Wai Chi Holdings Company Limited
偉志控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1305)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2018	2017
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Revenue	**1,445,080**	624,156
Gross profit	**119,422**	93,392
Gross profit margin	**8.3%**	15.0%
Profit for the period	**16,929**	10,533
Basic and diluted earnings per share	**HK7.81 cents**	HK4.86 cents

INTERIM RESULTS

The Board of Directors (the "Board") of Wai Chi Holdings Company Limited (the "Company") is pleased to announce the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2018 (the "Period"), together with the unaudited comparative figures for the same period of 2017 and the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2018 together with audited comparative figures as at 31 December 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	4	**1,445,080**	624,156
Cost of sales		**(1,325,658)**	(530,764)
Gross profit		**119,422**	93,392
Other income and other gains	4	**7,222**	6,835
Selling and distribution expenses		**(11,835)**	(12,439)
Administrative expenses		**(45,942)**	(50,139)
Research and development expenses		**(34,091)**	(14,161)
Finance costs	6	**(14,289)**	(9,599)
Profit before tax		**20,487**	13,889
Income tax expense	7	**(3,558)**	(3,356)
Profit for the period	8	**16,929**	10,533
Earnings per share	10		
Basic and diluted *(HK$ cents)*		**7.81**	4.86

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**16,929**	10,533
Other comprehensive income for the period		
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		
Exchange differences arising on translation of foreign operations	**1,313**	13,917
Total comprehensive income for the period, net of tax	**18,242**	24,450

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	**30 June 2018 HK$'000 (Unaudited)**	31 December 2017 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**239,795**	245,238
Prepaid lease payments	12	**38,099**	37,665
Deferred taxation		**6,530**	6,586
		284,424	289,489
Current assets			
Inventories		**235,635**	207,631
Prepaid lease payments	12	**915**	915
Trade receivables	13	**334,037**	392,747
Bills receivables	13	**73,594**	26,922
Prepayment, deposits and other receivables		**321,090**	400,157
Financial asset at fair value through profit or loss		**23,722**	–
Available-for-sale investment		**–**	23,926
Pledged bank deposits	14	**97,319**	144,353
Deposits with bank		**224,173**	186,623
Bank balances and cash	14	**114,430**	111,722
		1,424,915	1,494,996
Current liabilities			
Trade payables	15	**152,792**	194,387
Bills payables	15	**281,519**	327,304
Other payables and accruals	15	**192,801**	262,992
Bank borrowings – due within one year	16	**377,660**	321,441
Obligations under finance leases – due within one year		**193**	974
Income tax payables		**9,630**	9,706
		1,014,595	1,116,804
Net current assets		**410,320**	378,192
Total assets less current liabilities		**694,744**	667,681

	Notes	30 June 2018 HK$'000 (Unaudited)	31 December 2017 HK$'000 (Audited)
Non-current liabilities			
Bank borrowings – due more than one year	16	**9,000**	–
Obligations under financial leases – due more than one year		**23**	90
Corporate bond	17	**1,875**	1,776
Government grants		**19,582**	19,793
Deferred taxation		**14**	14
		30,494	21,673
Net assets		**664,250**	646,008
Capital and reserves			
Share capital	18	**2,168**	2,168
Reserves		**662,082**	643,840
Total equity		**664,250**	646,008

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

1. GENERAL

Wai Chi Holdings Company Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands on 16 August 2013 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 November 2014. Its ultimate controlling party is Mr. Yiu Chi To. The address of the registered office of the Company is Offshore Incorporations (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is 6th Floor, Liven House, 63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are engaged in manufacturing and trading of Light-Emitting Diode ("LED") backlight and LED lighting products.

The functional currency of the Company and the subsidiaries incorporated in Hong Kong are Hong Kong dollars ("HK$") while that of the subsidiaries established in the People's Republic of China (the "PRC") are Renminbi ("RMB"). For the purpose of presenting the condensed consolidated interim financial information, the Company and its subsidiaries (hereinafter collectively referred to as the "Group") adopted HK$ as its presentation currency which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2018 has been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017 except as described below.

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretation ("new HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2018.

HKFRS 9 (2014)	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of HKFRS 9 and 15 resulted in changes in the Group's accounting policies and adjustments to the amounts recognised in the condensed consolidated financial statements. The new accounting policies are set out in note 4 of the interim report. The directors of the Company consider that, the application of other new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE, OTHER INCOME AND OTHER GAINS

Revenue represents the amounts received and receivable for goods sold in the normal course of business, net of discounts and sales related taxes. Analysis of the Group's revenue, other income and other gains is as follows:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Sales of goods	**1,445,080**	624,156
Other income and other gains		
Bank interest income	**1,913**	2,807
Government grants *(note)*	**4,563**	2,927
Sales of scrapped materials	**5**	3
Reversal of allowance for trade and other receivables	**–**	3
Sundry income	**741**	1,095
	7,222	6,835

Note: Included in the amount of government grants recognised during each of the periods ended 30 June 2018 and 2017 of approximately HK$4,563,000 (unaudited) and HK$2,858,000 (unaudited) respectively were received in respect of certain research projects and export encouragement scheme, the relevant granting criteria for which have been fulfilled and were immediately recognised as other income for the periods. For the six months ended 30 June 2017, the government grants of approximately HK$69,000 (unaudited) (for the six months ended 30 June 2018: nil) were recognised as deferred income utilised during the periods respectively.

5. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. In addition, for both Light-Emitting Diode ("LED") backlight and LED lighting operations and sourcing business of high-tech electronic components and products, the information reported to the chief operating decision maker is further broken down into different type of products and application of products. The directors of the Company have chosen to organise the Group around differences in products. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1.	LED backlight	–	Manufacturing and trading of LED backlight products in different sizes and applications
2.	LED lighting	–	Manufacturing and trading of LED lighting products for public and commercial use
3.	Sourcing business	–	Provision of high-tech electronic components and products sourcing business

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 June 2018 (unaudited)

	LED backlight *HK$'000*	**LED lighting** *HK$'000*	**Sourcing business** *HK$'000*	**Total** *HK$'000*
REVENUE				
External sales	**377,886**	**48,336**	**1,018,858**	**1,445,080**
Segment profit	**57,829**	**6,211**	**11,671**	**75,711**
Unallocated income				**2,654**
Unallocated expenses				**(43,589)**
Finance costs				**(14,289)**
Profit before tax				**20,487**

For the six months ended 30 June 2017 (unaudited)

	LED backlight *HK$'000*	LED lighting *HK$'000*	Sourcing business *HK$'000*	Total *HK$'000*
REVENUE				
External sales	322,872	29,637	271,647	624,156
Segment profit	52,340	5,333	3,259	60,932
Unallocated income				3,905
Unallocated expenses				(41,349)
Finance costs				(9,599)
Profit before tax				13,889

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	30 June 2018 *HK$'000* **(Unaudited)**	31 December 2017 *HK$'000* (Audited)
LED backlight	**618,290**	856,005
LED lighting	**83,607**	49,419
Sourcing business	**220,178**	353,806
Total segment assets	**922,075**	1,259,230
Unallocated assets	**787,264**	525,255
Consolidated total assets	**1,709,339**	1,784,485

Segment liabilities

	30 June 2018 *HK$'000* **(Unaudited)**	31 December 2017 *HK$'000* (Audited)
LED backlight	**455,199**	544,766
LED lighting	**116,533**	54,147
Sourcing business	**74,073**	204,017
Total segment liabilities	**645,805**	802,930
Unallocated liabilities	**399,284**	335,547
Consolidated total liabilities	**1,045,089**	1,138,477

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to operating segments other than deferred tax assets, pledged bank deposits, bank balances and cash and certain unallocated head office assets. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual reportable segments; and

– all liabilities are allocated to operating segments other than income tax payables, bank borrowings, obligations under finance leases and corporate bond. Liabilities for which operating segments are jointly liable are allocated in proportion to segment revenue.

For the six months ended 30 June 2018 (unaudited)

	LED backlight HK$'000	LED lighting HK$'000	Sourcing business HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets #	**13,316**	**962**	**–**	**–**	**14,278**
Amortisation of prepaid lease payments	**504**	**362**	**–**	**–**	**866**
Depreciation of property, plant and equipment	**16,730**	**1,015**	**–**	**–**	**17,745**
Impairment loss on inventories	**4,321**	**430**	**–**	**–**	**4,751**
Net loss on disposal of property, plant and equipment	**82**	**3**	**–**	**–**	**85**
Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:					
Interest income	**–**	**–**	**–**	**(1,913)**	**(1,913)**
Finance costs	**–**	**–**	**–**	**14,289**	**14,289**
Income tax expense (credit)	**478**	**(57)**	**3,137**	**–**	**3,558**

Non-current assets excluded deferred tax assets.

For the six months ended 30 June 2017 (unaudited)

	LED backlight HK$'000	LED lighting HK$'000	Sourcing business HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets #	16,900	134	–	–	17,034
Amortisation of prepaid lease payments	249	186	–	–	435
Depreciation of property, plant and equipment	17,138	476	–	–	17,614
Impairment loss on trade and other receivables	6,385	148	–	–	6,533
Net loss on disposal of property, plant and equipment	676	–	–	–	676
Write-off of property, plant and equipment	36	–	–	–	36
Reversal of allowance for trade and other receivables	(1)	(2)	–	–	(3)
Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:					
Interest income	–	–	–	(2,807)	(2,807)
Finance costs	–	–	–	9,599	9,599
Income tax expense	1,664	1	1,691	–	3,356

Non-current assets excluded deferred tax assets.

Revenue from major products

The following are analyses of the Group's revenue from its major products:

Analysis by type of products

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LED backlight		
– Small dimension	**131,578**	161,694
– Medium dimension	**190,324**	107,459
– Large dimension	**55,984**	53,719
Sub-total	**377,886**	322,872
LED lighting		
– Indoor lighting	**32,342**	12,469
– Outdoor lighting	**15,994**	17,168
Sub-total	**48,336**	29,637
Sourcing business	**1,018,858**	271,647
Total	**1,445,080**	624,156

Analysis by application of products

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LED backlight		
– Automobile displays	**222,558**	145,651
– Equipment displays	**98,869**	123,283
– Televisions	**56,459**	53,938
Sub-total	**377,886**	322,872
LED lighting		
– Public lighting	**15,994**	16,839
– Commercial lighting	**32,342**	12,798
Sub-total	**48,336**	29,637
Sourcing business	**1,018,858**	271,647
Total	**1,445,080**	624,156

Geographical information

The Group's operations are located in Hong Kong and the PRC (country of domicile). The Group's customers are mainly located in Hong Kong and the PRC.

