



CHANCO INTERNATIONAL GROUP LIMITED

卓高國際集團有限公司
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 264)

RESULTS ANNOUNCEMENT FINANCIAL YEAR ENDED 31 MARCH 2007

The Board of Directors of Chanco International Group Limited (the “Company”) is pleased to announce the audited results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2007 as follows:–

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 HK\$'000	2006 HK\$'000
Turnover	2	281,767	254,384
Cost of sales		(198,856)	(171,389)
Gross profit		82,911	82,995
Other income and gains		4,496	2,644
Selling and distribution costs		(17,091)	(16,155)
Administrative and other operating expenses		(26,320)	(23,742)
Profit before income tax expense	3	43,996	45,742
Income tax expense	4	(3,769)	(4,241)
Profit for the year		40,227	41,501
Dividends	5	15,606	14,014
Earnings per share			
– Basic	6	HK12.63 cents	HK13.03 cents
– Diluted	6	HK12.61 cents	HK13.01 cents

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2007

	<i>Notes</i>	2007 HK\$'000	2006 <i>HK\$'000</i>
Assets			
Non-current asset			
Property, plant and equipment		<u>10,176</u>	<u>10,409</u>
Current assets			
Inventories		52,480	55,811
Trade and bills receivables	7	27,266	20,935
Other receivables, deposits and prepayments		4,267	4,463
Tax recoverable		706	18
Cash and cash equivalents		<u>119,573</u>	<u>90,999</u>
Total current assets		<u>204,292</u>	<u>172,226</u>
Total assets		<u><u>214,468</u></u>	<u><u>182,635</u></u>
Liabilities			
Current liabilities			
Trade and bills payables	8	11,631	9,203
Other payables and accrued charges		14,456	11,022
Tax payable		<u>271</u>	<u>1,291</u>
Total current liabilities		<u><u>26,358</u></u>	<u><u>21,516</u></u>
Non-current liabilities			
Deferred tax liabilities		<u>283</u>	<u>266</u>
Total liabilities		<u><u>26,641</u></u>	<u><u>21,782</u></u>
TOTAL NET ASSETS		<u><u>187,827</u></u>	<u><u>160,853</u></u>
Capital and reserves			
Share capital		3,185	3,185
Reserves		<u>184,642</u>	<u>157,668</u>
TOTAL EQUITY		<u><u>187,827</u></u>	<u><u>160,853</u></u>

Notes:

1. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) In the current year, the Group has applied all the new and revised standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), that are relevant to its operation and effective for accounting period beginning on or after 1 April 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

(b) Potential impact arising on the new accounting standards not yet effective

The Group has not yet applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipated that the application of these new HKFRSs will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital Disclosures ⁴
HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 7	Financial Instruments: Disclosures ⁴
HKFRS 8	Operating Segments ¹
HK (IFRIC) – Interpretation 8	Scope of HKFRS 2 ⁷
HK (IFRIC) – Interpretation 9	Reassessment of Embedded Derivatives ⁶
HK (IFRIC) – Interpretation 10	Interim Financial Reporting and Impairment ⁵
HK (IFRIC) – Interpretation 11	Group and Treasury Share Transactions ³
HK (IFRIC) – Interpretation 12	Service Concession Arrangements ²

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 January 2008.

³ Effective for annual periods beginning on or after 1 March 2007.

⁴ Effective for annual periods beginning on or after 1 January 2007.

⁵ Effective for annual periods beginning on or after 1 November 2006.

⁶ Effective for annual periods beginning on or after 1 June 2006.

⁷ Effective for annual periods beginning on or after 1 May 2006.

