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建 聯 集 團 有 限 公 司*

Chinney Alliance Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 385)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

The board of directors (the "Board") of Chinney Alliance Group Limited (the "Company") is pleased to announce that the unaudited condensed consolidated statement of profit or loss and the unaudited condensed consolidated statement of comprehensive income of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018 and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2018 together with comparative figures in 2017 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2018	2017
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**2,819,840**	2,617,658
Cost of sales/services provided		**(2,489,015)**	(2,266,289)
Gross profit		**330,825**	351,369
Other income	*3*	**5,571**	5,914
Selling and distribution costs		**(7,912)**	(7,437)
Administrative expenses		**(209,396)**	(215,521)
Other operating income/(expenses), net		**(2,336)**	727
Finance costs	*4*	**(5,032)**	(2,348)
Share of profits and losses of an associate		**(351)**	183
PROFIT BEFORE TAX	*5*	**111,369**	132,887
Income tax expense	*6*	**(23,129)**	(25,153)
PROFIT FOR THE PERIOD		**88,240**	107,734
Attributable to:			
Owners of the Company		**79,982**	95,250
Non-controlling interests		**8,258**	12,484
		88,240	107,734
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*7*		
Basic and diluted		**HK 13.44 cents**	HK 16.01 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**88,240**	107,734
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations and net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(199)**	1,621
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Loss on change in fair value of financial assets at fair value through other comprehensive income	**(6)**	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**(205)**	1,621
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**88,035**	109,355
Attributable to:		
Owners of the Company	**79,777**	96,871
Non-controlling interests	**8,258**	12,484
	88,035	109,355

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**764,399**	797,550
Investment properties		**16,990**	16,990
Investment in an associate		**537**	13,969
Investment in a joint venture		**-**	-
Available-for-sale investment		**-**	1,287
Financial assets at fair value through other comprehensive income		**2,217**	-
Goodwill		**14,369**	12,528
Deferred tax assets		**210**	210
Other assets		**-**	2,345
Financial assets at fair value through profit or loss		**3,964**	-
Deposits		**1,006**	-
Total non-current assets		**803,692**	844,879
CURRENT ASSETS			
Inventories		**96,458**	100,409
Gross amount due from contract customers		**-**	430,576
Contract assets		**465,588**	-
Trade receivables	*9*	**667,548**	647,337
Retention monies receivable		**491,474**	476,014
Amount due from a related company	*10*	**34,518**	37,282
Amount due from a joint venture		**967**	967
Prepayments, deposits and other receivables		**146,387**	85,800
Tax recoverable		**4,606**	5,083
Pledged time deposits		**2,660**	11,264
Cash and cash equivalents		**778,210**	942,074
Total current assets		**2,688,416**	2,736,806
CURRENT LIABILITIES			
Gross amount due to contract customers		**-**	754,948
Trade and bills payables	*11*	**395,243**	476,900
Trust receipt loans		**148,471**	106,934
Retention monies payable		**250,075**	231,231
Amount due to an associate		**-**	6,708
Other payables and accruals		**719,933**	119,668
Tax payable		**40,388**	21,404
Interest-bearing bank borrowings		**20,932**	918
Convertible bond	*12*	**40,222**	37,290
Total current liabilities		**1,615,264**	1,756,001
NET CURRENT ASSETS		**1,073,152**	980,805
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,876,844**	1,825,684

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	Notes	**30 June 2018 (Unaudited)** ***HK$'000***	31 December 2017 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**477**	946
Deferred tax liabilities		**96,019**	96,487
Total non-current liabilities		**96,496**	97,433
Net assets		**1,780,348**	1,728,251
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**59,490**	59,490
Reserves		**1,614,848**	1,559,534
		1,674,338	1,619,024
Non-controlling interests		**106,010**	109,227
Total equity		**1,780,348**	1,728,251

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, except for investment properties and land and buildings classified as property, plant and equipment, financial assets at fair value through other comprehensive income ("FVOCI") as well as financial assets at fair value through profit or loss ("FVPL"), which have been measured at fair value. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except as described below. In the current period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRS", which include all HKFRSs, HKASs and Interpretations) issued by the HKICPA which are effective for the Group's financial year beginning on or after 1 January 2018.

HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
Amendments to HKAS 40	*Transfers of Investment Property*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as further explained below, the adoption of the new and revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated interim financial statements of the Group.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to timing of revenue recognition, capitalisation of contract costs, and presentation of contract assets and contract liabilities.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

HKFRS 9 *Financial instruments*

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. The standard introduces new requirements for classification and measurement and impairment. The Group has adopted HKFRS 9 to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening balance of retained profits and other components of equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39. The impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

Under HKFRS 9, debt financial instruments are subsequently measured at FVPL, amortised cost, or FVOCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's financial assets are, as follows:

- Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables, retention monies receivable, and contract assets, and deposits and other receivables.

