

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ADVANCED SEMICONDUCTOR MANUFACTURING CORPORATION LIMITED
上海先進半導體製造股份有限公司

(A foreign invested joint stock company incorporated in the People's Republic of China with limited liability)
 (Stock Code: 03355)

2011 FIRST QUARTER RESULTS ANNOUNCEMENT

QUARTERLY RESULTS

The board of directors (the "Board") of Advanced Semiconductor Manufacturing Corporation Limited (the "Company") is pleased to announce the unaudited results of the Company for the three months ended 31 March 2011 together with unaudited comparative figures for the corresponding period of last year as follows:

Condensed Statement of Comprehensive Income

		For the three months ended 31 March	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
Revenue	4	197,582	186,148
Cost of sales		(178,526)	(156,663)
Gross profit		19,056	29,485
Other income and gains	5	2,545	1,070
Operating expenses		(30,498)	(27,033)
Other expenses	5	(2,007)	(261)
Finance costs	6	(1,109)	(2,013)
(Loss)/profit before income tax	6	(12,013)	1,248
Income tax	7	—	—
Net (loss)/profit for the period		(12,013)	1,248
Other comprehensive income for the period		—	—
Total comprehensive (loss)/profit for the period attributable to ordinary equity holders of the Company		(12,013)	1,248
(Loss)/earnings per share attributable to ordinary equity holders of the Company			
- Basic	9	(0.78) cents	0.08 cents

Details of the dividends proposed for the period are disclosed in note 8 to the condensed financial statements.

Condensed Statement of Financial Position

	31 March 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Note		
Non-current assets		
Property, plant and equipment	328,316	337,681
Construction in progress	54,025	26,161
Other non-current assets	40,531	39,742
	<hr/>	<hr/>
Total non-current assets	422,872	403,584
	<hr/>	<hr/>
Current assets		
Inventories	159,986	161,832
Accounts and notes receivables	63,444	72,931
Other current assets	35,933	56,594
Cash and cash equivalents	362,085	403,377
	<hr/>	<hr/>
Total current assets	621,448	694,734
	<hr/>	<hr/>
Total assets	1,044,320	1,098,318
	<hr/>	<hr/>
Current liabilities		
Accounts payable	141,011	157,265
Other current liabilities	46,719	51,694
Government grants	4,847	4,772
Interest-bearing bank borrowings	95,895	116,227
	<hr/>	<hr/>
Total current liabilities	288,472	329,958
	<hr/>	<hr/>
Net current assets	332,976	364,776
	<hr/>	<hr/>
Non-current liabilities		
Government grants	13,537	14,036
	<hr/>	<hr/>
Net assets	742,311	754,324
	<hr/>	<hr/>
Equity attributable to equity holders of the Company		
Share capital	1,534,227	1,534,227
Reserves	(791,916)	(779,903)
	<hr/>	<hr/>
Total equity	742,311	754,324
	<hr/>	<hr/>

Condensed Statement of Changes in Equity

	For the three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Share capital		
At beginning and end of period	<u>1,534,227</u>	<u>1,534,227</u>
Capital reserve		
At beginning and end of period	<u>205,363</u>	<u>205,363</u>
Statutory surplus reserve		
At beginning and end of period	<u>19,353</u>	<u>19,353</u>
Accumulated losses		
At beginning of period	<u>(1,004,619)</u>	<u>(1,124,317)</u>
Total comprehensive (loss)/profit for the period	<u>(12,013)</u>	<u>1,248</u>
At end of period	<u>(1,016,632)</u>	<u>(1,123,069)</u>
Reserves	<u>(791,916)</u>	<u>(898,353)</u>
Total equity attributable to equity holders of the Company	<u>742,311</u>	<u>635,874</u>

Condensed Statement of Cash Flows

	For the three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net cash flows from operating activities	24,426	8,774
Net cash flows used in investing activities	(43,378)	(9,125)
Net cash flows used in financing activities	(20,332)	(10,021)
Net decrease in cash and cash equivalents	(39,284)	(10,372)
Cash and cash equivalents at beginning of period	403,377	317,996
Effect of exchange rate changes on cash and cash equivalents	(2,008)	—
Cash and cash equivalents at end of period	362,085	307,624
Analysis of balances of cash and cash equivalents		
Cash and bank balances	104,393	76,677
Non-pledged time deposits with original maturity of less than three months	257,692	230,947
Cash and cash equivalents as stated in the condensed statement of financial position and condensed statement of cash flows	362,085	307,624

1. BASIS OF PREPARATION

The unaudited interim condensed financial statements of the Company for the three months ended 31 March 2011 (the "First Quarter Results") are prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board.

