



WING SHAN INTERNATIONAL LIMITED
榮山國際有限公司

(Stock Code: 0570)



Interim Report
2007

CORPORATE INFORMATION

Board of Directors	<i>Non-executive Director</i> HE Haochang (<i>Chairman</i>) <i>Executive Directors</i> LAM Siu Hung (<i>Director & Managing Director</i>) SITU Min (<i>Chief Financial Officer & Qualified Accountant</i>) LI Feng (<i>resigned on 1 January 2007</i>) LI Songquan (<i>Director & Deputy Managing Director</i> <i>appointed on 1 January 2007 & 1 April 2007 respectively</i>) <i>Independent Non-executive Directors</i> CHAN Ting Chuen, David CHEUNG Kin Piu, Valiant NG Pui Cheung, Joseph
Company Secretary	HUEN Po Wah
Audit Committee	CHAN Ting Chuen, David (<i>Chairman</i>) CHEUNG Kin Piu, Valiant NG Pui Cheung, Joseph
Remuneration Committee	CHAN Ting Chuen, David (<i>Chairman</i>) HE Haochang CHEUNG Kin Piu, Valiant NG Pui Cheung, Joseph
Registered Office	Rooms 2801-2805, China Insurance Group Building 141 Des Voeux Road Central Hong Kong
Auditors	KPMG Certified Public Accountants Hong Kong
Share Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Shop 1712-16, 17th Floor 183 Queen's Road East Wanchai Hong Kong
Principal Bankers	Bank of China (Hong Kong) Limited The Hongkong & Shanghai Banking Corporation Limited
Stock Code	0570
Website	http://www.wingshan.com.hk

WING SHAN INTERNATIONAL LIMITED

INTERIM REPORT 2007

INTERIM RESULTS

The board of directors (the “Board”) of Wing Shan International Limited (the “Company”, together with its subsidiaries known as the “Group”) reports that the unaudited consolidated interim results of the Group for the six months ended 30 June 2007 are as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

*For the six months ended 30 June 2007 – Unaudited
(Expressed in Hong Kong dollars)*

		Six months ended 30 June	
		2007	2006
		\$'000	(restated) \$'000
	Note		
Continuing operation			
Turnover	2	183,287	–
Cost of sales		<u>(106,345)</u>	–
Gross profit		76,942	–
Other revenue	3	1,127	186
Other net income	3	455	–
Selling and distribution costs		(45,404)	–
Administrative expenses		<u>(25,367)</u>	(2,825)
Profit/(loss) from operations		7,753	(2,639)
Finance costs	4(a)	<u>(543)</u>	–
Profit/(loss) before taxation	4	7,210	(2,639)
Income tax	5	<u>948</u>	–
Profit/(loss) for the period from continuing operation		8,158	(2,639)
Discontinued operation			
Loss for the period from discontinued operation	6	–	<u>(369,767)</u>
Profit/(loss) for the period		8,158	<u>(372,406)</u>
Attributable to:			
– Equity shareholders of the Company		2,317	(298,456)
– Minority interests		<u>5,841</u>	<u>(73,950)</u>
Profit/(loss) for the period		8,158	<u>(372,406)</u>
Basic and diluted earnings/(loss) per share			
From continuing and discontinued operations:	8	0.3 cents	<u>(36.0 cents)</u>
From continuing operation:		0.3 cents	<u>(0.3 cents)</u>
From discontinued operation:		–	<u>(35.7 cents)</u>

The notes on pages 6 to 22 form part of this interim financial report.

WING SHAN INTERNATIONAL LIMITED
INTERIM REPORT 2007

CONSOLIDATED BALANCE SHEET

At 30 June 2007 – Unaudited
 (Expressed in Hong Kong dollars)

	Note	At 30 June 2007 \$'000	At 31 December 2006 (audited) \$'000
Non-current assets			
Fixed assets			
– Property, plant and equipment	11	143,871	146,858
– Investment property		7,783	7,663
– Interests in leasehold land held for own use under operating leases		24,600	24,127
		176,254	178,648
Construction in progress		55	–
Intangible assets		94,300	98,224
Goodwill		127,515	123,437
Other financial assets		3,069	1,103
		401,193	401,412
Current assets			
Inventories		61,773	57,989
Trade and other receivables	12	56,618	43,544
Cash and cash equivalents		63,053	108,531
		181,444	210,064
Current liabilities			
Trade and other payables	13	63,390	70,361
Bank loans and overdrafts	14	23,128	20,203
Dividend payable		–	28,762
Tax payable		1,606	3,671
		88,124	122,997
Net current assets		93,320	87,067
Total assets less current liabilities		494,513	488,479
Non-current liabilities			
Deferred tax liabilities		33,476	37,709
Net assets		461,037	450,770
Capital and reserves			
Share capital	15	83,068	83,015
Reserves		222,675	210,243
Total equity attributable to equity shareholders of the Company		305,743	293,258
Minority interests		155,294	157,512
Total equity		461,037	450,770

The notes on pages 6 to 22 form part of this interim financial report.

