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## **LUNG KEE (BERMUDA) HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 255)**

Website: <http://www.irasia.com/listco/hk/lkm>

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2020**

#### **FINANCIAL RESULTS**

The directors of Lung Kee (Bermuda) Holdings Limited (the “Company”) (the “Directors”) are pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th June, 2020 together with the comparative figures as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30th June, 2020*

		<b>Six months ended 30th June,</b>	
		<b>2020</b>	<b>2019</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	3	<b>955,564</b>	1,121,218
Other income, gains and losses	4	<b>22,044</b>	17,540
(Decrease) increase in fair value of investment properties		<b>(4,500)</b>	2,300
Impairment losses (recognised) reversed under expected credit loss model, net		<b>(2,256)</b>	6,566
Changes in inventories of finished goods and work in progress		<b>5,606</b>	(752)
Raw materials and consumables used		<b>(362,912)</b>	(455,817)
Employee benefits expenses		<b>(262,280)</b>	(274,862)
Depreciation of right-of-use assets		<b>(3,945)</b>	(3,002)
Depreciation of property, plant and equipment		<b>(69,110)</b>	(87,014)
Other expenses		<b>(188,333)</b>	(237,314)
Interest expense on lease liabilities		<b>(252)</b>	(146)
Profit before taxation		<b>89,626</b>	88,717
Income tax expense	5	<b>(22,498)</b>	(18,568)

		<b>Six months ended 30th June,</b>	
		<b>2020</b>	2019
	<i>Notes</i>	<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Profit for the period	6	<b>67,128</b>	70,149
Other comprehensive expense for the period:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of foreign operations		<u><b>(31,901)</b></u>	<u>(2,644)</u>
Total comprehensive income for the period		<u><b>35,227</b></u>	<u>67,505</u>
Basic earnings per share	8	<u><b>HK10.63cents</b></u>	<u>HK11.11cents</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2020

		At 30th June, 2020 HK\$'000 (unaudited)	At 31st December, 2019 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		193,500	198,000
Property, plant and equipment		618,243	671,694
Right-of-use assets		78,164	83,713
Deposits paid for acquisition of property, plant and equipment		27,946	16,211
Deferred tax assets		3,555	5,557
		<u>921,408</u>	<u>975,175</u>
Current assets			
Inventories		490,434	537,481
Trade, bills and other receivables	9	297,372	304,097
Bank balances and cash		811,398	753,741
		<u>1,599,204</u>	<u>1,595,319</u>
Current liabilities			
Trade, bills and other payables	10	243,337	269,224
Contract liabilities		32,031	23,391
Lease liabilities		3,537	5,354
Taxation payable		40,335	32,591
Dividend payable		329	228
		<u>319,569</u>	<u>330,788</u>
Net current assets		<u>1,279,635</u>	<u>1,264,531</u>
Total assets less current liabilities		<u>2,201,043</u>	<u>2,239,706</u>

	<b>At 30th June, 2020 HK\$'000 (unaudited)</b>	At 31st December, 2019 HK\$'000 (audited)
Non-current liabilities		
Deferred tax liabilities	24,457	22,949
Lease liabilities	7,401	9,362
Other payables	<u>88,373</u>	<u>92,325</u>
	<u>120,231</u>	<u>124,636</u>
Net assets	<u>2,080,812</u>	<u>2,115,070</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	63,168	63,168
Reserves	<u>2,017,644</u>	<u>2,051,902</u>
Total equity	<u>2,080,812</u>	<u>2,115,070</u>

*Notes:*

## **1. BASIS OF PREPARATION**

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

## **2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31st December, 2019.

### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standard and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual

period beginning on or after 1st January, 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

### ***2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 Definition of Material***

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

### ***2.2 Accounting policies newly applied by the Group***

In addition, the Group has applied the following accounting policies which became relevant to the Group in the current interim period.

#### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants relate to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income, gains and losses”.