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under HKFRS 9. Under HKAS 39, the Group's unquoted equity instruments were classified as available-for-sale investments.

- Financial assets at FVPL comprise debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under HKAS 39, the Group's debt instruments were classified as other assets stated at cost less impairment.

The accounting for financial liabilities remains largely the same as it was under HKAS 39.

(b) Impairment of financial assets

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit losses ("ECLs") approach. HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that are expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

At 1 January 2018 and 30 June 2018, the Group assessed the impact of loss allowance under the application of HKFRS 9 was immaterial.

(c) Summary of effects arising from initial application of HKFRS 9

	Available-for-sale investments *HK$'000*	Other assets *HK$'000*	Financial assets at FVOCI required by HKFRS 9 *HK$'000*	Financial assets at FVPL required by HKFRS 9 *HK$'000*
Closing balance at 31 December 2017 - HKAS 39	1,287	2,345	-	-
Effects arising from initial application of HKFRS 9:				
Reclassification				
From other assets to financial assets at FVPL	-	(2,345)	-	2,345
From available-for-sale investments to financial assets at FVOCI (non-recycling)	(1,287)	-	1,287	-
Remeasurement				
From cost less impairment to fair value	-	-	-	1,619
Opening balance at 1 January 2018 - HKFRS 9	-	-	1,287	3,964

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18 *Revenue* and related Interpretations, which covered revenue arising from sale of goods and rendering of services, and HKAS 11 *Construction Contracts*, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of retained profits at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The following table summarises the impact of transition to HKFRS 15 on retained profits and the related tax impact at 1 January 2018:

	HK$'000
Retained profits	
Adjustments of gross amount due from contract customers	11,039
Related tax	(1,427)
	9,612
Non-controlling interests	(601)
	9,011

Further details of the nature and effect of the changes on previous accounting policies are set out below:

Previously, revenue arising from construction contracts was recognised by applying the percentage-of-completion method, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

(a) when the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(b) when the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) when the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these three situations, under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sale of goods. However, the effects of the adoption of HKFRS 15 on construction contracts are further explained as follows:

Under HKFRS 15, when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, the Group recognises revenue as the performance obligation is satisfied over time.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings for construction work is recognised as contract assets. The contract assets will be reclassified as receivables when the progress billings are issued and delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The excess of cumulative billings for construction work over the cumulative revenue recognised in profit or loss is recognised as contract liabilities. The contract liabilities are recognised as revenue when the Group satisfies its performance obligations.

To follow the terminology used under HKFRS 15, the Group has made the following adjustments at 1 January 2018:

1) "Gross amount due from contract customers" in relation to construction work has been reclassified as "Contract assets"; and

2) "Gross amount due to contract customers" in relation to construction work has been reclassified as "Other payables and accruals".

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2017	Reclassification	Remeasurement	Carrying amounts under HKFRS 15 at 1 January 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current assets				
Gross amount due from contract customers	430,576	-	(430,576)	-
Contract assets	-	-	441,615	441,615
Tax recoverable	5,083	-	371	5,454
Current liabilities				
Gross amount due to contract customers	754,948	(754,948)	-	-
Other payables and accruals	119,668	754,948	-	874,616
Tax payable	918	-	1,798	2,716
Equity				
Retained profits	1,089,935	-	9,011	1,098,946
Non-controlling interests	109,227	-	601	109,828

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The following tables summarise the impacts of applying HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30 June 2018 and its condensed consolidated statement of profit or loss for the current interim period for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the condensed consolidated statement of financial position as at 30 June 2018

	As Reported *HK$'000*	Reclassification *HK$'000*	Remeasurement *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Current assets				
Gross amount due from contract customers	-	-	453,692	453,692
Contract assets	465,588	-	(465,588)	-
Tax recoverable	4,606	-	(1,295)	3,311
Current liabilities				
Gross amount due to contract customers	-	631,889	-	631,889
Other payables and accruals	719,933	(631,889)	-	88,044
Tax payable	40,388	-	(2,915)	37,473
Equity				
Retained profits	1,149,471	-	(9,372)	1,140,099
Non-controlling interests	106,010	-	(904)	105,106

Impact on the condensed consolidated statement of profit or loss for the six months ended 30 June 2018