WING SHAN INTERNATIONAL LIMITED

INTERIM REPORT 2007

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007 – Unaudited

(Expressed in Hong Kong dollars)

	Share capital	Share premium	Capital redemption reserve	Exchange reserve	Reserve fund	Enterprise development fund	Fair value reserve	Accumulated losses	Total equity attributable to equity shareholders of the Company	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2006	83,015	1,041,726	297	20,729	23,481	23,481	-	(542,044)	650,685	158,974	809,659
Loss for the period	-	-	-	-	-	-	-	(298,456)	(298,456)	(73,950)	(372,406)
Exchange differences on translation of accounts of a PRC subsidiary	-	-	-	5,087	-	-	-	-	5,087	1,255	6,342
At 30 June 2006	83,015	1,041,726	297	25,816	23,481	23,481	-	(840,500)	357,316	86,279	443,595
At 1 January 2007	83,015	1,041,726	297	1,007	1,065	-	(304)	(833,548)	293,258	157,512	450,770
Shares issued under share option scheme	53	132	-	-	-	-	-	-	185	-	185
Profit for the period	-	-	-	-	-	-	-	2,317	2,317	5,841	8,158
Available-for-sale securities											
- changes in fair value	-	-	-	-	-	-	1,003	-	1,003	963	1,966
- to deferred tax	-	-	-	-	-	-	(266)	-	(266)	(255)	(521)
Transfer to reserve	-	-	-	-	5,169	-	-	(5,169)	-	-	-
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	(13,978)	(13,978)
Exchange differences on translation of accounts of PRC subsidiaries	-	-	-	9,246	-	-	-	-	9,246	5,211	14,457
At 30 June 2007	83,068	1,041,858	297	10,253	6,234	-	433	(836,400)	305,743	155,294	461,037

The notes on pages 6 to 22 form part of this interim financial report.

WING SHAN INTERNATIONAL LIMITED
INTERIM REPORT 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2007 – Unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2007	2006
	\$'000	\$'000
Cash generated from operations	3,582	38,498
PRC enterprise income tax paid	(7,158)	–
Net cash (used in)/generated from operations	(3,576)	38,498
Net cash generated from investing activities	17,528	766
Net cash (used in)/generated from financing activities	(40,818)	17,476
Net (decrease)/increase in cash and cash equivalents	(26,866)	56,740
Cash and cash equivalents at 1 January	89,919	132,340
Cash and cash equivalents at 30 June	63,053	189,080
Analysis of balance of cash and cash equivalents		
Deposits with banks	9,647	12,572
Cash at bank and in hand	53,406	176,508
	63,053	189,080

The notes on pages 6 to 22 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. Basis of preparation

The interim financial report is unaudited, but has been reviewed by the audit committee of Wing Shan International Limited and by its auditors, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s review report to the Board of Directors is included on page 23.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the HKICPA. It was authorised for issuance on 14 September 2007.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated accounts as at and for the year ended 31 December 2006.

This interim financial report contains condensed consolidated accounts and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2006 annual accounts. The condensed consolidated interim accounts and notes thereon do not include all of the information required for a full set of accounts prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable Hong Kong Financial Reporting Standards, HKASs and Interpretations.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. The Board of Directors has determined the accounting policies expected to be adopted in the preparation of the Group’s annual accounts for the year ending 31 December 2007, on the basis of HKFRSs currently in use.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

1. **Basis of preparation (Continued)**

The HKFRSs that will be effective or available for voluntary early adoption in the annual accounts for the year ending 31 December 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of issuance of this interim financial report. Therefore the policies that will be applied in the Group's accounts for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual accounts. The adoption of the new and revised HKFRSs did not have significant impact on the Group's results of operations and financial position.

The financial information relating to the financial year ended 31 December 2006 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory accounts for that financial year but is derived from those accounts. Statutory accounts for the year ended 31 December 2006 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated 23 April 2007.

2. **Turnover**

The principal activities of the Group are manufacture and sale of pharmaceutical products in the People's Republic of China ("PRC"). Turnover represents the sales value of goods sold less returns, discounts, value added tax and sales tax.

Turnover of continuing operation may be analyzed as follows:

	Six months ended 30 June	
	2007	2006
	\$'000	\$'000
Sale of pharmaceutical products		
– Pills and tablets	127,686	–
– Medicine wine	16,624	–
– Paste, granules and others	38,977	–
	183,287	–

Prior to the disposal of Hensil Worldwide Inc. ("HWI") on 28 December 2006 (see note 6), the Group also engaged in the generation and sale of electricity. Turnover of discontinued operation for the period ended 30 June 2006 amounted to HK\$378.5 million, representing the invoiced value, net of value added tax, of electricity supplied in Foshan City, Guangdong Province, the PRC of \$347.5 million and additional tariff for peak hour electricity subscription of \$31 million.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

3. Other revenue and net income

	Six months ended 30 June	
	2007 \$'000	2006 \$'000
Other revenue		
Government grants	591	13,008
Interest income	536	932
	1,127	13,940
Representing:		
Continuing operation	1,127	186
Discontinued operation	–	13,754
	1,127	13,940
Other net income		
Insurance compensation	–	912
Rental income	454	2,316
Others	1	37
	455	3,265
Representing:		
Continuing operation	455	–
Discontinued operation	–	3,265
	455	3,265