The First Quarter Results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2010 ("2010 financial statements").

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the First Quarter Results are consistent with those used in the 2010 financial statements, except for the adoption of new standards and interpretations as of 1 January 2011, which are set out below:

The Company has adopted the following new and revised IFRSs for the first time in the First Quarter Results.

IAS 24 (Amendment)	Related Party Disclosures
IAS 32 (Amendment)	Financial Instruments: Presentation-Classification of Rights Issues
IFRIC 14 (Amendment)	Prepayments of a minimum funding requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to IFRSs (issued in May 2010)*	Amendments to a number of IFRSs

* Improvements to IFRSs 2010 contain amendments to IFRS 3, IFRS 7, IAS 1, IAS 27 and IFRIC 13.

The adoption of these new and revised IFRSs has had no significant financial effect on the First Quarter Results.

3. SEGMENT INFORMATION

The Company's revenue and profit were mainly derived from the sale of wafers. The Company has only one reportable operating segment.

The principal assets employed by the Company are located in Shanghai, the People's Republic of China (the "PRC"). Therefore, no segment information based on the geographical location of the Company's assets is presented.

The Company's revenue is attributed to geographical areas based on the location of customers. Revenue regarding geographical segments based on the location of customers is presented as follows:

	For the three months ended 31 March	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
United States of America	104,180	92,407
Europe	52,396	64,820
Asia	41,006	28,921
	<hr/>	<hr/>
	197,582	186,148

Information about major customers

Revenue from continuing operations of approximately RMB116,359,000 (Three months ended 31 March 2010: RMB127,042,000) was derived from sales to three customers (Three months ended 31 March 2010: four) which individually accounted for more than 10% of the Company's total revenue during the three months ended 31 March 2011. Sales to a particular customer include sales to a group of entities which are known to be under common control with that customer.

4. REVENUE

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

An analysis of revenue is as follows:

	For the three months ended 31 March	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Sale of goods	197,546	185,976
Others	36	172
	<u>197,582</u>	<u>186,148</u>

5. OTHER INCOME AND GAINS AND OTHER EXPENSES

	For the three months ended 31 March	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Other income and gains		
Interest income	1,367	431
Subsidy income	425	395
Net foreign exchange gains	—	21
Others	753	223
	<u>2,545</u>	<u>1,070</u>
Other expenses		
Net foreign exchange loss	(2,007)	—
Loss arising from a leakage incident	—	(261)
	<u>(2,007)</u>	<u>(261)</u>

6. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	For the three months ended 31 March	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Cost of inventories sold	178,526	156,663
Depreciation	29,189	35,849
Interest on bank loans	1,109	2,013
Reversal of allowance for doubtful debts	(15)	(53)
Allowance for inventories	3,966	288
	<u>3,966</u>	<u>288</u>

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company had no assessable profits arising in Hong Kong for the three months ended 31 March 2010 and 2011.

Major components of income tax are as follows:

	For the three months ended 31 March	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Provision for income tax in respect of profit for the period	—	—
Deferred tax	—	—
	<hr/>	<hr/>
Income tax expense	—	—
	<hr/>	<hr/>

8. DIVIDENDS

The Board does not recommend the payment of dividend to the ordinary equity holders of the Company for the three months ended 31 March 2011 (31 March 2010: Nil).

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	For the three months ended 31 March	
	2011 (Unaudited)	2010 (Unaudited)
(Loss)/profit attributable to ordinary equity holders of the Company (RMB'000)	(12,013)	1,248
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue ('000)	1,534,227	1,534,227
	<hr/>	<hr/>

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the three months ended 31 March 2010 and 2011 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during those periods.

10. INTEREST-BEARING BANK BORROWINGS

	31 March 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
	Unsecured bank loans repayable within one year	95,895
	<hr/>	<hr/>

11. COMMITMENTS

The Company had the following capital commitments at the end of the reporting period:

	31 March 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Capital commitments in respect of property, plant and equipment:		
- contracted, but not provided for	29,492	61,781
- authorised, but not contracted for	119,890	137,766
	149,382	199,547

12. RELATED PARTY TRANSACTIONS

The companies controlled by NXP B.V. are considered to be related to the Company.

