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**理文造紙有限公司\***

***Lee & Man Paper Manufacturing Limited***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2314)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

**FINANCIAL HIGHLIGHTS**

- Revenue increased by 2.5% to HK\$8,308 million as compared to the last corresponding period.
- Net profit decreased by 6.0% to HK\$913 million as compared to the last corresponding period.
- Earnings per share was HK19.46 cents.
- Declared interim dividend of HK6.8 cents per share.

\* *For identification purposes only*

## INTERIM RESULTS

The board of directors of Lee & Man Paper Manufacturing Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2014 together with the comparative figures as follows:

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

For the six months ended 30 June 2014

	<i>Notes</i>	<b>2014</b> <b>(unaudited)</b> <b>HK\$'000</b>	2013 (unaudited) HK\$'000
Revenue	3	<b>8,308,212</b>	8,102,470
Cost of sales		<b>(6,846,739)</b>	(6,670,596)
Gross profit		<b>1,461,473</b>	1,431,874
Other income		<b>164,927</b>	192,150
Net loss from fair value changes of derivative financial instruments		<b>(12,526)</b>	(7,552)
Distribution and selling expenses		<b>(156,365)</b>	(150,203)
General and administrative expenses		<b>(305,384)</b>	(280,451)
Finance costs	4	<b>(113,983)</b>	(66,422)
Profit before tax		<b>1,038,142</b>	1,119,396
Income tax expense	5	<b>(125,603)</b>	(148,264)
Profit for the period	6	<b>912,539</b>	971,132
Other comprehensive (expense) income, net of tax, that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		<b>(170,959)</b>	417,733
Total comprehensive income for the period		<b>741,580</b>	1,388,865
Dividends:	7		
– Dividend paid		<b>341,640</b>	469,863
– Interim dividend declared		<b>317,907</b>	342,814
		<b>HK cents</b>	<b>HK cents</b>
Basic earnings per share	8	<b>19.46</b>	20.67

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

		30 June 2014 (unaudited) <i>HK\$'000</i>	31 December 2013 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	21,400,253	20,829,960
Prepaid lease payments		635,624	598,929
Deposits paid for acquisition of property, plant and equipment and land use rights		68,791	160,542
Interest in a joint venture		1,860	1,860
Loan to a joint venture		91,690	83,890
Tax recoverable		62,988	59,300
		<b>22,261,206</b>	21,734,481
<b>CURRENT ASSETS</b>			
Inventories	10	3,520,266	3,122,711
Prepaid lease payments		13,730	13,127
Trade and other receivables	11	5,815,959	5,582,178
Amounts due from related companies		7,533	18,965
Derivative financial instruments		2,530	12,733
Bank balances and cash		941,427	710,511
		<b>10,301,445</b>	9,460,225
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	2,769,282	3,165,262
Amounts due to related companies		3,416	12,306
Amount due to a substantial shareholder		–	5,642
Derivative financial instruments		2,323	–
Tax payable		56,357	64,555
Bank borrowings		5,120,916	5,661,276
		<b>7,952,294</b>	8,909,041
<b>NET CURRENT ASSETS</b>		<b>2,349,151</b>	551,184
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>24,610,357</b>	22,285,665

	<b>30 June 2014 (unaudited) HK\$'000</b>	31 December 2013 (audited) HK\$'000
<i>Notes</i>		
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	<b>7,253,213</b>	5,297,833
Deferred tax liabilities	<b>701,006</b>	641,346
	<u><b>7,954,219</b></u>	<u>5,939,179</u>
	<u><b>16,656,138</b></u>	<u>16,346,486</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>116,878</b>	117,402
Reserves	<b>16,539,260</b>	16,229,084
	<u><b>16,656,138</b></u>	<u>16,346,486</u>

Notes:

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“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 (the “Listing Rules”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments that are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group’s financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Interpretations issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the amendments to HKFRSs and Interpretations in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE AND SEGMENT INFORMATION

### Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable segment:

*Six months ended 30 June 2014*

	Packaging paper <i>HK\$’000</i>	Pulp <i>HK\$’000</i>	Segment total <i>HK\$’000</i>	Eliminations <i>HK\$’000</i>	Consolidated <i>HK\$’000</i>
REVENUE					
External sales	7,963,207	345,005	8,308,212	–	8,308,212
Inter-segment sales	–	32,620	32,620	(32,620)	–
	<u>7,963,207</u>	<u>377,625</u>	<u>8,340,832</u>	<u>(32,620)</u>	<u>8,308,212</u>
SEGMENT PROFIT	<u>1,160,666</u>	<u>10,553</u>	<u>1,171,219</u>	<u>–</u>	<u>1,171,219</u>
Net loss from fair value changes of derivative financial instruments					(12,526)
Unallocated income					11,907
Unallocated expenses					(18,475)
Finance costs					<u>(113,983)</u>
Profit before tax					<u>1,038,142</u>