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

4. Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging:

	Six months ended 30 June	
	2007	2006
	\$'000	\$'000
<hr/>		
(a) Finance costs		
Interest on bank advances and other borrowings wholly repayable within five years	543	8,145
	<hr/>	<hr/>
Representing:		
Continuing operation	543	–
Discontinued operation	–	8,145
	<hr/>	<hr/>
	543	8,145
	<hr/>	<hr/>
(b) Other items		
<i>Continuing operation:</i>		
Cost of inventories	106,345	–
Depreciation and amortization		
– assets held for use under operating leases	133	–
– lease prepayment	279	–
– other assets	9,016	11
– intangible assets	7,066	–
Impairment losses for trade receivables	771	–
	<hr/>	<hr/>
<i>Discontinued operation:</i>		
Cost of consumables	–	447,790
Depreciation and amortization		
– assets held for use under operating leases	–	2,094
– lease prepayment	–	1,031
– other assets	–	44,948
	<hr/>	<hr/>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

5. Income tax in consolidated profit and loss account

	Six months ended 30 June	
	2007	2006
	\$'000	\$'000
<hr/>		
Current tax		
PRC enterprise income tax for the period	5,001	–
	-----	-----
Deferred tax		
Origination and reversal of temporary differences	(3,308)	(51,332)
Effect of change in tax rate on deferred tax	(2,641)	–
	-----	-----
	(5,949)	(51,332)
	-----	-----
	(948)	(51,332)
	-----	-----
Representing:		
Continuing operation	(948)	–
Discontinued operation	–	(51,332)
	-----	-----
	(948)	(51,332)
	-----	-----

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

5. **Income tax in consolidated profit and loss account (Continued)**

No provision has been made for Hong Kong Profits Tax as the Group sustained losses in Hong Kong for taxation purposes during the period.

Pursuant to the income tax rules and regulations of the PRC, the applicable PRC enterprise income tax of the Group's subsidiaries, Foshan Dezhong Pharmaceutical Co., Ltd. ("DZH") and Foshan Feng Liao Xing Pharmaceutical Co., Ltd. ("FLX") is 27%.

FLX is recognized as a new high technology enterprise pursuant to document "粵外經貿加證字458號" issued by The Department of Foreign Trade and Economic Cooperation of Guangdong Province and received approvals from the Foshan Tax Bureau for a three-year income tax reduction to 12% up to 31 December 2007. Hence, FLX is subject to PRC enterprise income tax at 12% for the period.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("new tax law") which will take effect on 1 January 2008. As a result of the new tax law, the income tax rate applicable to DZH and FLX will change from 27% to 25% with effect from 1 January 2008. The change in the carrying amount of the deferred tax liabilities as a result of the change in tax rate is reflected in the interim financial report of the Group for the six months ended 30 June 2007.

No provision has been made for PRC enterprise income tax for the period ended 30 June 2006 as the Company's subsidiary, 佛山市沙口發電廠有限公司 (Foshan Shakou Power Plant Co., Ltd.) ("Shakou JV"), sustained a loss for taxation purposes.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

6. Discontinued operation

On 28 December 2006, the Company sold the entire equity interest in HWI for an aggregate consideration of \$288 million to Foshan Development Company Limited ("FDC").

The results of the HWI Group for the period from 1 January 2006 to 30 June 2006 are as follows:

	Six months ended
	30 June 2006
	\$'000
Turnover	378,473
Cost of sales	(518,042)
Gross loss	(139,569)
Other revenue	13,754
Other net income	3,265
Administrative expenses	(11,143)
Impairment losses	(279,261)
Loss from operations	(412,954)
Finance costs	(8,145)
Loss before taxation	(421,099)
Income tax	51,332
Loss for the period	(369,767)
Attributable to:	
– Equity shareholders of the Company	(295,817)
– Minority interests	(73,950)
Loss for the period	(369,767)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

7. Dividends

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2007 (six months ended 30 June 2006: \$Nil).

8. Earnings/(loss) per share

(a) Basic

From continuing and discontinued operations

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of \$2,317,000 (six months ended 30 June 2006: loss of \$298,456,000) and the 830,152,078 ordinary shares (six months ended 30 June 2006: 830,146,244) in issue during the period.

From continuing operation

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of \$2,317,000 (six months ended 30 June 2006: loss of \$2,639,000) and the 830,152,078 ordinary shares (six months ended 30 June 2006: 830,146,244) in issue during the period.

From discontinued operation

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of \$295,817,000 for the six months ended 30 June 2006 and the 830,146,244 ordinary shares in issue during the period.