2. TURNOVER AND SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into two major operating divisions – manufacturing business and retail business. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Manufacturing business – Manufacture and distribution of leather products
- Retail business – Retail of fashion apparel and leather accessories

Segment information about these business is presented below:

	Manufacturing business HK\$'000	Retail business HK\$'000	Inter-segment elimination HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Year ended					
31 March 2007					
Revenue					
External sales	260,050	21,717	–	–	281,767
Inter-segment sales	1,680	–	(1,680)	–	–
Total	261,730	21,717	(1,680)	–	281,767
Segment results	40,964	(743)	(18)	–	40,203
Unallocated income					4,496
Unallocated expenses					(703)
Profit before income tax expense					43,996
Income tax expense					(3,769)
Profit for the year					40,227

	Manufacturing business HK\$'000	Retail business HK\$'000	Inter-segment elimination HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
At 31 March 2007					
Assets					
Segment assets	83,437	8,438	–	–	91,875
Unallocated assets					122,593
					<hr/>
Total assets					214,468
					<hr/> <hr/>
Liabilities					
Segment liabilities	25,286	747	–	–	26,033
Unallocated liabilities					608
					<hr/>
Total liabilities					26,641
					<hr/> <hr/>
Other information					
Capital expenditure	2,208	112	–	48	2,368
Depreciation of property, plant and equipment	1,780	476	–	364	2,620
Impairment loss on trade receivables	119	–	–	–	119
Write down of inventories	431	318	–	–	749
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	Manufacturing business	Retail business	Inter-segment elimination	Unallocated	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Year ended					
31 March 2006					
Revenue					
External sales	236,814	17,570	–	–	254,384
Inter-segment sales	1,347	3	(1,350)	–	–
	<u>238,161</u>	<u>17,573</u>	<u>(1,350)</u>	<u>–</u>	<u>254,384</u>
Total	<u>238,161</u>	<u>17,573</u>	<u>(1,350)</u>	<u>–</u>	<u>254,384</u>
Segment results	<u>45,411</u>	<u>(1,540)</u>	<u>(28)</u>	<u>–</u>	43,843
Unallocated income					2,644
Unallocated expenses					<u>(745)</u>
Profit before income tax expense					45,742
Income tax expense					<u>(4,241)</u>
Profit for the year					<u>41,501</u>

	Manufacturing business HK\$'000	Retail business HK\$'000	Inter-segment elimination HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
At 31 March 2006					
Assets					
Segment assets	79,863	9,333	–	–	89,196
Unallocated assets					<u>93,439</u>
Total assets					<u><u>182,635</u></u>
Liabilities					
Segment liabilities	19,733	477	–	–	20,210
Unallocated liabilities					<u>1,572</u>
Total liabilities					<u><u>21,782</u></u>
Other information					
Capital expenditure	3,054	1,239	–	316	4,609
Depreciation of property, plant and equipment	1,779	811	–	434	3,024
Loss on disposal of property, plant and equipment	–	128	–	–	128
Impairment loss on trade receivables	330	–	–	–	330
Write down of inventories	<u>1,062</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,062</u>

Geographical segments

The Group's operations are principally located in Hong Kong and the People's Republic of China (the "PRC"). Group administration is carried out in Hong Kong and the manufacturing function is carried out in the PRC.

The following table provides an analysis of the Group's revenue by geographical market and analysis of the carrying amount of total assets and capital expenditure by the geographical area in which the assets are located.

	Revenue	Total assets	Capital
	2007	2007	expenditure
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2007</i>
			<i>HK\$'000</i>
Japan	79,980	–	–
Europe	63,553	–	–
The United States of America ("USA")	51,292	–	–
Hong Kong	44,500	162,108	2,208
PRC	17,107	51,290	160
Australia	8,502	–	–
Others	16,833	1,070	–
	<u>281,767</u>	<u>214,468</u>	<u>2,368</u>
	281,767	214,468	2,368

	Revenue	Total assets	Capital
	2006	2006	expenditure
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2006</i>
			<i>HK\$'000</i>
Japan	85,037	–	–
Europe	71,529	–	–
USA	24,972	–	–
Hong Kong	38,778	138,107	1,555
PRC	9,100	43,741	3,054
Australia	7,824	–	–
Others	17,144	787	–
	<u>254,384</u>	<u>182,635</u>	<u>4,609</u>
	254,384	182,635	4,609