	As Reported *HK$'000*	Adjustments *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Revenue	2,819,840	(23,972)	2,795,868
Cost of sales/services provided	(2,489,015)	23,117	(2,465,898)
Gross profit	330,825	(855)	329,970
Profit before tax	111,369	(855)	110,514
Income tax expense	(23,129)	191	(22,938)
Profit for the period attributable to:			
Owners of the Company	79,982	(361)	79,621
Non-controlling interests	8,258	(303)	7,955
	88,240	(664)	87,576
Total comprehensive income for the period attributable to:			
Owners of the Company	79,777	(361)	79,416
Non-controlling interests	8,258	(303)	7,955
	88,035	(664)	87,371

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the trading of plastics and chemical products, provision of building related contracting services, provision of foundation piling works and sub-structure works, building construction works for both public and private sectors and others, which include distribution of aviation system and other hi-tech products and property holding. In 2017, the Group reviewed the structure and internal organisation and changed the composition of its reportable segments. Accordingly, certain subsidiaries which were previously included in "Building related contracting services" segment have been reclassified to the "Others" segment. The relevant comparative figures have been restated to conform with the current period's presentation.

Six months ended 30 June 2018

	Plastic and chemical products (Unaudited) *HK$'000*	**Building related contracting services (Unaudited)** *HK$'000*	**Building construction (Unaudited)** *HK$'000*	**Foundation piling and ground investigation (Unaudited)** *HK$'000*	**Others (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
Segment revenue:						
Sales to external customers	**287,577**	**1,134,845**	**851,599**	**538,713**	**7,106**	**2,819,840**
Intersegment sales	**-**	**19,891**	**-**	**-**	**-**	**19,891**
Other revenue	**1,385**	**538**	**284**	**1,363**	**89**	**3,659**
	288,962	**1,155,274**	**851,883**	**540,076**	**7,195**	**2,843,390**
Reconciliation:						
Elimination of intersegment sales						**(19,891)**
Revenue						**2,823,499**
Segment results	**3,143**	**43,334**	**41,507**	**37,260**	**(1,777)**	**123,467**
Reconciliation:						
Unallocated interest income and gains						**1,912**
Unallocated expenses						**(13,659)**
Share of profits and losses of an associate						**(351)**
Profit before tax						**111,369**

2. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2018

	Plastic and chemical products (Unaudited) *HK$'000*	Building related contracting services (Unaudited) *HK$'000*	Building construction (Unaudited) *HK$'000*	Foundation piling and ground investigation (Unaudited) *HK$'000*	Others (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment assets	**382,307**	**1,067,930**	**701,004**	**906,020**	**184,228**	**3,241,489**
Reconciliation:						
Elimination of intersegment receivables						**(24,442)**
Investment in an associate						**537**
Financial assets at fair value through other comprehensive income						**2,217**
Corporate and other unallocated assets						**272,307**
Total assets						**3,492,108**
Segment liabilities	**136,728**	**699,798**	**308,552**	**427,174**	**25,397**	**1,597,649**
Reconciliation:						
Elimination of intersegment payables						**(24,442)**
Corporate and other unallocated liabilities						**138,553**
Total liabilities						**1,711,760**

2. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2017

	Plastic and chemical products (Unaudited) *HK$'000*	Building related contracting services (Unaudited) *HK$'000* *(Restated)*	Building construction (Unaudited) *HK$'000*	Foundation piling and ground investigation (Unaudited) *HK$'000*	Others (Unaudited) *HK$'000* *(Restated)*	Total (Unaudited) *HK$'000*
Segment revenue:						
Sales to external customers	257,652	939,897	822,199	590,931	6,979	2,617,658
Intersegment sales	235	40,347	-	-	-	40,582
Other revenue	1,832	276	391	1,219	599	4,317
	259,719	980,520	822,590	592,150	7,578	2,662,557
Reconciliation:						
Elimination of intersegment sales						(40,582)
Revenue						2,621,975
Segment results	5,292	47,188	35,672	58,767	(298)	146,621
Reconciliation:						
Unallocated interest income and gains						1,597
Unallocated expenses						(15,514)
Share of profits and losses of an associate						183
Profit before tax						132,887

2. OPERATING SEGMENT INFORMATION *(continued)*

As at 31 December 2017

	Plastic and chemical products (Audited) *HK$'000*	Building related contracting services (Audited) *HK$'000*	Building construction (Audited) *HK$'000*	Foundation piling and ground investigation (Audited) *HK$'000*	Others (Audited) *HK$'000*	Total (Audited) *HK$'000*
Segment assets	385,700	979,646	739,262	1,016,185	188,741	3,309,534
Reconciliation:						
Elimination of intersegment receivables						(21,862)
Investment in an associate						13,969
Available-for-sale investment						1,287
Corporate and other unallocated assets						278,757
Total assets						3,581,685
Segment liabilities	140,718	654,881	387,290	532,146	29,275	1,744,310
Reconciliation:						
Elimination of intersegment payables						(21,862)
Corporate and other unallocated liabilities						130,986
Total liabilities						1,853,434