(b) Diluted

The diluted earnings/(loss) per share for the six months ended 30 June 2006 and 2007 is the same as the basic earnings/(loss) per share as all potential ordinary shares are anti-dilutive.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

9. Material related party transactions

- (a) Transactions with Foshan Electric Power Construction Group Corporation ("Power Group Corporation"), its subsidiaries and associate

Foshan City District Electric Power Construction Corporation ("Power Construction Corporation") is a substantial shareholder of Shakou JV. Power Construction Corporation is a part of a larger group of companies under Power Group Corporation, which are owned by the PRC government and Shakou JV has significant transactions and relationships with Power Group Corporation, its subsidiaries and associate. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among unrelated parties.

The following is a summary of principal related party transactions with Power Group Corporation, its subsidiaries and associate, which were carried out in the ordinary course of business.

Name of related company	Nature of transaction	Note	Six months ended 30 June	
			2007 \$'000	2006 \$'000
Foshan City District Electricity Fuel Supply Company	Purchase of fuel (excluding value added tax)	(i)	-	447,834
Foshan City District Electric Power Construction Corporation and its associate	Interest on loans	(ii)	-	4,299
Foshan Funeng Power Supply Co., Ltd.	Lease of facilities and premises	(iii)	-	2,316

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

9. Material related party transactions (Continued)

(a) Transactions with Foshan Electric Power Construction Group Corporation ("Power Group Corporation"), its subsidiaries and associate (Continued)

- (i) During the period ended 30 June 2006, the Group purchased fuel from 佛山市區電力燃料公司 (Foshan City District Electricity Fuel Supply Company) ("Fuel Company"). The Fuel Company, being a fellow subsidiary of Power Construction Corporation, was a related party to the Company in 2006 because Power Construction Corporation was a substantial shareholder of Shakou JV. The Fuel Company supplied fuel to the Group at prices which were determined by Shakou JV and the Fuel Company from time to time, but in any event would not be higher than: (i) the then prevailing market prices for sales of fuel by the Fuel Company to independent third parties; or (ii) the then quotation of price of the fuel that Shakou JV could obtain from other independent supplier, whichever is lower.
- (ii) During the period ended 30 June 2006, Shakou JV had outstanding loans due to Power Construction Corporation and its associate pursuant to certain loan agreements entered into between Shakou JV and the respective counterparties. As at 30 June 2006, the outstanding loans amounted to \$299.64 million. The loans amounting to \$116.35 million were interest-bearing at a fixed rate of 5.76% per annum and the remaining balances were interest-free.
- (iii) In July 2004, Shakou JV entered into a facilities lease agreement with Funeng Power Supply Co., Ltd. ("Funeng JV"). Funeng JV, being a fellow subsidiary of Power Construction Corporation, was a related party to the Company in 2006 because Power Construction Corporation was a substantial shareholder of Shakou JV. Pursuant to the facilities lease agreement, Shakou JV leased to Funeng JV certain assets (including office premises, factory premises, land use rights and auxiliary power generation facilities) for two years commencing from the date of the agreement and Shakou JV would receive two annual rental payments of approximately \$4.63 million (Rmb4.80 million) for each of the two years.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

9. Material related party transactions (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2007	2006
	\$'000	\$'000
Short-term employee benefits	1,201	1,030
Post-employment benefits	23	36
	1,224	1,066

(c) Transactions with other state-owned entities in the PRC

Power Group Corporation is a state-owned entity and operates in an economic regime currently predominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as "state-owned entities").

Apart from the transactions mentioned in note 9(a), transactions with state-owned entities include but not limited to the sales and purchases of electricity with grid company.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not state-owned. The Group has established its buying, pricing strategy and approval process for purchases and sales of products and services. Such buying, pricing strategy and approval processes do not depend on whether the counterparties are state-owned entities or not.

Having considered the potential for transactions to be impacted by related party relationships, the entity's pricing strategy, buying and approval processes, and what information would be necessary for an understanding of the potential effect of the relationship on the accounts, the directors are of the opinion that the following transactions require disclosure as related party transactions:

	Six months ended 30 June	
	2007	2006
	\$'000	\$'000
Purchase of electricity from grid company	3,039	-
Sale of electricity to grid company	-	378,473

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

10. Segment reporting

Segment information is presented in respect of the Group's business segment because this is more relevant to the Group's internal financial reporting system.

The Group comprises the following main business segments:

Pharmaceutical: The manufacture and sale of pharmaceutical products in the PRC

Electricity: The generation and sale of electricity in the PRC

	Continuing operation		Discontinued operation		Consolidated	
	Pharmaceutical		Electricity		Six months ended 30 June	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	183,287	-	-	378,473	183,287	378,473
Segment result	11,516	-	-	(412,954)	11,516	(412,954)
Unallocated operating income					89	186
Unallocated operating expenses					(3,852)	(2,825)
Profit/(loss) from operations					7,753	(415,593)
Finance costs					(543)	(8,145)
Profit/(loss) before taxation					7,210	(423,738)
Income tax credit					948	51,332
Profit/(loss) for the period					8,158	(372,406)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

11. Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2007, the Group acquired items of plant and machinery and motor vehicles with a cost of approximately \$687,000 and \$547,000 respectively (six months ended 30 June 2006: motor vehicles of \$139,000). No items of property, plant and equipment with positive net book value were disposed of during the six months ended 30 June 2007 (six months ended 30 June 2006: \$Nil).