The Company had the following material transactions with the companies controlled by NXP B.V. during the period:

		For the three months ended 31 March	
		2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
	Notes		
Sales	(i)	37,896	22,030
Technology transfer fees	(ii)	1,258	1,104
Compensation paid/payable to key management personnel (including directors, supervisors and senior executives)		3,024	2,353

Notes:

- (i) Sales to the related companies were carried out based on normal commercial terms and at market prices.
- (ii) Royalties in the form of technology transfer fees and identification licensing fees paid/payable to a related company were determined at 3% or 10% of the net sales of certain specified products sold by agreement of the parties.

In the opinion of the directors, all transactions above were carried out in the ordinary course of business of the Company.

The above related party transactions set out in Notes (i) and (ii) also constitute continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

OPERATING RESULTS REVIEW

Summary:

(Amount: RMB'000)	1Q'11	4Q'10	1Q'10	QoQ% Change	YoY %Change
Revenue	197,582	270,120	186,148	-27%	6%
Gross Profit	19,056	58,295	29,485	-67%	-35%
Other income and gains	2,545	3,460	1,070	—	—
Operating expenses	(30,498)	(30,081)	(27,033)	1%	13%
Other expenses	(2,007)	(3,704)	(261)	—	—
Finance costs	(1,109)	(1,285)	(2,013)	—	—
Income tax credit/(expense)	—	—	—	—	—
Net income/(loss)	(12,013)	26,685	1,248	—	—
EPS/(loss)	(0.78)cents	1.74cents	0.08cents	—	—

Sales decreased by 26.8% from RMB270.1 million for the three months ended 31 December 2010 to RMB197.6 million for the three months ended 31 March 2011. This was due primarily to the significant decrease in the sales relating to both 6-inch and 8-inch wafers, and to a lesser extent, in the sales relating to 5-inch wafers as a result of the traditional slow season and the planned annual maintenance shutdown.

Gross profit for the three months ended 31 March 2011 was RMB19.1 million, compared to RMB58.3 million for the three months ended 31 December 2010. Gross margin for the three months ended 31 March 2011 was 9.7%, compared to 21.6% for the three months ended 31 December 2010, which was mainly attributable to the lower level of capacity utilization rate, and to a lesser extent, to a less favourable product mix, partially offset by direct savings from lower consumption of parts and service costs.

For the three months ended 31 March 2011, other income and gains were RMB2.5 million, compared to RMB3.5 million for the three months ended 31 December 2010. Other income and gains in the current quarter and the previous quarter were mainly comprised of subsidy income, interest income, sale of scrap materials and others.

Operating expenses amounted to RMB30.5 million for the three months ended 31 March 2011, representing a slight increase of 1.3% compared to RMB30.1 million for the three months ended 31 December 2010. Such increase was due primarily to the increase in research and development costs, partially offset by the decline in general and administrative expenses, and selling and distribution costs.

Other expenses for the three months ended 31 March 2011 amounted to RMB2.0 million, compared to RMB3.7 million for the three months ended 31 December 2010. Other expenses in the current quarter and the previous quarter were only comprised of net foreign exchange loss.

Finance costs for the three months ended 31 March 2011 were RMB1.1 million, compared to RMB1.3 million for the three months ended 31 December 2010.

As a result, the Company recorded a net loss of RMB12.0 million for the three months ended 31 March 2011, compared to a net income of RMB26.7 million for the three months ended 31 December 2010.

I. Revenue Analysis

By Application

For the three months ended 31 March 2011, sales derived from communication, computer and consumer products accounted for 33%, 33% and 34% of total revenue respectively, which were in line with those in the fourth quarter of 2010.

	1Q'11	4Q'10	1Q'10
Communication	33%	33%	32%
Computer	33%	33%	33%
Consumer	34%	34%	35%

By Geography

For the three months ended 31 March 2011, sales to the USA, Europe and Asia Pacific accounted for 53%, 26% and 21% of total revenue respectively, compared to 58% and 27% and 15% in the fourth quarter of 2010.

	1Q'11	4Q'10	1Q'10
USA	53%	58%	50%
Europe	26%	27%	35%
Asia Pacific	21%	15%	15%

By Customer Type

For the three months ended 31 March 2011, sales to IDM and fabless customers accounted for 27% and 73% of total revenue respectively, and remained almost flat sequentially.

	1Q'11	4Q'10	1Q'10
IDM	27%	28%	38%
Fabless	73%	72%	62%

By Product

For the three months ended 31 March 2011, sales as a percentage of total revenue from 5-inch, 6-inch and 8-inch wafers were 22%, 36% and 41% respectively, compared to 19%, 42% and 38% in the fourth quarter of 2010.