Six months ended 30 June 2013

	Packaging Paper <i>HK\$'000</i>	Pulp <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
External sales	7,808,774	293,696	8,102,470	–	8,102,470
Inter-segment sales	–	37,662	37,662	(37,662)	–
	<u>7,808,774</u>	<u>331,358</u>	<u>8,140,132</u>	<u>(37,662)</u>	<u>8,102,470</u>
SEGMENT PROFIT	<u>1,119,047</u>	<u>9,806</u>	<u>1,128,853</u>	<u>–</u>	<u>1,128,853</u>
Net loss from fair value changes of derivative financial instruments					(7,552)
Unallocated income					71,957
Unallocated expenses					(7,440)
Finance costs					<u>(66,422)</u>
Profit before tax					<u>1,119,396</u>

#### 4. FINANCE COSTS

	Six months ended 30 June	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interest on bank borrowings wholly repayable within five years	169,109	138,123
Less: amounts capitalised to property, plant and equipment	<u>(55,126)</u>	<u>(71,701)</u>
	<u>113,983</u>	<u>66,422</u>

#### 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Income tax recognised in profit or loss:		
Current tax		
– PRC Enterprise Income Tax (“EIT”)	74,774	101,594
Overprovision in previous year		
– PRC EIT	(8,831)	–
Deferred tax		
– Charge to profit or loss	<u>59,660</u>	<u>46,670</u>
	<u>125,603</u>	<u>148,264</u>

The Group's profit is subject to taxation from the place of its operations where its profit is generated and is calculated at the rate prevailing in the relevant jurisdictions.

## **PRC**

Under the EIT Law of the PRC and its Implementation Regulations, the statutory tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Those subsidiaries, however, are entitled to a reduced EIT rate due to entitlement of Tax Holiday and/or other preferential EIT treatment for the calendar years of 2013 and 2014.

## **Hong Kong**

During the year ended 31 March 2010, the Hong Kong Inland Revenue Department ("IRD") commenced a field audit on the Hong Kong tax affairs of certain subsidiaries of the Company. Since then the IRD has issued protective profits tax assessments against these subsidiaries in the aggregate amount of HK\$309,550,000 for the years of assessment 2003/2004, 2004/2005, 2005/2006, 2006/2007 and 2007/2008 (i.e. the five financial years ended 31 March 2008).

The subsidiaries lodged objections with the IRD and the IRD agreed to holdover the tax claimed on the basis that the tax reserve certificates at certain amounts were purchased by the subsidiaries. As at 30 June 2014, the tax reserve certificates of HK\$62,987,500 (31 December 2013: HK\$59,300,000) have been purchased by these subsidiaries.

The directors believe that no provision for Hong Kong Profits Tax in respect of the above mentioned protective assessments is necessary. In addition, as far as the directors are aware, it is still in a liaison and discussion stage and the IRD has not yet expressed any formal opinion on the potential tax liability, if any, because the tax investigation has not completed.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

## **Macau**

The Macau subsidiaries incorporated under Decree-Law no.58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

## **Vietnam**

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a maximum rate of 25%. No provision for Vietnam Corporate Income Tax has been made for both periods as the Vietnam subsidiaries incurred losses for both periods.

## **Other**

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Directors' emoluments	12,142	3,200
Staff salaries and other benefits, excluding those of directors	396,964	303,734
Contributions to retirement benefit schemes, excluding those of directors	26,249	25,964
Total employee benefit expense	435,355	332,898
Cost of inventories recognised as expense	6,846,739	6,670,596
Amortisation of prepaid lease payments	6,298	5,381
Depreciation of property, plant and equipment	407,132	312,689
Total depreciation and amortisation	413,430	318,070
Loss on disposal of property, plant and equipment	3,546	4,570
Operating lease rentals in respect of land and buildings	5,623	4,557
Net foreign exchange loss	12,867	–
and after crediting (in other income):		
Income from supply of steam and electricity	39,461	43,212
Income from wharf cargo handling	30,731	26,245
Interest income from banks	11,907	2,581
Net foreign exchange gains	–	69,376
Value added tax and other tax refund	21,829	21,708

## 7. DIVIDENDS

An interim dividend of HK\$0.073 per share was paid in respect of the year ended 31 December 2013 (2013: an interim dividend of HK\$0.050 per share and a final dividend of HK\$0.050 per share were paid for the nine months ended 31 December 2012) to shareholders during the current period.

The directors determined that an interim dividend of HK\$0.068 per share (2013: HK\$0.073 per share) should be paid to the shareholders of the Company whose names appear in the Register of Members on 19 August 2014.