12. Trade and other receivables

	At 30 June 2007 \$'000	At 31 December 2006 \$'000 (audited)
Trade receivables	51,189	36,550
Other receivables	5,429	6,994
	56,618	43,544

Included in trade and other receivables are trade debtors (net of impairment losses) with the following ageing analysis:

	At 30 June 2007 \$'000	At 31 December 2006 \$'000 (audited)
Within 3 months of invoice date	47,014	33,113
3 to 6 months after invoice date	2,066	1,248
More than 6 months after invoice date	2,109	2,189
	51,189	36,550

Debts are due within 30 to 90 days from the date of billing. All of the trade and other receivables are expected to be recovered within one year.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

13. Trade and other payables

	At 30 June 2007 \$'000	At 31 December 2006 \$'000 (audited)
Creditors and accrued charges	63,390	70,361

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	At 30 June 2007 \$'000	At 31 December 2006 \$'000 (audited)
Due within 1 month or on demand	63,390	70,361

14. Bank loans and overdrafts

At 30 June 2007, the Group's bank loans and overdrafts are repayable as follows:

	At 30 June 2007 \$'000	At 31 December 2006 \$'000 (audited)
Within 1 year or on demand	23,128	20,203
Representing:		
Bank overdrafts	–	309
Bank loans (unsecured)	23,128	19,894
	23,128	20,203

The bank loans as at 30 June 2007 are unsecured, bear interest at 6.57% (31 December 2006: 6.12%) and are repayable within one year.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

15. Share capital

	At 30 June 2007		At 31 December 2006	
	Number of shares '000	Nominal value \$'000	Number of shares '000 (audited)	Nominal value \$'000 (audited)
<i>Authorized:</i>				
Share of \$0.10 each	3,000,000	300,000	3,000,000	300,000
<i>Issued and fully paid:</i>				
At 1 January	830,146	83,015	830,146	83,015
Shares issued under share option scheme	528	53	–	–
At 30 June 2007 / 31 December 2006	830,674	83,068	830,146	83,015

16. Equity settled share-based transactions

The Company has a share option scheme which was adopted on 22 May 2002 whereby the directors of the Company are authorized, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on The Stock Exchange of Hong Kong Limited at the date of grant and the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant. The options vest after six months from the date of grant and are then exercisable within a period of five years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

16. Equity settled share-based transactions (Continued)

- (a) The terms and conditions of the grants that existed during the six months ended 30 June 2007 are as follows, whereby all options are settled by physical delivery of shares:

Date granted	Exercise period	Exercise price	30 June 2007 '000
25 July 2002	25 January 2003 to 24 January 2008	\$0.35	828
30 July 2002	30 January 2003 to 29 January 2008	\$0.35	8,000
19 May 2003	22 November 2003 to 21 November 2008	\$0.415	1,500
			10,328

All the above share options are granted to the directors.

- (b) The number and weighted average exercise prices of share options are as follows:

	2007		2006	
	Weighted average exercise price	Number of shares '000	Weighted average exercise price	Number of shares '000
At 1 January	\$0.36	10,328	\$0.36	10,328
Exercised	\$0.35	(528)	–	–
Lapsed and cancelled	\$0.415	(1,500)	–	–
At 30 June 2007 / 31 December 2006	\$0.35	8,300	\$0.36	10,328
Options vested at 30 June 2007 / 31 December 2006	\$0.35	8,300	\$0.36	10,328

The weighted average share price at the date of exercise for share options exercised during the period was \$0.68.

HKFRS 2 "Share-based payment" does not apply to this scheme as share options were granted before 7 November 2002 and therefore, no benefit cost or obligation is recognized.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

(Expressed in Hong Kong dollars)

17. Comparative figures

Certain comparative figures have been re-classified as a result of the presentation of discontinued operation.

The result of continuing operation for the six months ended 30 June 2006 mainly represented interest income and administrative expenses earned and incurred by the Company and its subsidiary, Lipromate Limited.

18. Non-adjusting post balance sheet events

On 27 July 2007, the Company announced its intention to put forward the reduction of share premium account to the shareholders for approval. It was proposed that the amount standing to the credit of the share premium account be reduced by the sum of HK\$837,876,237 and the same amount of credit arising from such reduction be applied towards the elimination of the accumulated losses of the Company. The proposal is approved by the shareholders at the extraordinary general meeting of the Company on 11 September 2007 and is subject to the approval from the High Court of the Hong Kong Special Administrative Region pursuant to section 61 of the Hong Kong Companies Ordinance.



