committee are to consider and assess the qualifications and character of candidates for directorships on the Board. The nomination committee shall meet before the holding of an annual general meeting where appointment of directors will be considered. Additional meetings shall be held as the work of the Committee demands.

By Order of the Board

**Norstar Founders Group Limited**

**Lilly Huang**

Chairman

Hong Kong, 29 December 2008

As at the date of this report, the Board comprises of:

Ms. Lilly Huang	Executive Director and Chairman
Mr. Zhou Tian Bao	Executive Director and Chief Executive Officer
Ms. Zhang Zhen Juan	Executive Director
Mr. Yang Bin	Executive Director
Mr. Dai Wei	Executive Director
Mr. Chen Xiang Dong	Executive Director
Mr. Lee Cheuk Yin, Dannis	Non-executive Director
Mr. Choi Tat Ying, Jacky	Independent Non-Executive Director
Ms. Zhang Xin, Cindy	Independent Non-Executive Director
Mr. Zhang Jian Chun	Independent Non-Executive Director