	1Q'11	4Q'10	1Q'10
5" wafers	22%	19%	19%
6" wafers	36%	42%	46%
8" wafers	41%	38%	34%
Others ¹	1%	1%	1%

Note: 1. Consist of probing services and provision of masks

II. Utilization and Capacity (8" equivalent)

II-1 Utilization

Overall capacity utilization for the three months ended 31 March 2011 was 55%, compared to 72% in the fourth quarter of 2010.

Fab	1Q'11	4Q'10	1Q'10
Fab 1/2			
5-inch wafers	54%	63%	42%
6-inch wafers	42%	65%	46%
Fab 3			
8-inch wafers	69%	83%	52%
Overall Capacity Utilization Rate	55%	72%	48%

Notes: 1. The capacity utilization rate represents the percentage of the actual number of processing steps (measured by the number of masks used) for the number of semiconductor wafers shipped in the reporting period divided by the total number of processing steps a fab is capable to produce during the corresponding period.

2. The capacity utilization rates stated in the table are calculated on the basis of the theoretical capacity of the Company's fabrication facilities, as discussed in note 2 to paragraph II-2 below. In consequence, the utilization rates of actual operating capacity are higher than the figures stated in the above table.

3. After taking into account 6-inch wafers produced using equipment consigned under arrangement with a customer, the utilization rate of the Company's total 6-inch wafer equipment in 1Q2011 was 38%, compared to 59% in 4Q2010. As a result, the overall capacity utilization rate of the Company's total equipment in 1Q2011 was 53%, compared to 69% in 4Q2010.

II-2 Capacity (8" Equivalent)

The capacity for the three months ended 31 March 2011 was 154,000 8-inch equivalent wafers, which was the same as that of the previous quarter and that of the first quarter of 2010.

Fab (wafers in thousand)	1Q'11	4Q'10	1Q'10
Fab1/2			
5-inch wafers	33	33	33
6-inch wafers	85	85	85
Fab-3			
8-inch wafers	36	36	36
Total Capacity	154	154	154

Notes: 1. The Company estimated the capacities of its 5-inch, 6-inch and 8-inch on the basis of 9, 10 and 22 mask steps per wafer respectively and 5-inch, 6-inch wafers were converted to 8-inch equivalent wafers by dividing their wafer number using 2.56 and 1.78 respectively.

2. The installed capacity of the Company's fabrication facilities is calculated assuming continuous production of an optimum product mix, which in practice is unlikely ever to be achieved. In consequence, the actual operating capacity is less than the figures stated in the table.

3. After taking into account the 6-inch wafers equipment consignment arrangement with a customer described above, the installed quarterly capacity of 6-inch wafers of the Company's total equipment for the first quarter of 2011 and fourth quarter of 2010 was 94K 8-inch equivalent wafers respectively. As a result, total installed quarterly capacity of the Company's total equipment of the first quarter of 2011 and fourth quarter of 2010 was 163K 8-inch equivalent wafers accordingly.

III. Profit and Expense Analysis

III-1. Gross Profit Analysis

Gross profit for the three months ended 31 March 2011 was RMB19.1 million, compared to RMB58.3 million for the three months ended 31 December 2010. Gross margin for the three months ended 31 March 2011 was 9.7%, compared to 21.6% for the three months ended 31 December 2010, which was mainly attributable to the lower level of capacity utilization rate, and to a lesser extent, to a less favourable product mix, partially offset by direct savings from lower consumption of parts and service costs.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Cost of sales	(178,526)	(211,825)	(156,663)
Gross profit	19,056	58,295	29,485
Gross margin	9.7%	21.6%	15.8%

III-2. Other Income and Gains

For the three months ended 31 March 2011, other income and gains were RMB2.5 million, compared to RMB3.5 million for the three months ended 31 December 2010. Other income and gains in the current quarter and the previous quarter were mainly comprised of subsidy income, interest income, sale of scrap materials and others.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Other income and gains	2,545	3,460	1,070

III-3. Operating Expenses Analysis

Operating expenses amounted to RMB30.5 million for the three months ended 31 March 2011, representing an increase of 1.3% compared to RMB30.1 million for the three months ended 31 December 2010. Such increase was due primarily to the increase in research and development costs, partially offset by the decline in general and administrative expenses, and selling and distribution costs.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Selling and distribution costs	(972)	(1,334)	(1,664)
General and administrative expenses	(15,285)	(20,177)	(14,942)
Research and development costs	(14,241)	(8,570)	(10,427)