3. REVENUE AND OTHER INCOME

Disaggregation of revenue

	Six months ended 30 June 2018 (Unaudited) *HK$'000*
Type of goods and services	
Sales of plastic and chemical products	**287,577**
Building related contracting services	**1,134,845**
Building construction services	**851,599**
Foundation pilling and ground investigation services	**538,713**
Others	**7,106**
	2,819,840
Timing of revenue recognition	
At a point in time	**345,485**
Over time	**2,474,355**
	2,819,840

Other income

	Six months ended 30 June	
	2018 (Unaudited) *HK$'000*	2017 (Unaudited) HK$'000
Interest income	**1,931**	2,234
Commission income	**1,120**	1,664
Gross rental income	**802**	1,235
Others	**1,718**	781
	5,571	5,914

4. FINANCE COSTS

	Six months ended 30 June	
	2018 (Unaudited) *HK$'000*	2017 (Unaudited) *HK$'000*
Interest on bank loans and overdrafts	**2,100**	1,391
Interest on convertible bond	**2,932**	957
	5,032	2,348

No interest was capitalised by the Group in both periods.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**42,458**	43,642
Less: Amount included in contract costs	**(4,241)**	(371)
	38,217	43,271
Employee benefit expense (including directors' remuneration)	**376,442**	352,268
Less: Amount included in contract costs	**(253,049)**	(233,460)
	123,393	118,808
Impairment of trade receivables*	**-**	77
Loss on disposal of items of property, plant and equipment, net*	**824**	911
Impairment of goodwill*	**398**	-
Foreign exchange differences, net*	**1,114**	(1,715)

* *These expenses/(income) are included in "Other operating income/(expenses), net" in the condensed consolidated statement of profit or loss.*

6. INCOME TAX

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the period	**18,464**	19,683
Over provision in prior years	**-**	(113)
Current – Elsewhere	**5,133**	6,112
Deferred	**(468)**	(529)
Total tax charge for the period	**23,129**	25,153

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company of HK$79,982,000 (2017: HK$95,250,000) and the number of 594,899,245 ordinary shares in issue during both periods.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the convertible bond of a subsidiary and the dilution effect on earning assuming there is a full conversion of the convertible bond of a subsidiary, where applicable. The number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period as used in the basic earnings per share calculation.

The calculation of diluted earnings per share is based on:

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**79,982**	95,250
Interest on convertible bond of a subsidiary, net of tax	**2,932**	957
Dilution of earnings arising from the full conversion of the convertible bond of a subsidiary	**35**	155
	82,949 *	96,362

* *No adjustment has been made to the basic earnings per share amount represented for the six months ended 30 June 2018 (2017: Nil) in respect of a dilution as the impact of the convertible bond of a subsidiary outstanding has an anti-dilutive effect on the basic earnings per share amount presented.*

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

The final dividend of HK6.0 cents per ordinary share for the year ended 31 December 2017 was approved by the Company's shareholders at the annual general meeting of the Company held on 1 June 2018 and paid on 28 June 2018.

9. TRADE RECEIVABLES

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Trade receivables	**667,548**	647,337

The Group's trading terms with its customers are mainly on credit. The credit periods range from cash on delivery to 60 days. A longer credit period may be allowed to customers with good business relationship with the Group. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Current to 30 days	**455,459**	416,290
31 to 60 days	**115,637**	117,537
61 to 90 days	**47,806**	58,624
Over 90 days	**48,646**	54,886
	667,548	647,337

10. AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company represented construction contracting income of a project awarded from Gold Famous Development Limited ("Gold Famous"). Gold Famous is an indirect wholly-owned subsidiary of Hon Kwok Land Investment Company, Limited ("Hon Kwok") of which Dr. James Sai-Wing Wong, a director and a controlling shareholder of the Company, is also a director of and has a beneficial interest in. Mr. James Sing-Wai Wong is a common director of the Company and Hon Kwok.