An analysis of the Group's revenue from external customers is presented based on the location of customers as below:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The PRC	**1,389,434**	573,394
Hong Kong	**11,439**	11,769
Others	**44,207**	38,993
	1,445,080	624,156

The Group's information about its non-current assets is presented based on location of the assets as below:

	30/6/2018	31/12/2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**517**	749
The PRC	**278,292**	282,154
	278,809	282,903

Non-current assets excluded deferred tax assets.

Information about major customers

Details of the customers accounting for 10% or more of aggregate revenue of the Group are as follows:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Customer A***	**746,904**	N/A*
Customer B**	**183,405**	144,000
Customer C***	**172,056**	N/A*

* The corresponding revenue does not contribute over 10% of the total revenue of the Group in the respective period.

** Revenue from LED backlight.

*** Revenue from sourcing business.

6. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on:		
– bank borrowings wholly repayable within five years	**14,172**	9,400
– finance leases	**18**	100
– corporate bond	**99**	99
	14,289	9,599

7. INCOME TAX EXPENSE

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income tax		
– Current period	**4,187**	3,356
– Over-provision in prior year	**(629)**	–
Total income tax expense for the period	**3,558**	3,356

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2018 and 2017.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for the six months ended 30 June 2018 and 2017.

Pursuant to the relevant laws and regulation in the PRC, the Group's subsidiaries, Wai Chi Opto Technology (Shenzhen) Limited* (偉志光電(深圳)有限公司) and Huizhou Wai Chi Electronics Company Limited* (惠州偉志電子有限公司), were each accredited as a high-tech enterprise. They are entitled to the preferential tax rate of 15% for both of the six months ended 30 June 2018 and 2017.

* *For translation purpose only*

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Salaries and allowances (excluding directors' emoluments)	**82,561**	65,775
Retirement benefit scheme contributions (excluding directors)	**9,222**	6,933
Total staff costs	**91,783**	72,708
Amortisation of prepaid lease payments	**866**	435
Amounts of inventories recognised as expenses	**1,336,673**	533,528
Depreciation of property, plant and equipment	**17,745**	17,614
Net loss on disposal of property, plant and equipment	**85**	676
Write-off of property, plant and equipment	**–**	36
Impairment loss on inventories	**4,751**	–
Impairment loss on trade and other receivables	**–**	6,533
Operating lease payment on premises	**2,961**	3,232

9. DIVIDENDS

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interim dividend declared and paid after the interim period of HK$nil cent per share (2017: HK$nil cent per share)	**–**	–

10. EARNINGS PER SHARE

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	**16,929**	10,533
Number of shares held		
Weighted average number of ordinary shares for the purpose of basic earnings per share *(Note)*	**216,825,000**	216,825,000
Basic earnings per share (HK cents per share)	**7.81**	4.86

Note: Diluted earnings per share was the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2018 and 2017.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired items of property, plant and equipment with a cost of approximately HK$14,246,000 (unaudited) (for the six months ended 30 June 2017 (unaudited): approximately HK$17,034,000) for the expansion of production facilities. Items of property, plant and equipment with a carrying amount of approximately HK$125,000 (unaudited) were disposed of during the six months ended 30 June 2018 (for the six months ended 30 June 2017 (unaudited): approximately HK$1,213,000), with approximately HK$85,000 (unaudited) loss on disposal (for the six months ended 30 June 2017 (unaudited): approximately HK$676,000).

12. PREPAID LEASE PAYMENTS

Prepaid lease payments comprise leasehold land held in the PRC under medium-term lease and are analysed for reporting purposes as follows:

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current assets	**915**	915
Non-current assets	**38,099**	37,665
	39,014	38,580

As at 30 June 2018, leasehold land with carrying values of approximately HK$22,471,000 (unaudited) (31 December 2017 (audited): approximately HK$21,658,000) have been pledged to secure banking facilities granted to the Group.

13. TRADE AND BILLS RECEIVABLES

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**368,249**	427,722
Less: Impairment	**(34,212)**	(34,975)
	334,037	392,747
Bills receivables	**73,594**	26,922
	407,631	419,669

The Group generally allows a credit period of 15 to 180 days to its trade customers. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables net of accumulated impairment losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	30 June 2018 HK$'000 (Unaudited)	31 December 2017 HK$'000 (Audited)
0 to 90 days	**327,762**	375,159
91 to 180 days	**6,039**	4,387
181 to 365 days	**64**	723
Over 365 days	**172**	12,478
	334,037	392,747

All the bills receivables are aged within 365 days.

14. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

The bank balances and cash comprised cash held by the Group and short-term bank deposits with an original maturity of three months or less. The bank balances as at 30 June 2018 carried interest at the variable interest rates ranging from 0.01% to 0.35% per annum (unaudited) (31 December 2017 (audited): 0.01% to 0.35% per annum). The pledged deposits carried interest rates ranging from 0.3% to 2% per annum (unaudited) (31 December 2017 (audited): 0.3% to 2% per annum) as at 30 June 2018.

Pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to approximately HK$97,319,000 (unaudited) (31 December 2017 (audited): approximately HK$144,353,000) as at 30 June 2017 had been pledged to secure bank borrowings and bills falling due within one year and are therefore classified as current assets.

15. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

	30 June 2018 HK$'000 (Unaudited)	31 December 2017 HK$'000 (Audited)
Trade payables *(Note a)*	**152,792**	194,387
Bills payables *(Note a)*	**281,519**	327,304
	434,311	521,691
Receipt in advance *(Note b)*	**125,252**	207,179
Construction cost payables	**1,427**	758
Other payables	**21,036**	18,031
Accrued expenses	**18,273**	16,020
Value added tax payables	**14,952**	9,041
Government grants	**11,861**	11,963
	192,801	262,992
	627,112	784,683

Notes:

(a) The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**122,389**	143,412
91 to 180 days	**22,520**	41,173
181 to 365 days	**3,916**	3,075
Over 365 days	**3,967**	6,727
	152,792	194,387

The average credit period on purchase of goods is from 30 days to 90 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

The bills payables aged within 365 days.

(b) Receipt in advance represented advance payments from customers pursuant to the respective sales and purchase contracts.

16. BANK BORROWINGS

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Secured:		
Trust receipts loans *(Note a)*	**14,676**	4,490
Other bank loans *(Note b)*	**272,233**	251,154
	286,909	255,644
Unsecured:		
Other bank loans *(Note c)*	**99,751**	65,797
	386,660	321,441
Bank borrowings repayable:		
On demand or within one year	**377,660**	310,359
More than one year but not exceeding two years	**–**	5,082
More than two years but not exceeding five years	**9,000**	6,000
	386,660	321,441
Less: Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**–**	(11,082)
Less: Carrying amount of bank borrowings that are repayable within one year from the end of the reporting period but contain a repayment on demand clause	**(4,486)**	(4,918)
Less: Amounts due within one year shown under current liabilities	**(373,174)**	(305,441)
Amount shown under current liabilities	**(377,660)**	(321,441)
Amount shown under non-current liabilities	**(9,000)**	–

Notes:

(a) As at 30 June 2018, trust receipts loan with carrying amounts of approximately HK$14,676,000 (unaudited) (31 December 2017 (audited): approximately HK$4,490,000) carried fixed rate of interest of 4.83% (31 December 2017 (audited): 3.81%) per annum and was due within 3 months.

(b) As at 30 June 2018, other bank loans (unaudited) with carrying amounts of approximately HK$177,915,000 (31 December 2017 (audited): approximately HK$179,445,000) bore interest at floating rates and were due within one year. The floating rate borrowing carried interest rates at Loan Prime Rate ("LPR") plus 0.92% to 1.1375% (31 December 2017 (audited): Loan Prime Rate ("LPR") plus 0.92% to 1.1375% per annum) during the six months ended 30 June 2018.

As at 31 December 2017 (audited), revolving loans with carrying amounts of approximately HK$30,000,000 (30 June 2018 (unaudited): nil) bore interest at floating rate and was due within 1 year. The floating rate borrowings carried interest at the 1-month HIBOR/London Interbank Borrowing Rate ("LIBOR") plus 2.75% (30 June 2018 (unaudited): nil) per annum during the year ended 31 December 2017.

As at 30 June 2018 (unaudited), other bank loans with carrying amounts of approximately HK$54,318,000 (31 December 2017 (audited): approximately HK$45,709,000) bore interest at fixed rate and was due within 1 year. The fixed rate borrowings carried interest ranging from 4.30% to 6.20% (31 December 2017 (audited): 3.15% to 5.22%) per annum during the period ended 30 June 2018.

As at 31 December 2017 (audited), straight line loans with principal amount of approximately HK$6,000,000 (30 June 2018 (unaudited): nil) bore interest at floating rate and was due within 2 years. The floating rate borrowings carried interest at HKD BLR plus 0.15% per annum during the year ended 31 December 2017 (30 June 2018 (unaudited): nil).

As at 30 June 2018 (unaudited), other bank loans with the principal amount of approximately HK$10,000,000 (31 December 2017 (audited): HK$10,000,000) bore interest at floating rate and was due within 5 years. The floating rate borrowings carried interest at 3-months HIBOR/LIBOR plus 3% (31 December 2017 (audited): HIBOR/LIBOR plus 3%) per annum during the period ended 30 June 2018.

(c) As at 30 June 2018, other bank loans with carrying amounts of approximately HK$47,444,000 (unaudited) (31 December 2017 (audited): approximately HK$41,871,000) bore interest at floating rate and was due within 1 year. The floating rate borrowings carried interest at PBOC rate plus 1.85% (31 December 2017 (audited): PBOC rate plus 0.5% to 1.2%) per annum during the six months ended 30 June 2018.