## 8. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Earnings for the purpose of basic earnings per share	<u>912,539</u>	<u>971,132</u>
	<b>Number of shares</b>	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>4,689,074,420</u>	<u>4,697,266,325</u>

## 9. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, there were additions of HK\$1,018 million (2013: HK\$1,046 million) to property, plant and equipment to expand its operations.

## 10. INVENTORIES

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Raw materials	2,718,884	2,575,323
Finished goods	<u>801,382</u>	<u>547,388</u>
	<u>3,520,266</u>	<u>3,122,711</u>

## 11. TRADE AND OTHER RECEIVABLES

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Trade receivables	2,528,349	2,620,403
Less: allowance for doubtful debt	<u>–</u>	<u>(10,076)</u>
	2,528,349	2,610,327
Bills receivables	<u>1,809,605</u>	<u>1,680,642</u>
	4,337,954	4,290,969
Prepayments and deposits for purchase of raw materials	706,042	657,947
Other deposits and prepayments	104,689	108,473
VAT receivables	477,650	329,102
Other receivables	<u>189,624</u>	<u>195,687</u>
	<u>5,815,959</u>	<u>5,582,178</u>

The Group allows its customers an average credit period of 45 to 90 days. The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	<b>30 June 2014</b> <i>HK\$'000</i>	31 December 2013 <i>HK\$'000</i>
Aged:		
Not exceeding 30 days	<b>3,486,278</b>	3,219,934
31–60 days	<b>629,814</b>	850,628
61–90 days	<b>151,710</b>	173,574
91–120 days	<b>39,304</b>	14,705
Over 120 days	<b>30,848</b>	32,128
	<b>4,337,954</b>	4,290,969

## 12. TRADE AND OTHER PAYABLES

	<b>30 June 2014</b> <i>HK\$'000</i>	31 December 2013 <i>HK\$'000</i>
Trade and bills payables	<b>1,971,294</b>	2,175,485
Construction fee payable	<b>414,343</b>	543,889
Accruals	<b>162,802</b>	189,897
Receipt in advance	<b>100,017</b>	113,864
Other payables	<b>120,826</b>	142,127
	<b>2,769,282</b>	3,165,262

The average credit period taken for trade purchases ranges from 30 to 120 days. The following is an aged analysis of the trade and bills payables presented based on the invoice date at the end of the reporting period.

	<b>30 June 2014</b> <i>HK\$'000</i>	31 December 2013 <i>HK\$'000</i>
Aged:		
Not exceeding 30 days	<b>870,822</b>	1,008,030
31–60 days	<b>391,574</b>	471,831
61–90 days	<b>371,763</b>	369,958
91–120 days	<b>287,408</b>	312,226
Over 120 days	<b>49,727</b>	13,440
	<b>1,971,294</b>	2,175,485

## 13. REVIEW OF INTERIM ACCOUNTS

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.

## **BUSINESS REVIEW AND OUTLOOK**

For the six months period ended 30 June 2014, the Group recorded a total sales volume of 2.40 million tons, a total revenue of HK\$8.3 billion, a half-year net profit of HK\$913 million, and a net profit per ton of paper of HK\$388. The Group incurred an exchange loss of HK\$67 million during the drop in Renminbi. Excluding this uncontrollable factor, the Group maintained an overall steady profit.

The production line of PM20 paper machine at Chongqing industrial park with annual capacity of 320,000 tons began operation in July 2014. The construction of the Vietnam project is on schedule under normal conditions. Due to capacity expansion, the Group's net gearing ratio increased from 63% as at the end of last year to 69%.

Given that the paper industry still witnesses fierce competition, the Group expects to face a greater pricing challenge in the second half of the year. In light of China's slackened economic growth and the ongoing weakness in exports, the Group will slow down its pace of capacity expansion and, instead, use the funds for repaying bank borrowings to lower its net gearing ratio with a view to further strengthening its financial conditions.

In the long run, the prospects are promising as the demand for packaging papers in China will keep on increasing and more and more backward production capacities will close due to limited competitive power and tightened environmental protection regulations. The Group is competitive enough to overcome market challenges. With the united efforts of the management and a reasonable debt level, the Group hopes to continue expanding and developing in suitable regions when the economy picks up in the future so as to strive for greater profit for the Company and generate better return for all shareholders.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Results of Operation**

Revenue and net profit attributable to owners of the Company for the six months ended 30 June 2014 was HK\$8,308 million and HK\$913 million respectively and that for the corresponding period last year was HK\$8,102 million and HK\$971 million respectively. The earnings per share for the period was HK19.46 cents as compared to HK20.67 cents for the corresponding period last year.