11. TRADE AND BILLS PAYABLES

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Trade payables	**372,233**	453,746
Bills payable	**23,010**	23,154
	395,243	476,900

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Current to 30 days	**290,423**	338,450
31 to 60 days	**45,021**	69,544
61 to 90 days	**23,401**	31,701
Over 90 days	**13,388**	14,051
	372,233	453,746

12. CONVERTIBLE BOND

On 27 April 2017, Chinney Shun Cheong Holdings Limited ("Chinney Shun Cheong"), a wholly-owned subsidiary of the Company, issued 5% convertible bond with a nominal value of HK$40,000,000 and matures on 31 December 2018 (the "Convertible Bond"). Unless previously redeemed or converted in whole, Chinney Shun Cheong shall redeem the Convertible Bond then outstanding in full plus interest on the maturity date. Chinney Shun Cheong has the right, without necessity of obtaining the consent of the bondholder, to redeem the outstanding principal amount of the Convertible Bond in full at any time before the maturity date when it considers, at its sole discretion, that it is not feasible or practicable to continue or proceed with the proposed spin-off of the ordinary shares of Chinney Shun Cheong in The Stock Exchange of Hong Kong Limited (the "Spin-off"). The Convertible Bond may be converted into 50,000 new ordinary shares of HK$0.1 each in the share capital of Chinney Shun Cheong (the "Conversion Shares") based on the initial conversion price of HK$800 per Conversion Share (subject to adjustment), representing approximately 25% of the issued share capital of Chinney Shun Cheong as enlarged by the Conversion Shares (assuming there is no other change in the issued share capital of Chinney Shun Cheong from the date of issuance of the Convertible Bond and up to the date of conversion) on a fully diluted basis. The Convertible Bond is convertible to the Conversion Shares at:

(a) mandatorily and automatically on the date when and upon the Spin-off becoming unconditional; or

(b) upon the exercise of the conversion rights at the option of the bondholder and on the date on which Chinney Shun Cheong receives a conversion notice from the bondholder falling between 1 October 2018 and the maturity date of 31 December 2018 (both dates inclusive),

whichever is earlier.

12. CONVERTIBLE BOND *(continued)*

The fair value of the liability component was estimated by computing the present value of all future cash flows discounted by the prevailing market rate of interests for similar instruments. The default risk of the Convertible Bond is factored into the calculation of discount rate by adding a credit spread to the Hong Kong risk-free rate. The residual amount is assigned as the equity component and is included in shareholders' equity.

The Convertible Bond issued during the period have been split into the liability and equity components as follows:

	30 June 2018 (Unaudited) ***HK$'000***	31 December 2017 (Audited) *HK$'000*
Nominal value of convertible bond issued during the period/year	**40,000**	40,000
Equity component	**(6,499)**	(6,499)
Liability component at the issuance date	**33,501**	33,501
Interest expense	**6,721**	3,789
Liability component at the end of the reporting period	**40,222**	37,290

RESULTS

The Group recorded a revenue of HK$2,820 million for the six months ended 30 June 2018 (2017: HK$2,617 million). The net profit for the period amounted to HK$88.2 million (2017: HK$107.7 million). The Group has applied, for the first time, HKFRS 9 *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers* which are the revised or new Hong Kong Financial Reporting Standards applied in the current interim period. Had the Group not applied this new accounting standards, the unaudited net profit for the period of the Group for the six months ended 30 June 2018 would be increased by HK$0.7 million as more detailed in the note 1 to the condensed consolidated interim financial statements. The profit attributable to the owners of the Company was HK$80.0 million (2017: HK$95.3 million), which was arrived after the deduction of the profit attributable to non-controlling interests held by the public shareholders in the Company's listed subsidiary Chinney Kin Wing Holdings Limited ("Chinney Kin Wing", collectively with its subsidiaries, the "Chinney Kin Wing Group") of HK$8.3 million (2017: HK$12.5 million).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

BUSINESS REVIEW AND PROSPECTS

Trading of plastics and chemical products

Jacobson van den Berg (Hong Kong) Limited and its fellow subsidiaries contributed a revenue of HK$288 million (2017: HK$258 million) and an operating profit of HK$3.1 million (2017: HK$5.3 million). The segment was benefited for the price hike in certain products in the first half of the year which contributed to the increase in revenue and profit margin for the period. However, the devaluation of Renminbi eroded the profit of the segment. The second half of the year would be difficult given the threat of trade war and uncertainty faced by customers of the segment. The segment continues to develop the sales of the "JcoNAT" brand disinfectant products via the web and vending machines in various locations.