## **3. REVENUE AND SEGMENT INFORMATION**

The Group is principally engaged in the manufacturing and marketing of mould bases and related products. Revenue represents the invoiced value of goods sold to external customers during the period, after allowances for returns and trade discounts. The Group recognised revenue at a point in time.

### ***Revenue from manufacturing and marketing of mould bases and related products***

The Group manufactures and sells mould bases and related products directly to the customer, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Transportation and other related activities that occur before the customers obtain control of the related goods are considered as fulfilment activities. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The Group allows credit periods ranging from 30 to 90 days to its trade customers.

The performance obligation of all contracts have an original expected duration of one year or less.

The Group has only one operating segment. The information reported to the chief operating decision maker (i.e. the Company's executive directors) for the purposes of resources allocation and performance assessment, which is the aggregated results of the Group, including all income, expenses and tax charges. As a result, there is only one reportable segment for the Group. For information regarding this segment, reference can be made to the condensed consolidated financial statements as a whole. Accordingly, only entity-wide disclosures and geographic information are presented.

The segment revenue and segment result of the Group represents revenue and profit after taxation set out in the condensed consolidated statement of profit or loss and other comprehensive income respectively.

#### **Entity-wide disclosures**

As at 30th June, 2020 and 31st December, 2019, substantially all of the Group's non-current assets are located in the places of domicile of the relevant group entities, namely the People's Republic of China (the "PRC").

The following is an analysis of the Group's revenue based on delivery location:

	<b>Six months ended 30th June,</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
The PRC	<b>821,029</b>	960,516
Others	<b>134,535</b>	160,702
	<b>955,564</b>	<b>1,121,218</b>

The Group has a very wide customer base covering Europe, America and Asia. No single customer contributed more than 10% of the Group's revenue for each of the six months ended 30th June, 2020 and 2019.

#### 4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30th June,	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income	7,548	6,510
Rental income, net of direct outgoings of approximately HK\$236,000 (2019: HK\$280,000)	1,792	1,293
Government grants (note)	6,990	—
Sundry income	4,388	4,894
Gain on disposal of property, plant and equipment	2,060	4,912
Net foreign exchange loss	(734)	(69)
	<u>22,044</u>	<u>17,540</u>

Note: The government grants without any unfulfilled condition attached amounting to HK\$6,990,000 is the awards for the advancement of production facilities and technology of a subsidiary in the PRC.

#### 5. INCOME TAX EXPENSE

	Six months ended 30th June,	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The charge comprises:		
Taxation in Hong Kong	1,248	395
Taxation in jurisdictions outside Hong Kong	18,234	13,581
Deferred taxation	3,016	4,592
	<u>22,498</u>	<u>18,568</u>

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods. The Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Taxation arising in jurisdictions outside Hong Kong and the PRC is calculated based on the applicable rates in those jurisdictions.

## 6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	<b>Six months ended 30th June,</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Cost of inventories recognised as an expense	<b>733,315</b>	892,070
Allowance (reversed) recognised for inventories	<b>(169)</b>	11,160

## 7. DIVIDENDS

Interim dividend for the current period:

On 28th August, 2020, the Directors determined an interim dividend of HK10 cents (2019: HK11 cents) per share amounting to approximately HK\$63,168,000 (2019: HK\$69,485,000) to be paid to the shareholders of the Company whose names appear in the Register of Members on 16th September, 2020.

Dividend recognised as distribution during the period:

During the current period, a final dividend of HK11 cents (2019: HK12 cents) per share amounting to approximately HK\$69,485,000 (2019: HK\$75,801,000) was declared and paid to the shareholders in respect of the year ended 31st December, 2019.

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months period ended 30th June, 2020 is based on the profit attributable to the owners of the Company for the six months period ended 30th June, 2020 of approximately HK\$67,128,000 (six months ended 30th June, 2019: HK\$70,149,000) and the number of 631,677,303 (2019: 631,677,303) ordinary shares in issue during the period.