Review report to the board of directors of Wing Shan International Limited

Introduction

We have reviewed the interim financial report set out on pages 2 to 22 which comprises the consolidated balance sheet of Wing Shan International Limited as of 30 June 2007 and the related consolidated profit and loss account, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2007 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

14 September 2007

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Review

The principal activity of the Company is investment holding. The principal activities of its subsidiaries have been changed from the generation and sale of electricity in the People's Republic of China ("PRC") to the production and sale of Chinese medicine and pharmaceutical products in the PRC after the acquisition of 51% equity interest in Foshan Dezhong Pharmaceutical Co., Ltd. ("DZH") and Foshan Feng Liao Xing Pharmaceutical Co., Ltd. ("FLX") on 9 October 2006 by means of acquiring the entire equity interest in the investment holding company, Hensil Holdings Company Limited, of DZH and FLX and the disposal of 80% equity interest in 佛山市沙口發電廠有限公司 (Foshan Shakou Power Plant Co., Ltd.) ("Shakou JV") on 28 December 2006 by means of disposing the entire equity interest in the investment holding company, Hensil Worldwide Inc, of Shakou JV. As a result of such change, the Consolidated Profit and Loss Account comprises the continuing operation in respect of DZH and FLX together with the discontinued operation in respect of Shakou JV.

Six Months Ended 30 June 2007 for Continuing Operation

The turnover of HK\$183.29 million represented the invoiced value, net of value added tax and sales tax, in respect of the sales of Chinese medicine and pharmaceutical products for the six months ended 30 June 2007. According to the track record throughout the period from 2003 to 2007, there was an average compound growth rate of about 5% per annum.

The profit from continuing operation before finance costs and income tax was HK\$7.75 million. The finance costs amounted to HK\$0.54 million. The income tax was HK\$0.95 million including current tax charge of HK\$5.00 million and deferred tax credit of HK\$5.95 million. The deferred tax credit was mainly due to the change in tax rate in 2008. As a result, the profit for the period was HK\$8.16 million.

The profit for the period attributable to the equity shareholders of the Company amounted to HK\$2.32 million, comprising the corporate expenses and exchange difference of HK\$3.76 million in relation to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Performance Review (Continued)

Six Months Ended 30 June 2006 for Discontinued Operation

The turnover of HK\$378.47 million represented the invoiced value, net of value added tax, in respect of the sales of electricity for the six months ended 30 June 2006. The major operating expense of electricity generation was fuel oil cost which stayed at high levels leading to the operating loss.

The loss from discontinued operation before finance costs and income tax was HK\$412.95 million including an impairment loss on goodwill of HK\$279.26 million. The finance costs amounted to HK\$8.15 million and there was an income tax credit of HK\$51.33 million. As a result, the loss for the period was HK\$369.77 million.

Market Review

Chinese Medicine and Pharmaceutical Products in PRC

The PRC has been experiencing a continuous and steady economic growth over the years and with rising personal income and spending power of the general public together with improvement in living standards, people are becoming more health-conscious and more willing to spend on medical and health related services. Given the aging of the PRC coupled with the growing health-consciousness of the PRC city residents as indicated by the increase in their spending on medicine and medical services, the management is of the view that there is likely a strong growth in the demand for medical and pharmaceutical products. Accordingly, the management is generally optimistic about the prospects of the medicine and pharmaceutical business in the PRC. On the other hand, market competition is expected to remain fierce after rounds of price reductions so that both DZH and FLX will put more efforts to develop the sales and marketing network in the PRC for increasing their competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Market Review (Continued)

Electricity Generation and Sale at Foshan City in Guangdong Province of PRC

Despite the fact that Foshan City has been experiencing sustained electricity demand growth as a result of the persistent and strong growth of economic activities in Guangdong Province, operating environment remained extremely difficult for the Group in 2006 as fuel oil price surged. Moreover, on-grid tariff adjustment was inflexible under the strict control of the relevant authorities of the Guangdong Provincial People's Government which has caused deferral in increasing on-grid tariff and additional fuel cost surcharges as well as the subsidies from local government. Therefore, the Group experienced substantial losses for many years. Controlling shareholder of the Company, Foshan Development Company Limited, completed the purchase of the electricity generation business on 28 December 2006 and the Company disposed of the loss business at the terms which were fair and reasonable and were in the interests of the Company and the shareholders of the Company as a whole.

Financial Review

The financial position of the Group has changed significantly as a result of the acquisition of 51% equity interest in DZH and FLX on 9 October 2006 and the disposal of 80% equity interest in Shakou JV on 28 December 2006. Consequently, the figures as at 31 December 2006 and 30 June 2007 represented the figures after the acquisition. Therefore, the financial analyses will concentrate on the continuing operation.

Liquidity and Financial Resources

During the six months ended 30 June 2007, the Group funded its operation largely by internal cash inflow generated from its operating activities. PRC enterprise income tax paid amounted to HK\$7.16 million. Net cash generated from investing activities amounting to HK\$17.53 million mainly represented the fixed deposits with bank matured during the period. Net cash used in financing activities amounted to HK\$40.82 million was mainly came from the dividend payments as agreed with former shareholders and minority shareholders of DZH and FLX. As a result, the total cash and cash equivalents decreased from HK\$89.92 million at the beginning of the period to HK\$63.05 million as at 30 June 2007.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Liquidity and Financial Resources (Continued)

As at 30 June 2007, the Group's current assets amounted to HK\$181.44 million (31 December 2006: HK\$210.06 million). The current liabilities amounted to HK\$88.12 million (31 December 2006: HK\$123.00 million) including bank loans and overdrafts of HK\$23.13 million (31 December 2006: HK\$20.20 million). Net working capital surplus amounted to HK\$93.32 million (31 December 2006: HK\$87.07 million). The Group's current ratio moderately increased from the previous 1.71 to 2.06.