Building related contracting services

Shun Cheong Investments Limited and its subsidiaries ("Shun Cheong") contributed a revenue of HK$1,135 million (2017: HK$940 million, restated) and an operating profit of HK$43.3 million for 2018 (2017: HK$47.2 million, restated). The figures for last year were restated for the reclassification of the distribution of aviation system and other hi-tech products business engaged by Chinney Alliance Engineering Limited ("CAE") from "Building related contracting services" segment to "Others" segment in last year. The revenue of the segment increased with the progress of the projects. However, the profit of the segment was not increased proportionately to the increase in revenue mainly because of preliminary expenses incurred in the commencement of projects, and additional staff costs and rent to cope with the increase in projects awarded. The construction of internet data centre by IDC Realty Holdings Limited and its subsidiary (the "IDC Group"), which was acquired in January 2018, is on the way and is expected to complete in the second half of the year. As at end of the reporting period, the division had outstanding contract sum of approximately HK$4,659 million.

Building construction

Chinney Construction Company, Limited and Chinney Builders Company Limited which operate in Hong Kong and Chinney Timwill Construction (Macau) Company Limited which operates in Macau, contributed a revenue of HK$852 million (2017: HK$822 million) and an operating profit of HK$41.5 million (2017: HK$35.7 million). While revenue of the division increased slightly, the higher increase in profit was mainly due to savings in project costs. The division is actively seeking tender opportunities in Hong Kong and Macau. The outstanding contract sum as at end of the reporting period was approximately HK$1,086 million.

Foundation piling and ground investigation

Chinney Kin Wing and its subsidiaries contributed revenue of HK$539 million (2017: HK$591 million) and operating profit of HK$37.3 million (2017: HK$58.8 million) to the Group. The continuing weakness of the foundation market and intensive competition amongst contractors resulted in reduced contract value of individual projects, which were attributable to the decrease in both revenue and profit margin of the segment. The segment attained savings in costs from the implementation of stringent costs control on overheads which set-off partly the decrease in profit margin. On the other hand, the drilling division of the segment performed satisfactorily with steady increase in revenue and profit contribution. The specialised technical know-how in ground investigation, instrumentation and down-the-hole drilling added value to the enhanced revenue and profit margin of the drilling division. As at 30 June 2018, Chinney Kin Wing had 22 and 31 projects in progress with total contract sum of HK$2,144 million and HK$252 million in the foundation division and drilling division, respectively.

The segment had sound financial position with unpledged cash and bank balances of HK$193.2 million as at 30 June 2018 (31 December 2017: HK$291.7 million). The decrease was mainly due to the payment of 2017 final dividend of HK$45.0 million, of which HK$33.5 million was paid to the Company, the acquisition of plant and machineries of HK$10.5 million and net cash used in certain sizeable projects due to their early stage of project progress.

Given the established reputation of Chinney Kin Wing Group in the market, together with the talented and highly motivated staff led by the execution panel, the management of Chinney Kin Wing Group believes that the segment's business will remain stable and its client base will continue to expand. Despite the current weak foundation market conditions, the management of Chinney Kin Wing is still prudently optimistic as to the long-term demands for reliable and reputable contractors in the construction industry.

Other businesses

Other businesses recorded revenue of HK$7 million (2017: HK$7 million, restated) and operating loss of HK$1.8 million (2017: loss of HK$0.3 million, restated). The loss of the segment represented the operating loss of CAE which was due to the delay in billing customers to second half of the year, as well as the depreciation charges for the Group's property for own use, net of rental income.

The Group's associate, Fineshade Investments Limited ("Fineshade"), disposed all its interests in real estate property in Hangzhou, the People's Republic of China (the "PRC") in the second half of 2017, with minimal operation for finalisation of the disposal. During the period, Fineshade paid HK$6.4 million to the Group as dividend and return of capital.

FINANCIAL REVIEW

Liquidity and financial resources

Total interest-bearing debts of the Group, which included trust receipt loans, bank loans and the liability component of the convertible bond, amounted to HK$210.1 million as at 30 June 2018 (31 December 2017: HK$146.1 million), of which HK$209.6 million or 99% (31 December 2017: HK$145.1 million or 99%) were classified as current liabilities. Included in the current portion of bank and other borrowings were trust receipt loans of HK$148.5 million (31 December 2017: HK$106.9 million) for financing the purchases of goods by the Plastic Trading segment and the purchases of materials and equipment for installation in the projects of the Building Services segment. Current ratio of the Group as at 30 June 2018, measured by total current assets over total current liabilities, was 1.7 (31 December 2017: 1.6). Total unpledged cash and bank balances as at 30 June 2018 were HK$778.2 million (31 December 2017: HK$942.1 million). The decrease in unpledged bank balances was mainly due to net cash outflow from operations of HK$173.4 million, payment of 2017 final dividend to the shareholders of the Company and public shareholders of Chinney Kin Wing of HK$47.2 million, purchases of plant and machinery as well as other equipment of HK$14.9 million, and cash inflow from new bank loans and increase in trust receipt loans of HK$61.1 million.