3. PROFIT BEFORE INCOME TAX EXPENSE

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Profit before income tax expense is arrived at after charging:		
Auditor's remuneration	420	390
Cost of inventories sold	198,856	171,389
Depreciation of property, plant and equipment	2,620	3,024
Loss on disposal of property, plant and equipment	–	128
Operating lease rentals in respect of leasehold land and buildings	9,808	8,447
Impairment loss on trade receivables	119	330
Write down of inventories	749	1,062
Foreign exchange losses, net	–	479
Staff costs, excluding directors' emoluments	13,078	11,453
and after crediting:		
Interest income	4,049	1,673
Foreign exchange gains, net	119	–
Gain on disposal of financial asset at fair value through profit or loss	–	241
	<u> </u>	<u> </u>

4. INCOME TAX EXPENSE

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current tax		
– Hong Kong Profits Tax	3,216	3,908
– Other jurisdictions	812	258
(Over)/underprovision in respect of prior years	(276)	13
Deferred tax	17	62
	<u> </u>	<u> </u>
	<u>3,769</u>	<u>4,241</u>

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiary is entitled to exemption from PRC income tax for two years commencing from their first profit-making year of operation and entitled to a 50% relief from the PRC income tax for the following three years.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("the New Corporate Income Tax Law") which will take effect on 1 January 2008. The applicable income tax rate of the Group's PRC subsidiary is 27%. From 1 January 2008, the income tax rate is expected to gradually decrease to the standard rate of 25% over a five-year transition period. However, the New Corporate Income Tax Law has not set out the details as to how the existing tax rate will gradually decrease to the standard rate of 25%. Consequently, the Group is not able to make an estimate of the expected financial effect of the New Corporate Income Tax Law on its deferred tax assets and liabilities. The expected financial effect of the New Corporate Income Tax Law, if any, will be reflected in the Group's financial statements for the year ended 31 March 2008. The enactment of the New Corporate Income Tax Law is not expected to have any financial effect on the amounts accrued in the balance sheet in respect of current tax payable.

5. Dividends

	2007	2006
	HK\$'000	HK\$'000
Interim dividend of HK\$0.023 (2006: HK\$0.024) per ordinary share	7,325	7,644
Proposed final dividend of HK\$0.019 (2006: HK\$0.02) per ordinary share	6,051	6,370
Proposed special dividend of HK\$0.007 (2006: Nil) per ordinary share	2,230	–
	<u>15,606</u>	<u>14,014</u>

The proposed final dividend of HK\$0.019 (2006: HK\$0.02) per share and special dividend of HK\$0.007 (2006: Nil) per share have been proposed by the directors on 18 July 2007 and are subject to approval by the shareholders in forthcoming annual general meeting.

The amount of proposed final dividend and special dividend are based on 318,500,000 shares in issue as at 18 July 2007.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$40,227,000 (2006: HK\$41,501,000) and weighted average number of 318,500,000 (2006: 318,500,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share for the year is based on the Group's profit for the year of HK\$40,227,000 (2006: HK\$41,501,000) and the weighted average number of 318,994,706 (2006: 318,972,299) ordinary shares. The weighted average number of ordinary shares used in the calculation is the weighted average number of 318,500,000 (2006: 318,500,000) ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of 494,706 (2006: 472,299) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

7. TRADE AND BILLS RECEIVABLES

Customers are generally granted with credit terms of 30 to 90 days. Longer payment terms might be granted to those customers which have good payment history and long-term business relationship with the Group. Details of the ageing analysis are as follows:

	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 30 days	14,036	14,731
31 – 60 days	8,159	3,434
61 – 90 days	2,084	1,195
91 – 120 days	1,052	554
121 – 365 days	1,935	990
Over 365 days	–	31
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	27,266	20,935
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8. TRADE AND BILLS PAYABLES

Details of the ageing analysis are as follows:

	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 30 days	6,902	5,556
31-60 days	3,155	3,318
61-90 days	1,003	187
91-120 days	293	10
121-365 days	143	28
Over 365 days	135	104
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	11,631	9,203
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MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

(All the analysis below is based on the results of the Group for the year ended 31 March 2007 and the year ended 31 March 2006 for comparison purpose only)

The Group's turnover for the year ended 31 March 2007 amounted to HK\$281,767,000 (2006: approximately HK\$254,384,000), representing an increase of 11% as compared with last year. Gross profit was around HK\$82,911,000 while the gross profit margin was approximately 29% (2006: 33%).