Net Assets

As at 30 June 2007, the Group's net assets value excluding minority interests (i.e. total equity attributable to equity shareholders of the Company) amounted to HK\$305.74 million (31 December 2006: HK\$293.26 million).

Capital Structure and Gearing Ratio

As at 30 June 2007, the Group's capital structure comprised the shareholders' equity only without any kind of long-terms loans but with short-term bank loans amounting to HK\$23.13 million (31 December 2006: HK\$20.20 million).

As at 30 June 2007 and 31 December 2006, the gearing ratio, being the short-term bank loans as a percentage of equity attributable to equity shareholders of the Company, was 7.57% and 6.89% respectively.

Committed Banking Facilities

As at 30 June 2007, the Group had committed banking facilities in Renminbi from banks for an aggregate amount of HK\$23.13 million (31 December 2006: HK\$19.89 million) in which HK\$23.13 million (31 December 2006: HK\$19.89 million) was drawn down and the bank loans bear interest at an annual rate of 6.57% (31 December 2006: 6.12%). Save as disclosed herein, the Group had no other bank borrowings or committed banking facilities other than the temporary bank overdraft balances.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Charges on Group Assets

As at 30 June 2007, there was no charge on the Group's assets for whatsoever purposes (31 December 2006: \$Nil).

Contingent Liabilities

As at balance sheet date, the Group had no contingent liabilities (31 December 2006: \$Nil).

Exchange Rate Risk

During the period, individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. The Group is of the opinion that its exposure to foreign exchange rate fluctuations is limited so that no financial instrument has been used for the purpose of hedging exchange rate risk.

Employees and Remuneration Policies

As at 30 June 2007, the Group employed a total of 941 (31 December 2006: 824) staff including the directors of the Company. Remuneration packages principally comprised salary, discretionary performance bonus based on individual merits and share option scheme. The Group's total employee remuneration for the period was approximately HK\$24.75 million (31 December 2006: HK\$34.16 million).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2007 (six months ended 30 June 2006: \$Nil).

REDUCTION OF SHARE PREMIUM ACCOUNT

On 27 July 2007, the Company announced its intention to put forward the reduction of share premium account to eliminate against the accumulated losses of the Company by HK\$837,876,237, subject to the following conditions:

- (i) the passing by the shareholders of a special resolution to approve the reduction of share premium account and related matters at the extraordinary general meeting;
- (ii) the confirmation of the reduction of share premium account by the High Court of the Hong Kong Special Administrative Region ("Court") and the registration by the Registrar of Companies in Hong Kong of a copy of the Court order confirming the reduction of share premium account together with such other documents as may be required under section 61 of the Hong Kong Companies Ordinance; and
- (iii) the obtaining of all requisite consents from lenders to the Group in connection with the reduction of share premium account.

The extraordinary general meeting was held on 11 September 2007 and the approval of reduction of share premium account by eliminating the accumulated losses of HK\$837,876,237 has been duly passed on the meeting.

For the avoidance of doubt, the shareholders of the Company should note that there can be no assurance that a dividend will be declared or paid in future even if the reduction of share premium account has been effective.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2007, the interests or short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) ("SFO") as recorded in the register which were required to be kept under section 352 of the SFO or as otherwise 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 Issuers were as follows:-

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS (Continued)

Long positions in shares and underlying shares of the Company:

Name of Directors	Number of Ordinary Shares			Underlying Shares Pursuant to Share Options (Note 2)	Approximate Percentage of Total Interests to Issued Share Capital (%)
	Personal Interests (held as beneficial owner)	Corporate Interests (interests of controlled corporation)	Total Interests		
HE Haochang	-	6,117,079 (Note 1)	4,200,000	10,317,079	1.24
SITU Min	-	-	3,800,000	3,800,000	0.46
CHAN Ting Chuen, David	828,000	-	-	828,000	0.10
NG Pui Cheung, Joseph	528,000	-	300,000	828,000	0.10

Notes:

1. These shares were held by Main Fortune International Limited, 50% of which was owned by Mr. HE Haochang. On 1 August 2007, Mr. HE Haochang sold his whole interest in Main Fortune International Limited.
2. These represents interests of options granted to the directors under the Share Option Scheme to acquire for shares of the Company, further details of which are set out hereinafter.