The Group had a total of HK$1,647 million undrawn banking facilities at period-end available for its working capital, trade finance and issue of performance/surety bonds. The gearing ratio of the Group, measured by total interest-bearing borrowings of HK$210.1 million over the equity attributable to the owners of the Company of HK$1,674.3 million, was 12.5% as at 30 June 2018 (31 December 2017: 9.0%).

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with leading banks. Borrowings are mainly denominated in Hong Kong dollars and bear interest at floating rates. Forward contracts of non-speculative nature are entered to hedge the foreign currency trade purchase commitments of the Group when desirable.

Pledge of assets

As at 30 June 2018, certain properties having an aggregate book value of HK$158.4 million were pledged to banks to secure certain bank loans and general banking facilities extended to the Group. In addition, time deposits of HK$2.7 million were pledged to banks to secure the performance/surety bonds issued in favour of the Group's clients on contracting works.

Contingent liability

As at 30 June 2018, the Group provided corporate guarantees and indemnities to certain banks and financial institutions of an aggregate amount of HK$597.8 million to secure the performance/surety bonds issued in favour of the Group's clients on contracting works. Such amount included performance/surety bonds issued in favour of the clients of the Chinney Kin Wing Group of which corporate guarantees and indemnities of HK$172.9 were provided by Chinney Kin Wing Group.

Save as disclosed above, the Group has no other material contingent liabilities as at 30 June 2018.

Employees and remuneration policies

The Group employed approximately 1,970 staff in Hong Kong and other parts of the PRC as at 30 June 2018. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and year-end discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

PROCEEDS FROM ISSUE OF CONVERTIBLE BOND

Out of the net proceeds from the issue of a convertible bond by Chinney Shun Cheong Holdings of HK$39.7 million in April 2017, the Group utilised HK$18 million for capital injection to the newly acquired IDC Group for the construction and purchase of equipment for the internet data centre in Longgang District, Shenzhen, the PRC up to the date of this announcement.

CONNECTED TRANSACTIONS

During the interim period and up to the date of this announcement, the Company had the following connected transactions:

1. On 12 June 2018, Shun Cheong Data Centre Solutions Company Limited ("Shun Cheong Data Centre Solutions"), an indirect wholly-owned subsidiary of the Company, entered into a consultancy agreement with Gold Famous, an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of Chinney Investments, Limited ("Chinney Investments"), for the provision of consultancy services by Shun Cheong Data Centre Solutions to Gold Famous in relation to the construction and development of a data centre in a parcel of land situated at and known as K.C.T.L. 495, Kin Chuen Street, Kwai Chung, New Territories, Hong Kong (the "Data Centre Project") at a consultancy fee of HK$16,200,000 (the "Consultancy Agreement"). As Dr. James Sai-Wing Wong is the chairman and executive director of Chinney Investments, Hon Kwok and the Company (collectively, the "Companies") and has control in these Companies, the entering into the Consultancy Agreement constituted a connected transaction for each of the Companies. As the applicable percentage ratios for each of the Companies were more than 0.1% but less than 5%, the transactions contemplated under the Consultancy Agreement were subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirement for each of the companies under Chapter 14A of the Listing Rules. Details of the Consultancy Agreement and transactions contemplated thereunder were set out in a joint announcement of the Companies dated 12 June 2018.

2. On 12 July 2018, Chinney Construction Company, Limited (the "Contractor"), an indirect wholly-owned subsidiary of the Company, entered into a framework agreement with Gold Famous for the construction works to be carried out by the Contractor as the main contractor for the Data Centre Project at a total contract sum of HK$757,838,691.70 (the "Framework Agreement"). The entering into of the Framework Agreement constituted a connected transaction of each of Chinney Investments, Hon Kwok and the Company. Since the entering into of the Consultancy Agreement on 12 June 2018 also constituted a connected transaction for each of the Companies under the Listing Rules, pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the Consultancy Agreement and the Framework Agreement should be aggregated as a series of transactions as they were entered into within a 12-month period and involved parties which were connected with one another among the Companies. As the applicable percentage ratios for each of the Companies, on both stand-alone and the basis when aggregated with the Consultancy Agreement, are more than 5% and the total contract sum under the Framework Agreement was more than HK$10 million, the entering into the Framework Agreement constituted a non-exempt connected transaction under Chapter 14A of the Listing Rules and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 24 August 2018, at the respective extraordinary general meetings held by each of Chinney Investments and Hon Kwok and on the special general meeting held by the Company, the transaction was approved by the independent shareholders of each of Chinney Investments, Hon Kwok and the Company.