Diluted earnings per share is not presented for both periods as there is no potential ordinary shares outstanding during the period or at the end of the reporting period.

## 9. TRADE, BILLS AND OTHER RECEIVABLES

The Group allows a credit period ranging from 30 days to 90 days to its trade customers.

Included in trade, bills and other receivables are trade receivables (net of allowance for credit losses) of approximately HK\$190,278,000 (31st December, 2019: HK\$190,208,000) and bills receivables of approximately HK\$19,871,000 (31st December, 2019: HK\$23,700,000).

The following is an analysis of trade and bills receivables (net of allowance for credit losses) by age, presented based on the invoice dates at the end of the reporting period/year.

	<b>At 30th June, 2020 HK\$'000 (unaudited)</b>	<b>At 31st December, 2019 HK\$'000 (audited)</b>
0 to 60 days	<b>170,238</b>	175,026
61 to 90 days	<b>24,871</b>	34,678
Over 90 days	<b>15,040</b>	4,204
	<b><u>210,149</u></b>	<b><u>213,908</u></b>

## 10. TRADE, BILLS AND OTHER PAYABLES

Included in trade, bills and other payables are trade payables of approximately HK\$51,682,000 (31st December, 2019: HK\$61,467,000) and bills payables of approximately HK\$18,450,000 (31st December, 2019: HK\$22,097,000).

The following is an analysis of trade and bills payables by age, presented based on the invoice dates at the end of the reporting period/year.

	<b>At 30th June, 2020 HK\$'000 (unaudited)</b>	<b>At 31st December, 2019 HK\$'000 (audited)</b>
0 to 60 days	<b>48,445</b>	52,938
61 to 90 days	<b>16,887</b>	24,089
Over 90 days	<b>4,800</b>	6,537
	<b><u>70,132</u></b>	<b><u>83,564</u></b>

In general, the credit period on the purchases of goods ranges from 30 days to 150 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group's revenue for the six months ended 30th June, 2020 was approximately HK\$955,564,000 (2019: HK\$1,121,218,000). Profit attributable to owners of the Company for the six months ended 30th June, 2020 was approximately HK\$67,128,000 (2019: HK\$70,149,000). Basic earnings per share for the six months ended 30th June, 2020 was HK10.63 cents (2019: HK11.11 cents).

During the period under review, due to the trade disputes between China and the United States and also the Coronavirus Disease 2019 ("COVID-19") epidemic, the global economy was severely impacted. Facing the harsh global economic environment and the fixed operating cost unable to be correspondingly lowered at the same time, the turnover and the after-tax profit of the Group declined compared with the performance of the same period in 2019.

At the beginning of the year 2020, COVID-19 broke out in China, bringing economic and production activities nearly to a complete halt, seriously striking the consumption market and production supply chain in China. Fortunately, the epidemic was under control in China, economic activities gradually resumed normal, domestic market began to recover and customer orders also escalated. In view of the epidemic, the sales performance of automobile industry was not good, however, the demand for medical and healthcare related products substantially increased. Moreover, as citizens spent more time at home and required to work remotely, the demand for small size household appliances and hi-tech electronic products was driven up. The production plants of the Group located in China had resumed work in mid-February 2020 and rapidly recovered its production capacity, not only catching up the production progress during the production suspension period but also supplying stably to the new orders arising from the domestic market. However, starting from March 2020, the COVID-19 epidemic also broke out in other places in the world, the global consumption and production markets were almost shut down, which severely impacted the business of the Group's export-oriented customers. As a result, the Group's overall turnover reduced due to the epidemic during the period under review.

In the reviewed period, the Group actively monitored its operating costs and improved production efficiency in order to countervail the pressure of rising wages and production costs. Regarding the price of the local mould steel and imported steel, both remained stable with only slight change.