Other than as disclosed above, none of the directors and chief executives of the Company had any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations as recorded in the register which were required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers. None of directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 30 June 2007, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register which were required to be kept by the Company under section 336 of the SFO were as follows:-

Long positions in shares of the Company:

	Number of Ordinary Shares				Percentage
	Personal Interest	Corporate Interest	Family Interest	Other Interest	of Issued Capital (%)
Hensil Investments Group Limited	-	315,000,000 <i>(Note 1)</i>	-	-	37.92
Foshan Development Company Limited	-	315,000,000 <i>(Note 1)</i>	-	-	37.92
YIP Siu Chun	290,196,037 <i>(Note 2)</i>	-	-	-	34.93
Oakwood Enterprise Limited	-	-	-	290,196,037 <i>(Note 2)</i>	34.93
KWAN Tik Hoi	-	-	290,196,037 <i>(Note 2)</i>	-	34.93

Notes:

1. The 315,000,000 shares are held by Hensil Investments Group Limited, which is wholly owned by Foshan Development Company Limited. By virtue of its interest in Hensil Investments Group Limited, Foshan Development Company Limited is deemed to be interested in such 315,000,000 shares held by Hensil Investments Group Limited.
2. The 290,196,037 shares are held by Madam YIP Siu Chun as beneficial owner. Oakwood Enterprise Limited has given notification in respect of its interest in 290,196,037 shares held by Madam YIP Siu Chun. By virtue of his relationship as the spouse of Madam YIP Siu Chun, Mr. KWAN Tik Hoi is deemed to be interested in the 290,196,037 shares held by Madam YIP Siu Chun.

Save as disclosed above, the register which was required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2007.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Scheme”) for any eligible employee or director of any member of the Group. The Scheme was approved by the Company’s shareholders at an Extraordinary General Meeting of the Company held on 22 May 2002. Details of the Scheme have been disclosed in the Company’s most recent published annual report. As at 30 June 2007, the following directors and chief executives had personal interests in the share options to subscribe for the shares of the Company:

Name of Directors/Chief Executives	No. of Options		Period during which Options Exercisable	Exercise Price per Share (HK\$)	Options Exercised during the period	Options Lapsed/Cancelled during the period		Market Value per share at Date of Grant (HK\$)	Market Value per share at Date of Exercise of Options (HK\$)	No. of Options Outstanding as at 30 June 2007
	Outstanding as at 1 January 2007	Date of Grant				Options Exercised during the period	Options Cancelled during the period			
HE Haochang (N)	4,200,000	30/7/2002	30/1/2003-29/1/2008	0.35	–	–	0.33	–	4,200,000	
SITU Min (E)	3,800,000	30/7/2002	30/1/2003-29/1/2008	0.35	–	–	0.33	–	3,800,000	
LI Feng (E)	1,500,000	22/5/2003	22/11/2003-21/11/2008	0.415	–	(1,500,000)	0.395	–	–	
NG Pui Cheung, Joseph (I)	828,000	25/7/2002	25/1/2003-24/1/2008	0.35	(528,000)	–	0.345	0.68	300,000	
Total	10,328,000								8,300,000	

(N) *Non-executive director*

(E) *Executive director*

(I) *Independent non-executive director*

Notes:

- No share option has been granted during the period.
- During the period, 528,000 share options out of 828,000 share options were exercised at exercise price of HK\$0.35 per share by Mr. NG Pui Cheung, Joseph, an independent non-executive director of the Company. In August, the balance of 300,000 share options were also exercised at exercise price of HK\$0.35 per share by Mr. NG Pui Cheung, Joseph, in accordance with the Scheme and the relevant offer letter of the Company.
- 1,500,000 share options were lapsed/cancelled during the period as a result of the resignation of Mr. LI Feng as an executive director of the Company.
- The vesting periods of the options are from the date of the options granted until the commencement of the exercise period.
- Market value is the closing price immediately before the date of options granted or the weighted average closing price immediately before the date of exercise of options.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in above section headed "Share Option Scheme" of this report, at no time during the period were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or children under 18 years of age, or were there any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

CODE OF CORPORATE GOVERNANCE PRACTICES

To the knowledge of the Board, the Company has complied throughout the six months ended 30 June 2007 with the Code Provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules except for the Code Provision A.2.1 that, the role of Chairman and Chief Executive Officer (defined as Managing Director by the Company) should be separate and should not be performed by the same individual. Mr. HE Haochang has been the Chairman and Managing Director of the Company since 19 July 2001. With effect from 1 April 2007, Mr. HE resigned as the Managing Director of the Company and has been re-designated as a non-executive director but remaining the Chairman of the Company. On even date, Mr. LAM Siu Hung was appointed as the Managing Director of the Company. Throughout the period in which Mr. He was the Chairman and Managing Director of the Company, the principal of segregation of duty had been carried out among members of the Board for the purposes of balance of power and authority in place, and all directors were freely to brief on issues arising at the Board meeting. The Board keeps such attitude and character in the future.

THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (“Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Specific enquiry has been made with all directors and the directors have confirmed that they have complied with the required standard set out in the Model Code throughout the period. Furthermore, senior management who are likely to be possession of unpublished price sensitive information, have been required to comply with the provisions of the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

By Order of the Board

HE Haochang

Chairman

Hong Kong, 14 September 2007

As at the date of this report, the Board comprises of 7 directors, of whom Mr. HE Haochang is the non-executive director; Mr. LAM Siu Hung, Mr. SITU Min, Mr. LI Songquan are the executive directors; and Mr. CHAN Ting Chuen, David, Mr. NG Pui Cheung, Joseph and Mr. CHEUNG Kin Piu, Valiant are the independent non-executive directors.