As at 30 June 2018, other bank loans with carrying amounts of approximately HK$52,307,000 (unaudited) (31 December 2017 (audited): HK$23,926,000) bore interest at fixed rate and was due within 1 year. The fixed rate borrowings carried interest rate of 6.2% (31 December 2017 (audited): 4.80% to 5.22%) per annum during the six months ended 30 June 2018.

(d) The Group's bank borrowings at the end of each reporting period were secured or guaranteed by the followings:

(i) As at 30 June 2018, secured banking facilities of the Group with outstanding balances of approximately HK$177,915,000 (unaudited) (31 December 2017 (audited): approximately HK$179,445,000) were secured by land and properties of a subsidiary as set out in notes 11 and 12.

(ii) As at 30 June 2018, secured banking facilities of the Group with outstanding balances of approximately HK$63,674,000 (unaudited) (31 December 2017 (audited): approximately HK$24,490,000) were secured by a property held by a related company, in which Ms. Yiu Kwan Yu is the common director.

(iii) As at 30 June 2018, secured banking facilities of the Group with outstanding balances of approximately HK$21,350,000 (unaudited) (31 December 2017 (audited): approximately HK$21,533,000) were secured by the Group's plant and machinery as set out in Note 11.

(iv) As at 30 June 2018, secured banking facilities of the Group with outstanding balances of approximately HK$23,970,000 (unaudited) (31 December 2017 (audited): approximately HK$24,176,000) were secured by available-for-sale investment.

(v) As at 31 December 2017 (audited), secured banking facilities of the Group with outstanding balances of approximately HK$6,000,000 (30 June 2018 (unaudited): nil) were secured by the assignment of life insurance policies covering Mr. Yiu Chi To, the Controlling Shareholder and Mr. Chen Chung Po, the Executive Director and Chief Executive Officer.

17. CORPORATE BOND

During the year ended 31 December 2016, the Group issued a 7.5 year corporate bond with principal amount of HK$2,000,000 to an independent third party, net of direct expenses of HK$300,000, which will be due in September 2023. The corporate bond carried interest at a fixed rate of 8% per annum with interest payable annually in arrears. The corporate bond is unsecured. The effective interest rate of the corporate bond is approximately 11.05%.

	HK$'000
At 1 January 2017	1,736
Effective interest expenses	200
Interest paid during the year	(160)
At 31 December 2017 and 1 January 2018	1,776
Effective interest expenses	99
At 30 June 2018	1,875

18. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2018	31 December 2017	**30 June 2018**	31 December 2017
	(Unaudited)	(Audited)	***HK\$'000*** **(Unaudited)**	*HK\$'000* (Audited)
Ordinary shares of HK\$0.01 each				
Authorised				
At the beginning and end of period/year	**1,000,000,000**	1,000,000,000	**10,000**	10,000
Issued and fully paid				
At the beginning and end of period/year	**216,825,000**	216,825,000	**2,168**	2,168

19. OPERATING LEASES COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 June 2018	31 December 2017
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Within one year	**2,615**	2,900
In the second to fifth year, inclusive	**898**	2,086
	3,513	4,986

The Group leases certain of its factory premise offices under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two (2017: one to two) years with fixed rentals as at 30 June 2018.

20. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in the consolidated condensed interim financial information, the Group has entered into the following significant transactions with related parties.

(a) Compensation of key management personnel

	Six months ended 30 June	
	2018	2017
	HK\$'000	*HK\$'000*
	(Unaudited)	(Unaudited)
Salaries and other allowances	**2,494**	2,643
Retirement benefit scheme contributions	**27**	44
	2,521	2,687

(b) Other related parties transactions

Name of company	Nature of transaction	Six months ended 30 June **2018** *HK$'000* **(Unaudited)**	2017 *HK$'000* (Unaudited)
Maxtone Electronics Limited ("Maxtone")	Rental expenses	**540**	525

The director of the Company has beneficial interest in Maxtone. The above transactions were at terms determined and agreed by the Company and the relevant parties.

(c) Other guarantees

During the six months ended 30 June 2018 and 2017, the Company's obligations under a finance lease were guaranteed by a related company.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2018, global economic recovery continues despite a number of uncertainties in international trading, financial market and the complex geopolitics. Under such circumstances, China's GDP growth remained stable at around 6.8%. As China's economic reform deepens and advances, the economic structure continues to optimize, bringing rapid development in high-tech industries, and high-end equipment manufacturing.

For the past months and in the foreseeable future, the escalating Sino-US trade tension poses pressure on most industries, adding to the wait-and-see mood. The LED market players are seeking a breakthrough. The global LED lighting market scope, estimated by LEDinside, an LED information service platform and research institution, will steadily expand between 2016 and 2019 and reach US$32.717 billion in 2018, while most capable manufacturers are transforming towards the niche and high-tech threshold market due to the sluggishness in the lower-end lighting market. On the other hand, the market value of global automobile LED in 2017 was US$2.817 billion and is expected to increase by 12.45% in 2018, with headlights, fog lights and automobile panels being the top three growth points. Since China is the largest global automobile market, the need for automobile LED products is gradually growing. Supported by national policies in areas like market access, taxation and infrastructure, China's automobile market is transforming towards an energy-saving future, resulting in the increasingly growing demand for automobile LED products.