The increase in Group's containerboard sales revenue and volume was mainly due to full commercial operation of PM18 paper machine during the period. The Group incurred an exchange loss of HK\$67 million during the drop in Renminbi. Excluding this uncontrollable factor, the Group maintained an overall steady profit.

### **Distribution and Selling Expenses**

The Group's distribution and selling expenses was HK\$156 million for the six months ended 30 June 2014 as compared to HK\$150 million for the six months ended 30 June 2013. It represented about 1.9% of the revenue for the six months ended 30 June 2014, and was comparable to the corresponding period last year.

## **General and Administrative Expenses**

The Group's general and administrative expenses was HK\$305 million for the six months ended 30 June 2014 as compared to HK\$280 million for the six months ended 30 June 2013. It represented about 3.7% of the revenue for the six months ended 30 June 2014, and was increased as compared to that of 3.5% for the corresponding period last year.

## **Finance Costs**

The Group's total borrowing costs (including the amounts capitalised) increased by approximately 22.4% from HK\$138 million for the six months ended 30 June 2013 to HK\$169 million for the six months ended 30 June 2014. The increase was mainly due to the increase in average amount of outstanding bank borrowings and loan arrangement fee paid during the period.

## **Inventories, Debtors' and Creditors' Turnover**

The inventory turnover of the Group's raw materials and finished products were 69 days and 17 days, respectively, for the six months ended 30 June 2014 as compared to 76 days and 11 days, respectively, for the year ended 31 December 2013.

The Group's debtors' turnover days were 55 days for the six months ended 30 June 2014 as compared to 56 days for the year ended 31 December 2013. This is in line with the credit terms of 45 days to 90 days granted by the Group to its customers.

The Group's creditors' turnover days were 58 days for the six months ended 30 June 2014 as compared to 64 days for the year ended 31 December 2013 and is in line with the credit terms granted by the Group's suppliers.

## **Liquidity, Financial Resources and Capital Structure**

The total shareholders' fund of the Group as at 30 June 2014 was HK\$16,656 million (31 December 2013: HK\$16,346 million). As at 30 June 2014, the Group had current assets of HK\$10,301 million (31 December 2013: HK\$9,460 million) and current liabilities of HK\$7,952 million (31 December 2013: HK\$8,909 million). The current ratio was 1.30 as at 30 June 2014 as compared to 1.06 at 31 December 2013.

The Group generally finances its operations with internally generated cashflow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 30 June 2014, the Group had outstanding bank borrowings of HK\$12,374 million (31 December 2013: HK\$10,959 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2014, the Group maintained bank balances and cash of HK\$941 million (31 December 2013: HK\$711 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) increased from 0.63 as at 31 December 2013 to 0.69 as at 30 June 2014. The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi, United States dollars or Euro. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 June 2014. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

## **EMPLOYEES**

As at 30 June 2014, the Group had a workforce of more than 6,100 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Company.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend of HK\$0.068 per share for the six months ended 30 June 2014 (2013: HK\$0.073 per share) to shareholders whose names appear on the Register of Members on 19 August 2014. It is expected that the interim dividend will be paid around 27 August 2014.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from 15 August 2014 to 19 August 2014, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at Level 22 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 pm on 14 August 2014.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2014, the Company repurchased a total of 20,981,000 shares of HK\$0.025 per share through The Stock Exchange of Hong Kong Limited at an aggregate consideration of approximately HK\$90,288,000 (including transaction costs). Out of 20,981,000 shares repurchased, 18,491,000 shares were cancelled during the period while the remaining 2,490,000 shares will be cancelled subsequently. Details of shares repurchased during the period are set out as follows:

Month of repurchases	No. of ordinary shares of HK\$0.025 each	Price paid per share		Aggregate consideration paid (including expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
March 2014	9,743,000	4.44	4.15	42,124
April 2014	6,340,000	4.68	4.28	28,295
June 2014	4,898,000	4.18	3.89	19,869
	<u>20,981,000</u>			<u>90,288</u>

The directors believe that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchases of shares would lead to an enhancement of the earnings per share of the Company.

Save as disclosed above, neither the company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2014.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2014. The Model code also applies to other specified senior management of the Group.

## CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2014.

## AUDIT COMMITTEE

The Audit Committee of the Company comprised of one non-executive director namely Mr Yoshio Haga and three independent non-executive directors namely, Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 June 2014.

On behalf of the Board  
**Lee Man Chun Raymond**  
*Chairman*

Hong Kong, 31 July 2014

*As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr Lee Man Chun Raymond, Mr Lee Man Bun, Mr Kunihiro Kashima and Mr Li King Wai Ross, two non-executive directors, namely Professor Poon Chung Kwong and Mr Yoshio Haga, and three independent non-executive directors, namely Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David.*