III-4. Other Expenses

Other expenses for the three months ended 31 March 2011 amounted to RMB2.0 million, compared to RMB3.7 million for the three months ended 31 December 2010. Other expenses in the current quarter and the previous quarter were only comprised of net foreign exchange loss.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Other expenses	(2,007)	(3,704)	(261)

III-5. Finance Costs

Finance costs for the three months ended 31 March 2011 were RMB1.1 million, compared to RMB1.3 million for the three months ended 31 December 2010.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Finance costs	(1,109)	(1,285)	(2,013)

IV. Financial Condition Review

IV-1. Liquidity Analysis

Total current assets as at 31 March 2011 was RMB621.4 million, a decrease of RMB73.3 million from RMB694.7 million as at 31 December 2010, due mainly to the decrease in cash and cash equivalents and other current assets by RMB41.3 million and RMB20.7 million respectively from the balance as at 31 December 2010. The decrease in cash and cash equivalents was largely attributable to the repayment of the outstanding bank loan during the quarter. The total current liabilities decreased from RMB330.0 million as at 31 December 2010 to RMB288.5 million as at 31 March 2011, attributable mainly to the decrease in interest-bearing borrowings and accounts payable by RMB20.3 million and RMB16.3 million respectively.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Cash and cash equivalents	362,085	403,377	307,624
Accounts and notes receivables	63,444	72,931	73,247
Inventories	159,986	161,832	110,056
Other current assets	35,933	56,594	30,230
Total current assets	621,448	694,734	521,157
Interest-bearing borrowings	95,895	116,227	168,261
Accounts payable	141,011	157,265	111,681
Other current liabilities	51,566	56,466	51,151
Total current liabilities	288,472	329,958	331,093
Net current assets	332,976	364,776	191,165
Current Ratio (x)	2.15	2.11	1.57

IV-2. Receivable/Inventory Turnover

Receivable turnover for the three months ended 31 March 2011 was 39 days, compared to 35 days in the fourth quarter of 2010.

Inventory turnover days increased to 100 days in the first quarter of 2011 from 84 days in the fourth quarter of 2010.

	1Q'11	4Q'10	1Q'10
Accounts & Notes Receivables Turnover (days)	39	35	41
Inventory Turnover (days)	100	84	79

IV-3. Debt Service

Net cash reserve as at 31 March 2011 amounted to RMB266.2 million as compared to RMB287.2 million as at 31 December 2010, representing a sequential decrease by RMB21.0 million. This was due primarily to the decrease in both cash and cash equivalents and interest-bearing borrowings by RMB41.3 million and RMB20.3 million respectively.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Cash and cash equivalents	362,085	403,377	307,624
Interest-bearing borrowings	(95,895)	(116,227)	(168,261)
Net cash reserves	266,190	287,150	139,363

V. Capital Expenditure

The amount of capital expenditure for the three months ended 31 March 2011 was RMB49.1 million, compared to RMB35.1 million in the fourth quarter of 2010. The capital expenditure was primarily spent in Micro-Electro-Mechanical Systems project construction and the automotive chip business related projects.

	1Q'11	4Q'10	1Q'10
(Amount: RMB'000)			
Capex	49,081	35,078	9,125

VI. Outlook for the Second Quarter of 2011

The semiconductor market is likely to see a slight softening in the short term as a result of the combined effects of the relatively slow recovery in advanced economies and a perceived risk of tightness and shortage of raw materials, key components and other supplies across the world's manufacturing supply chain due to the recent earthquake and tsunami disasters in Japan. Despite a number of uncertainties facing the semiconductor industry, the Company, led by newly appointed President Dr. Joseph Xie and the existing management team, will focus on building innovative business models to capitalize on a number of unique growth opportunities in front of the Company as well as create value for customers and various participants in its value chain. Based on current order visibility across nearly all major clients in the three major geographical areas, management forecasts that sales in the second quarter of 2011 are likely to grow significantly on a sequential quarter-to-quarter basis.

By Order of the Board

Advanced Semiconductor Manufacturing Corporation Limited

Joseph Xie

Executive Director & President

Shanghai, the PRC, 18 May 2011

As at the date of this announcement, the executive director of the Company is Joseph Xie; the non-executive directors of the Company are Chen Jianming, Shen Qing, Zhu Jian, Li Zhi, Wilhelmus Jacobus Maria Joseph Josquin and Winfried Lodewijk Peeters; and the independent non-executive directors of the Company are Thaddeus Thomas Beczak, Shen Weijia and James Arthur Watkins.