BUSINESS REVIEW

The Group successfully restructured the product mix by ceasing the low-margin smartphone LED backlight business in 2016 and focused on the production of high margin products. Since then, the Group has granted more resources and capital to develop profitable business segments including automobile on-board displays and lighting services. The non-core high-tech electronic components and products sourcing business serves as a buffer in the migration to a high-margin business portfolio. The risk management system the Group specially designed and put in place for the sourcing business (details of which would be discussed below) helped to regulate the business development. In addition, the Group's strategic partnership with O-Bank, a Taiwanese bank specializing in industrial sector, proved to be a visionary decision. Supported by O-Bank's extensive experience in the industrial sector in Taiwan where LED industry is well-developed, the partnership can serve as a strong facilitator in our future expansion.

During the period under review, the total revenue of the Group significantly increased by 131.5% to approximately HK$1,445,080,000 from HK$624,156,000 in the corresponding period of 2017. Net profit of the Group during the period under review recorded an increase from HK$10,533,000 to approximately HK$16,929,000. Revenue of LED backlight products registered an increase of 17.0% to approximately HK$377,886,000 (2017: approximately

HK$322,872,000). Revenue from the sales of LED lighting products was approximately HK$48,336,000 (2017: approximately HK$29,637,000), with an increase of 63.1%. Revenue generated from sourcing of high-tech electronic components and products was approximately HK$1,018,858,000. By strengthening the sales of automobile LED backlight products and maintaining the revenue stream from sourcing business, the Group successfully achieved satisfactory results in this relatively unfavorable market environment filled with uncertainties.

LED Backlight Business

The Group's LED backlight products are classified into three types, including: (1) automobile on-board displays; (2) television displays; and (3) other industrial equipment displays. During the period under review, revenue derived from LED backlight products related to automobile on-board displays, television displays and industrial equipment displays were approximately HK$222,558,000, HK$56,459,000 and HK$98,869,000 respectively.

The Group's revenue from automobile on-board displays increased by 52.8%. With the fast development of new energy vehicle industry in China, the demand for automobile LED products is also on the rise. In the first half of 2018, China Association of Automobile Manufacturers announced a 94.9% increase on the new energy vehicle production and a 111.6% increase on the sales. This trend is widely believed to last for at least several years. To seize the opportunities rising from the latest trend, the Group, being an experienced market player with strong research and development capacity, has been devoting to develop automobile lighting, which is a niche and less penetrated lighting market with higher entry barrier and better profit margins. It is the Group's strong belief that the expanding Chinese new energy vehicle market calls for more reliable, safe, and easy-to-use in-vehicle LED products.

On the contrary, Chinese television market is still masked with difficulties since 2016. Data from China Electronics Chamber of Commerce shows that domestic television consumption has not yet rebounded from its rock bottom. In the meantime, export is faced with uncertainties from the current Sino-US trade tension. It is safe to say that China's television market has saturated with very limited room for growth. Therefore, the Group is gradually shifting manufacturing resources from the television section to automobile on-board displays to fit in with the market changes. During the first half of 2018, as a seasoned market player, the Group's revenue from the sales of television LED backlight products increased by 4.7%, a fairly mild increase compared to automobile on-board displays section.

LED Lighting Service Business

The Group's LED lighting business is classified into 2 types, including public lighting and commercial lighting. The Group provides various services including products, lighting solutions design, installation and maintenance etc. During the period under review, revenue from public lighting and commercial lighting was approximately HK$15,994,000 and

HK$32,342,000 respectively, showing a decrease of 5.0% and an increase of 152.7% as compared to respective approximates of HK$16,839,000 and HK$12,798,000 during the same period of 2017.

Since the implementation of LED street lighting in China is relatively slow, the Group has been proactively expanding its LED lighting services to overseas markets. Following the major global trend of smart cities in the world, the Group has set up large-scale business projects in both Europe and North America, where our sales are proven to be quite satisfactory. Specifically, our business development in European market is progressing as planned and is contributing to our revenue growth.

High-tech Electronic Components and Products Sourcing Business

To smoothly transform to higher margin business segments, the Group has been temporarily engaging in a non-core business of providing sourcing business of high-tech electronic component and products since 2016. Revenue from the provision of sourcing business was approximately HK$1,018,858,000, accounting for 70.5% of total revenue for the period under review, providing strong support for the Group to develop new projects in other high margin areas.

In order to regulate the operation of the sourcing business and minimize possible risks, the Group has established a sophisticated risk management system, including 4 categories, namely, (1) legal risk management, which requires the Group to sign framework agreements with both the supplier and the buyer sides to set clearly the duties of all parties; (2) goods and logistics risk management, which prevents the Group from being involved in such disputes by letting the supplier and buyer deal directly in terms of shipment time, storage methods, logistics methods, and product quality, etc.; (3) intellectual property risk management, which requires suppliers to ensure that the products meet all legal requirements and to take responsibilities if all or any of the relevant legal issues arise; and (4) overdue accounts receivable risk management, which requires each members of the senior management of the customers to provide personal guarantee for the settlement of accounts. As a result of the above-mentioned risk management measures, there was no overdue transaction in the sourcing business section as of 30 June 2018, and the longest payment collection period was only 60 days during the Review Period. With the risk management system in place, the Group has confidence in maintaining a smooth and safe operation environment in the sourcing business.