### FINANCIAL REVIEW

The Group's revenue for the six months ended 30th June, 2020 decreased by 14.8% mainly due to the outbreak of the COVID-19 which seriously affected the Group's manufacturing activities in the PRC during the period from the end of January to mid-March 2020. During the period under review, the relevant costs of raw materials and consumables used for generating the revenue decreased by 20.4% and raw materials and consumables used as percentage of revenue decreased to 38.0% (2019: 40.7%). The Group has implemented strict control on tooling and other manufacturing costs resulting in a drop of other expenses by 20.6%. As certain useable machines in PRC subsidiaries had been fully depreciated in last year, depreciation charged for property, plant and equipment decreased by 20.6% for current period.

During the period under review, the drop of fair value of investment properties and impairment losses recognised under expected credit loss model increased by approximately HK\$6,800,000 and approximately HK\$8,822,000 respectively compared with same period of last year. Besides, other income of the Group increased by approximately HK\$4,504,000 mainly due to the increase

of the PRC government grants. Income tax expenses of the Group increased by 21.2% and the effective tax rate increased to 25.1% (2019: 20.9%). This was primarily because of the significant amount of tax losses in a PRC subsidiary had been utilized which led to the decrease of income tax charged for the first half of 2019.

As a result of the foregoing, profit for the six months ended 30th June, 2020 slightly dropped by 4.3% to approximately HK\$67,128,000 (2019: HK\$70,149,000).

### ***Liquidity and Financial Resources***

As at 30th June, 2020, the Group had bank balances and cash of approximately HK\$811,398,000 (as at 30th June, 2019: HK\$726,700,000) and did not have any borrowings (2019: Nil).

The bank balances and cash were placed in short term deposits with major banks in Hong Kong and the PRC.

### ***Employees and Remuneration Policies***

As at 30th June, 2020, the Group employed a total of approximately 3,800 employees. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on a performance related basis. Share options may also be granted to staff with reference to the individual's performance.

## **PROSPECTS**

For the second half year, it is expected the COVID-19 will continue to spread and break out repeatedly, that will seriously affect the global economic development and recovery speed. At this stage, it is still difficult to estimate the extent of its negative impact on the global economy. Apart from this, the trade disputes between China and the United States will also intensify, bilateral trade contact between the two parties will be hindered, posing a severe threat to the export business of China. The Group expects that the external economy and operating business outlook are gloomy and full of uncertainties.

The COVID-19 epidemic leading to sluggish global market demand, coupled with increasing tensions between China and the United States, has hampered some of the export business of China. In view of this, the Central Government of China advocates "internal circulation" economy as a dominate force to unleash the potential of its domestic demand which in turn foster the development of its production, distribution, circulation and consumption sectors. Furthermore, by connecting to "external circulation" economy, the dual circulation, both domestic and international, model can be formed in promoting economic growth which will steer the future development of China. In response to this, the Group will formulate its marketing strategies in line with the changes in the market and the political situation. In addition to exploring export-oriented customers, the Group will further expand its customers base mainly focused on domestic sales in China. Positive effort will also be put to enlarge its market in Eastern, Central and Northern regions of China, with an aim to reinforce its market coverage and market leading position.

The Group will keep enhancing its machining ability, production speed and product quality as well as adopting time-saving and labour-saving automated production lines to reduce its reliance on manpower. The Group will strive to monitor its cost fluctuation range, ensuring it floats within a reasonable and manageable range in order to reduce operational risks.

The Group expects that the price of local mould steel will move slightly upward and the price of the imported steel still tends to be stable with only mild fluctuation.

Facing the uncertain business operating outlook, the Group is fully prepared. With the accumulated experience and prudent approach, the Group has confident to cope with the future variable operating environment and to achieve a stable and healthy business growth.

## **REVIEW OF INTERIM FINANCIAL STATEMENTS**

The Audit Committee has reviewed with management and the external auditor, Deloitte Touche Tohmatsu, the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements.