The selling and distribution expenses of the Group for the year ended 31 March 2007 increased slightly to approximately HK\$17,091,000. Administrative and other operating expenses increased by 11%, to HK\$26,320,000 which was mainly attributed to the increase of staff remuneration and bonus paid to the executive directors of the Company.

Profit attributable to shareholders decreased by approximately 3% to around HK\$40,227,000. The basic earnings per share was HK12.63 cents as compared to HK13.03 cents of last year. The Board has recommended the payment of a final dividend and a special dividend of HK1.9 cents per share and HK0.7 cents per share for the year ended 31 March 2007. An interim dividend of HK2.3 cents per share was paid by the Company in January 2007, making a total dividend payout ratio of around 39% for the year ended 31 March 2007.

BUSINESS REVIEW

- ***Manufacturing Business***

Manufacturing business recorded 10% increase in sales to HK\$260,050,000. Geographically, Japan remained the Group's largest export market. The decrease of sales of 39% reported in the interim results was narrow down to 6% for full fiscal year. Strong order placed by the major customer in Japan in the second half of fiscal 2007 had nearly offset the reduction of sales in the first half of fiscal year. Overall export sales to Japan decreased by 6% which was mainly attributed to fluctuating orders from small trading companies.

Export sales to Europe decreased to approximately HK\$63,553,000. During the review year, the Group tried to adjust the customer mix of export market in Europe. With limited production capacity, the Group was strategically to retain customers with better profit margin and long term potential. In the reviewing year, sales orders placed by new customers were satisfactory. Europe continued to be the second largest export market of the Group.

Due to strong demand from our customers, export sales to the U.S. recorded a historical high of the Group. Sales grew by approximately 105% to HK\$51,292,000. The encouraging results reflected the effort endeavored by the Group in actively working to minimize the reliance on single market.

Domestic sales to the PRC market surged by 88% to HK\$17,107,000. It was mainly attributable to revenue contribution from new customers and more aggressive expansion strategy adopted by the international brand customer.

Revenue from manufacturing of belts increased from approximately HK\$229,939,000 to approximately HK\$249,856,000. Sales of leather goods and other accessories was approximately HK\$10,194,000. Gross profit decreased to HK\$74,048,000 and gross margin dropped to around 28%. The decrease of gross margin was due to the rise of labor cost and outsourcing jobs, appreciation of Renminbi and additional rental for expanded production floor and dormitory for labor. The Group raised the average wages of the processing factory in order to retain experienced workers. In the meantime, more new workers were hired but the average quality was not up to standard. The overall production efficiency was relatively lower than last year. To maintain our profit margins, the Group had selectively made a moderate price adjustment to our customers.

- ***Retail Business***

Retail sales for the year ended 31 March 2007 was approximately HK\$21,717,000, representing around 8% of the Group's total turnover. Same store sales growth was around 16% over the same period of last year. The retail performance kept improving and the operating loss reduced to HK\$743,000 compared to HK\$1,540,000 of last year. The overall shop rental to turnover ratio decreased because of strong top-line growth. However, the retail gross margin was still not up to target. The Group had to enhance the sales mix of in-house brand and more resources would be put on product development and promotion.

PROSPECTS

Looking forward, challenging business conditions are expected to persist in fiscal year 2008. The outlook for the manufacturing business remains positive but profit margin will continue to be affected by the continuing rise in Renminbi and labor cost. We are confident that our manufacturing business will continue its growth momentum. An encouraging sales growth is reported in the first quarter of fiscal 2008. To stay competitive, we have taken steps to shorten the production lead time through increasing manufacturing efficiency. The Group has employed additional experienced production management personnel who are responsible for improving production flow and enhancing workers quality. Once we have optimized our production lines, the Group expects to enjoy greater long term cost benefits.

For retail business, the Group's strategy is to maintain the momentum of growth through adjusting the existing product mix and improving the operational efficiency. The Group will endeavor to increase the sales mix of in-house brand in order to push up the overall retail profit margin. While the rental cost is still high in Hong Kong, we will keep our prudent strategy for retail expansion.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2007, the Group's cash and bank deposits were approximately HK\$119,573,000 (2006: HK\$90,999,000).