QUALITY CONTROL

The Group has established stringent quality control procedures to ensure the quality of the LED products. Quality control begins from product design stage and continues throughout the entire product manufacturing and storage process. Quality control staff engage in the product design process to ensure quality excellence. A set of detailed procedures have been established and implemented in selecting and approving new suppliers and raw materials. Thorough testing of product samples is being carried out before mass production of the LED products.

The Group possesses a series of advanced production and testing equipment for enhancing quality control. The Group has been awarded various certifications, including ISO 9001:2008 and ISO 14001:2004 for quality and environmental management systems, which serves as an important assurance of the quality and reliability of the Group's products.

RESEARCH AND DEVELOPMENT

The Group firmly believes that the Research and Development ("R&D") capabilities are of great importance to the innovation process and can help maintain its strong competitiveness in the LED backlight and LED lighting industries. In order to remain competitive in the LED industry, the Group places great emphasis on developing and improving the LED backlight and LED lighting products.

The Group's R&D centre is located in our production plant in Huizhou. The Group engages in various R&D activities, including (i) concurrent development of new product designs with customers; (ii) improvement of product quality, efficiency and functions of existing products; (iii) in-project calibration and optimization of the production processes and capability of the equipment; (iv) introduction and promotion of the use of new production technologies and new production materials; and (v) assessment of the future prospect and development trend of the LED industry. The Group has achieved a number of technological advancement and breakthroughs by obtaining 65 patents registered in the PRC. In the future, the Group will continue to enhance its R&D capabilities in order to catch up with the strong demands in both LED backlight and LED lighting products markets.

PROSPECT

In the short term, the Sino-US trade tension is expected to put pressure on world economy. The inclusion of television components, textile, household products, and high-tech products etc. in the list of extra US tariffs over Chinese goods, coupled with China's recently announced further depreciation of RMB in reaction, has put a lot of business development opportunities on hold.

In the long term, thanks to the rising domestic demand in China, which drives a stable GDP growth, the income and profitability of manufacturing enterprises in the country still have good chance to improve. High-tech manufacturers in particular, who have been enjoying favorable government policies, are still expecting a bright future.

In terms of the LED industry, China's major products and key technologies can effectively compete with their international counterparts. The dramatically expanding domestic automobile market is also bringing promising opportunities for the automobile LED products, specifically with China ranking the first in terms of new energy vehicles sales for 3 consecutive years. The safety requirements on in-vehicle LED products and customers' preference on easy-to-use and advanced functions rule out competitors with lower R&D capacities. The Group's experience and reputation in the market help it to seize such growing business opportunities in the ever-changing trends.

For the lighting section, the Group's efforts in developing both public and commercial projects have paid back. In addition to our existing business, the Group is also seeking opportunities to expand the public lighting services in China including establishing a joint venture company through a non-wholly-owned subsidiary this year, aiming at providing lighting services for the Chinese railways. Due to the safety requirements and the busy schedule of trains running across the country, the replacement of lighting facilities along the railways has experienced great difficulties throughout the years. The Group is equipped with the required capacity and sophisticated technology to provide the lighting device for the railways in China. We are currently expecting the approval for suppliers from authorities before we can officially start bidding for the provision of the service, but progress has already been made. Looking ahead, we expect it would not only bring new revenue stream to the Group, but also turn a new page for the Chinese railway development.

Leveraging on our reputation over the past three decades, as well as our strong design, R&D, and production capacities, we have confidence in meeting the challenges of changing demands, shifting consumers' preferences, transforming consumption patterns and evolving market trends. Taking the current economic and industry environment into consideration, we will take an active yet cautious path towards our future growth.

FINANCIAL REVIEW

Revenue

The revenue of the Group was mainly contributed by the sales of LED backlight and LED lighting products and the sourcing business of high-tech electronic components and products. During the period under review, the sales of LED backlight products increased by 17.0% to approximately HK$377,886,000 from HK$322,872,000 in the same period of 2017. Sales of LED lighting products recorded a considerable increase of 63.1% to approximately HK$48,336,000 from HK$29,637,000 in the same period of 2017 due to significant increase in the commercial sector. Revenue from the sourcing business of high-tech electronic components and products was approximately HK$1,018,858,000. As a non-core business and an expedient in the migration to a high-margin business portfolio, the revenue from this sector will continue to be used to grow the higher margin segments.

The Group has deployed more resources and capital in developing automobile LED backlight products, the sales of which has been growing in satisfactory pace with good profit margins. Meanwhile, throughout the period under review, the Group continued to implement stringent cost control measures to enhance financial efficiency by fully implementing enterprise resource planning ("ERP") system for lowering the operational cost for the entire manufacturing process that has been upgraded with advanced automation capabilities.