## **INTERIM DIVIDEND**

The Directors have determined an interim dividend of HK10 cents (2019: HK11 cents) per share in respect of the six months ended 30th June, 2020 to be payable on or around 28th September, 2020 to shareholders whose names appear in the Register of Members of the Company on 16th September, 2020.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from 15th September, 2020 to 16th September, 2020, both days inclusive, during which period no share transfer will be effected.

In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 14th September, 2020.

Shareholders whose securities accounts with The Central Depository (Pte) Limited in Singapore are credited with shares in the Company as at 5:00 p.m. on 14th September, 2020 will be entitled to the interim dividend.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or any of its subsidiaries during the six months ended 30th June, 2020.

## **CORPORATE GOVERNANCE**

The Company has complied with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the review period.

## SUPPLEMENTAL INFORMATION ON THE 2019 ANNUAL REPORT

Reference is made to the annual report for the year ended 31st December, 2019 (the “2019 Annual Report”) of the Company published on 21st April, 2020. Terms used herein shall have the same meanings as defined in the 2019 Annual Report, unless the context requires otherwise.

As disclosed in the 2019 Annual Report, the Company recorded an “Other expenses” of HK\$488,818,000 (2018: HK\$519,362,000) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and a “Tooling costs and repair and maintenance expenses for production (included as other expenses)” of HK\$187,409,000 (2018: HK\$194,117,000) in Note 10 (Profit for the year) to the Consolidated Financial Statements. The Company would like to provide additional information in respect of the “Other expenses” as follows:

### OTHER EXPENSES

	<b>Year ended 31st December,</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Tooling costs	<b>132,502</b>	133,701
Repair and maintenance expenses	<b>54,907</b>	60,416
Sub-total <sup>(Note i)</sup>	<b>187,409</b>	194,117
Transportation expenses	<b>77,264</b>	82,124
Electricity and water charges	<b>53,623</b>	55,810
Factory supplies	<b>41,758</b>	46,388
Other taxes and government charges	<b>23,949</b>	25,728
Fuels and lubricant oil	<b>17,162</b>	17,083
Travelling and motor car expenses	<b>13,907</b>	13,491
Promotion and packing expenses	<b>12,615</b>	12,228
Software and system expenses	<b>11,340</b>	6,549
Sub-contracting charges	<b>10,175</b>	7,909
Auditors' remuneration (including remuneration for non-audit services)	<b>4,200</b>	3,888
Short-term lease expenses / Lease expenses <sup>(Note ii)</sup>	<b>2,652</b>	16,059
Others	<b>32,764</b>	37,988
Total	<b>488,818</b>	519,362

#### Notes:

- (i) Disclosed as “Tooling costs and repair and maintenance expenses for production (included as other expenses)” of HK\$187,409,000 (2018: HK\$194,117,000) in Note 10 (Profit for the year) to the Consolidated Financial Statements in page 72 of the 2019 Annual Report.
- (ii) For the year ended 31st December, 2019, the Group applied the new standard of HKFRS 16 *Leases*. As a result, the lease expenses amounting to HK\$2,652,000 were classified as “Short-term lease expenses” and were grouped into the “Other expenses” and the lease expenses amounting to HK\$8,227,000 were classified as “Depreciation of right-of-use assets”

and were separately disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. For details, please refer to page 37, pages 42-46 and pages 76-77 of the 2019 Annual Report.

The supplementary information provided in this announcement does not affect other information contained in the 2019 Annual Report and, save as disclosed above, the contents of the 2019 Annual Report remain unchanged.

On behalf of the Board  
**Siu Yuk Lung**  
*Managing Director*

Hong Kong, 28th August, 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Siu Tit Lung (Chairman), Mr. Siu Yuk Lung, Mr. Wai Lung Shing, Mr. Ting Chung Ho, Mr. Siu Yuk Tung, Ivan and Mr. Siu Yu Hang, Leo; and the independent non-executive directors of the Company are Dr. Lee Tat Yee, Mr. Lee Joo Hai and Mr. Wong Hak Kun.*