As at 31 March 2007, the Group had aggregate banking facilities in respect of import/export facilities of approximately HK\$8,000,000 which were secured by corporate guarantees provided by the Company.

The Group recorded total current assets of approximately HK\$204,292,000 on as at 31 March 2007 (2006: HK\$172,226,000) and total current liabilities of approximately HK\$26,358,000 (2006: HK\$21,516,000). The current ratio of the Group, calculated by dividing the total currents assets by the total current liabilities, was approximately 8 times as at 31 March 2007 (2006: 8 times).

Supported by its strong financial position, the Group had not raised any bank loan during the year.

The Group recorded an increase in shareholders' funds from approximately HK\$160,853,000 as at 31 March 2006 to approximately HK\$187,827,000 at 31 March 2007. The increase was mainly attributable to operating profit generated during the year.

TREASURY POLICY

The Group generally finances its operation with internally generated resources.

Cash and bank deposits of the Group are mainly denominated in Hong Kong dollars, US dollars and Renminbi.

Transactions of the Group are mainly denominated either in Hong Kong dollars, Renminbi or US dollars such that the Group does not have significant exposure to foreign exchange fluctuation save for the gradual appreciation of Renminbi. Though the Group does not engage in any hedging contracts, the Group's exposure to foreign exchange risk is relatively limited.

CHARGES ON ASSETS

The Group did not have any assets pledged for general facilities granted by banks.

MATERIAL ACQUISITIONS/DISPOSALS

The Group had no material acquisitions/disposals for the year ended 31 March 2007.

EMPLOYEE INFORMATION

As at 31 March 2007, the Group had 262 full times employees in Hong Kong and the PRC and the processing factory had around 1,850 workers. The Group remunerated its employees mainly based on their individual performance. Apart from basic salaries, discretionary bonus, contribution to the statutory retirement scheme, the Group adopted a share option scheme whereby certain employees of the Group may be granted options to subscribe for shares of the Company.

CONTINGENT LIABILITIES

As at 31 March 2007, the Group did not have any contingent liabilities.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Listing Rules during the year ended 31 March 2007, except for the deviations from CG Code provision A2.1 in respect of the separation of roles of the chairman and chief executive officer. Due to the small size of the existing management team, both the roles of the chairman and chief executive officer of the Company are currently played by Mr. Chan King Hong, Edwin. Mr. Chan has considerable experience in manufacturing industry and is the person most knowledgeable about the business of the Group. The Board believes that the current structure will enable us to make and implement decisions promptly and efficiently. The Board will meet regularly to consider that this structure will not impair the balance of power and authority between the Board and the management of Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Mr. Fong Pui Sheung David (Chairman), Ms. Chau Cynthia Sin Ha, and Mr. Or Kam Chung Janson. The Audit Committee has reviewed with Group’s management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the audited financial statements and the results of the Group for the year ended 31 March 2007.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Directors has resolved to declare a final dividend and a special dividend of HK1.9 cents and HK0.7 cents per ordinary share respectively for the year ended 31 March 2007. The final dividend and special dividend will be paid on or about 20 September 2007 to members, whose names appear on the register of members of the Company at the close of business on 6 September 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 September 2007 to 6 September 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and special dividend and attending the forthcoming Annual General Meeting on 6 September 2007, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 31 August 2007.

SCOPE OF WORK OF BDO MCCABE LO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2007 have been agreed by the Group's auditors, BDO McCabe Lo Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO McCabe Lo Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO McCabe Lo Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I wish to express my sincere appreciation to all customers, suppliers and shareholders for their enduring support. I would also like to extend my gratitude to the management and all our staff for their commitment, hard work and contribution.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.irasia.com/listco/hk/chanco/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk). An annual report for the year ended 31 March 2007 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

On behalf of the Board
Chan King Hong Edwin
Chairman

Hong Kong, 18 July 2007

As at the date of this announcement, Mr. Chan King Hong, Edwin, Mr. Chan King Yuen, Stanley, Ms. Chan Wai Po, Rebecca are the executive directors of the Company, Mr. Fong Pui Sheung, David MH, Ms. Chau Cynthia Sin Ha JP and Mr. Or Kam Chung, Janson are the independent non-executive directors of the Company.