Gross profit and Gross Profit Margin

During the period under review, the Group's gross profit from the sales of LED backlight and LED lighting product was approximately HK$107,751,000, increased by 23.3% from approximately HK$90,134,000 in the same period of 2017. Gross profit margin of these two segments was 25.3%, decreased by 0.3% percentage points from 25.6% in the same period of 2017. Gross profit and gross profit margin from the provision of sourcing business of high-tech electronic components and products were HK$11,671,000 and 1.15% respectively.

Selling and Distribution Expenses

Labour costs, sales commissions and transportation costs were the Group's major selling and distribution expenses. During the period under review, the Group's selling and distribution expenses was approximately HK$11,835,000, slightly decreased by 4.9% compared to approximately HK$12,439,000 in the same period of 2017.

Administrative Expenses

Administrative expenses refer to the general expenses incurred in offices and factories. The Group focuses on effective management, by means of resources consolidation in the Shenzhen and Huizhou factories. During the period under review, the Group's administrative expenses was approximately HK$45,942,000, decreased by 8.37% as compared to approximately HK$50,139,000 in the same period of 2017.

Other Income and Other Gains

During the period under review, other income and gains was approximately HK$7,222,000, increased by 5.7% as compared to the same period of 2017, mainly due to the increase of government grant obtained from the Shenzhen local government.

Taxation

Income tax expense comprised current tax and movements in deferred tax assets and liabilities. Two of the Group's subsidiaries, Wai Chi Opto Technology (Shenzhen) Limited and Huizhou Wai Chi Electronics Company Limited, are qualified as a "High-Tech Enterprise" in the PRC and granted certain tax benefit, including a preferential enterprise income tax rate of 15% instead of the statutory rate of 25%. During the period under review, the Group's income tax expenses was approximately HK$3,558,000, which was mainly attributable to the taxable profit generated by the subsidiaries of the Company located in PRC.

Inventories

As of 30 June 2018, the Group's inventory was approximately HK$235,635,000, increased by 13.5% as compared to approximately HK$207,631,000 as at 31 December 2017. The increase in inventory was attributable to the increase of inventory for automobile and lighting LED products to meet with the increasing demand.

Trade receivables

As of 30 June 2018, the Group's net trade receivables were approximately HK$334,037,000, decreased by 14.9% as compared to approximately HK$392,747,000 as at 31 December 2017. The Group's major customers are sizeable corporations with long-term relationships, including a number of listed companies, hence the risk of trade receivables turning into bad debts is relatively low.

Trade payables

As of 30 June 2018, the Group's trade payables were approximately HK$152,792,000, decreased by 21.4% as compared to approximately HK$194,387,000 as at 31 December 2017, the decrease was attributable to decrease in purchase of materials.

Placing of New Shares and Offer to Acquire the Company's Shares

On 6 May 2016, the Company completed a placing of new shares (the "Placing"), allotted and issued 16,825,000 new shares of the Company to not less than six individuals who are independent third parties at the price of HK$2.00 per share. Net proceeds from the Placing amounted to approximately HK$31,134,000, which are intended to be used for financing any potential investment opportunities such as mergers and acquisition that may arise from time to time. As at 30 June 2018, the net proceeds from the Placing have not yet been utilized and have been deposited with licensed banks in Hong Kong.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 18 November 2014. The total net proceeds from the initial public offering amounted to approximately HK$161,542,000. The Group has, up to the financial period ended 30 June 2018, utilized approximately HK$67,600,000 to purchase machinery and equipment for producing LED backlight and LED lighting products, approximately HK$22,500,000 to repay bank loan utilized for purchasing machinery and equipment, approximately HK$4,500,000 to upgrade and expand our ERP system, approximately HK$40,500,000 for our R&D activities including recruiting technical and expert staff and enhancing our research and development capacity. At the end of the financial period ended 30 June 2018, the net proceeds have been fully utilized as intended.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period ended 30 June 2018.

CORPORATE GOVERNANCE PRACTICES

The Company and its management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders. The Company believes that good corporate governance is an essential for the continual growth and enhancement of shareholders' value. Throughout the period under review, the Company has applied the principles of and complied with the code provisions stipulated in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance.

All other information on the Code has been disclosed in the corporate governance report contained in the 2017 annual report of the Company issued in March 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct governing Director's securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they had complied with the required standards set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim financial report for the six months ended 30 June 2018. On 24 August 2018, the Audit Committee met with the management to review the unaudited interim financial statements with the attendance of the external auditor and to consider the significant accounting policies.

PUBLICATION OF INTERIM REPORT

The 2018 interim report of the Company containing all applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the Company's website at www.waichiholdings.com and HKEx news website at www.hkexnews.hk in due course.

APPRECIATION

Finally, the Board would like to thank all shareholders of the Company who have placed strong confidence in our Group's management. We would also like to thank all our business partners and bank enterprises who have supported and stood beside us at all times.

By order of the Board
Wai Chi Holdings Company Limited
Yiu Chi To
Chairman

Hong Kong, 24 August 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Yiu Chi To (Chairman), Mr. Chen Chung Po (Chief Executive Officer), Ms. Yiu Kwan Yu, Mr. Chen Wei Wu and Ms. Yong Jian Hui; and the independent non-executive Directors are Mr. Au Yeung Tin Wah, Mr. Chen Kwok Wang and Mr. Ho Chi Wai.