   Details of the Framework Agreement and the transactions contemplated thereunder were set out in the joint announcement of Chinney Investments, Hon Kwok and the Company dated 12 July 2018 and the Company's circular dated 8 August 2018.

OUTLOOK

The global economy continues the growth momentum from last year. With the US maintains above-trend growth and inflation hovering around the Federal Reserve's target level, the market expects the rise of the US interest rates would be faster than earlier expectation. Nevertheless, the critics by the US President on the Federal Reserve's interest rate rise brings uncertainty on the pace of the interest rate rise. The recent trade conflicts between US and China as well as other major economies would affect the global economic sentiment as well as trade and investment activities. Aside from the international trade, the global financial and asset markets could be more volatile upon further tightening of financial conditions across advanced economies.

The Hong Kong economy was benefited from the robust external market and strong domestic demand and recorded 3.5% grow in the second quarter of 2018 over a year earlier. The unemployment rate further lowered to 2.8% in the second quarter of 2018, being the lowest level in more than 20 years. Yet, given the trade conflicts would suppress the export trade of Hong Kong, the momentum of such growth would be dampened. The local flat prices keep on rising. In view of the worsen home purchase affordability, the Hong Kong Government introduced new housing initiative aiming at making subsidised sale flats more affordable, increasing supply of subsidised housing units and enhancing support for transitional housing supply, and encouraging more timely supply of first-hand private flats. But more importantly, the supply of new land should be increased to meet the development of Hong Kong and maintain the living standard of the citizens. With the rising costs of materials and labour and shortage of land supply, the construction industry is facing intensive competition in tendering and spending great effort in managing construction projects so as to maintain liquidity and profitability. The uncertainty of the effect of trade conflicts will affect the export trade and thus the Group's Plastic Trading segment's customers in the Mainland and Hong Kong. Although the short-term market conditions are less favourable to trading and construction businesses, the Board is cautiously optimistic on the Group's business development in the year with the effort of the management teams of each segment and the level of contracts awarded.

APPRECIATION

I would like to thank my fellow directors for their advice and continued support and staff of all levels for their hard working and contribution for the success during the period under review.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2018.

Compliance with the Corporate Governance Code

In the opinion of the directors, the Company has complied with all relevant code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2018, except A.4.1, A.4.2, A.5.1 to A.5.4 and A.6.7, which are explained below.

1. Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election and that code provision A.4.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

   The existing non-executive directors of the Company do not have a specific term of appointment but are subject to retirement by rotation and re-election at the Company's annual general meeting under the Bye-laws of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

   According to the provisions of the Company's Bye-laws, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation save that the Chairman and/or the Managing Director of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year.

   Dr. James Sai-Wing Wong, the beneficial owner of Chinney Investments, Enhancement Investments Limited and Chinney Capital Limited, which collectively hold approximately 73.43% interest in the Company, is the Chairman of the Board to safeguard their investments in the Company. In addition, the Board considers that the continuity of the office of the Chairman and Managing Director provide the Group with a strong and consistent leadership for the smooth operation of the businesses of the Group. As a result, the Board concurred that the Chairman and the Managing Director need not be subject to retirement by rotation.

2. Code provisions A.5.1 to A.5.4 of the CG Code in respect of the establishment, terms of reference and resources of a nomination committee. The Company has not established a nomination committee. The Board is responsible for considering the suitability of a candidate to act as a director, and collectively approving and terminating the appointment of a director as this allows a more informed and balanced decision to be made. The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to the Board for consideration and the Board will determine the suitability of the relevant candidates on the basis of their gender, age, professional qualifications and experience as well as educational background.

3. Code provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Chi-Chiu Wu being independent non-executive director, did not attend the annual general meeting of the Company held on 1 June 2018 due to engagement in his own business.

Audit Committee

Regular meetings have been held by the audit committee of the Company (the "Audit Committee") since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 June 2018 has not been audited, but has been reviewed by the Audit Committee.

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 June 2018.

By Order of the Board
James Sai-Wing Wong
Chairman

Hong Kong, 28 August 2018

At the date of this announcement, the Board comprises of eight directors, of which four are executive directors, namely Dr. James Sai-Wing Wong, Mr. Yuen-Keung Chan, Mr. James Sing-Wai Wong and Mr. Philip Bing-Lun Lam; and one is non-executive director, namely Ms. Wendy Kim-See Gan; and three are independent non-executive directors, namely Mr. Yuen-Tin Ng, Mr. Chi-Chiu Wu and Mr. Ronald James Blake.

* *For identification purpose only*