CHINA ELECTRONICS HUADA TECHNOLOGY COMPANY LIMITED
中國電子華大科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00085)

2018 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "Board") of China Electronics Huada Technology Company Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Unaudited Six months ended 30 June	
		2018	2017
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**981,034**	688,074
Cost of sales		**(662,451)**	(432,375)
Gross profit		**318,583**	255,699
Other income	*4*	**19,709**	117,775
Selling and marketing costs		**(50,616)**	(43,795)
Administrative expenses		**(170,567)**	(150,651)
Operating profit		**117,109**	179,028
Finance income	*5*	**2,874**	5,601
Finance costs	*5*	**(48,919)**	(48,925)
Finance costs – net	*5*	**(46,045)**	(43,324)
Share of results of associates		**13,251**	29,142
Share of result of a joint venture		**236**	(1,451)
Profit before taxation	*6*	**84,551**	163,395
Taxation	*7*	**(4,559)**	(19,633)
Profit for the period		**79,992**	143,762

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

		Unaudited	
		Six months ended 30 June	
		2018	2017
	Note	***HK$'000***	*HK$'000*
Profit for the period attributable to:			
Owners of the Company		**78,080**	142,957
Non-controlling interests		**1,912**	805
		79,992	143,762
		HK cents	*HK cents*
Basic earnings per share	*9*	**3.85**	7.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
Profit for the period	**79,992**	143,762
Other comprehensive income for the period, net of taxation:		
Items that will not be subsequently reclassified to profit or loss:		
Share of an associate's revaluation gains on properties	**–**	1,147
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**(107,731)**	30,819
Total comprehensive income for the period	**(27,739)**	175,728
Total comprehensive income for the period attributable to:		
Owners of the Company	**(27,366)**	174,517
Non-controlling interests	**(373)**	1,211
	(27,739)	175,728

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 June 2018 (Unaudited)** *HK$'000*	31 December 2017 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**410,314**	420,352
Investment properties		**50,765**	51,202
Land use rights		**11,977**	12,314
Intangible assets		**4,870**	2,869
Investment in associates		**2,631,506**	2,782,326
Investment in a joint venture		**–**	4,106
Deferred tax assets		**44,151**	40,980
		3,153,583	3,314,149
Current assets			
Inventories		**493,518**	406,085
Trade and other receivables	*10*	**999,370**	767,270
Available-for-sale financial assets		**–**	202,485
Financial assets at fair value through profit or loss		**180,521**	–
Short-term deposits		**–**	11,000
Cash and cash equivalents		**299,367**	373,831
		1,972,776	1,760,671
Asset held for sale		**4,116**	–
		1,976,892	1,760,671
Total assets		**5,130,475**	5,074,820

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	Note	**30 June 2018 (Unaudited) *HK$'000***	31 December 2017 (Audited) *HK$'000*
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital and premium		**825,454**	825,454
Reserves		**(657,258)**	(551,812)
Retained earnings		**1,769,064**	1,751,880
		1,937,260	2,025,522
Non-controlling interests		**16,015**	16,388
Total equity		**1,953,275**	2,041,910
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**11,396**	14,126
Current liabilities			
Deferred government grants		**33,574**	31,863
Advances from customers		**5,093**	10,462
Trade and other payables	*11*	**775,784**	634,801
Bank and other borrowings		**2,337,920**	2,314,473
Income tax payable		**13,433**	27,185
		3,165,804	3,018,784
Total liabilities		**3,177,200**	3,032,910
Total equity and liabilities		**5,130,475**	5,074,820

Notes:

1 BASIS OF PREPARATION

(a) Compliance with HKFRS and Listing Rules

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

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, certain financial assets at fair value through profit or loss and available-for-sale financial assets which are carried at fair value.

(b) Going concern

As at 30 June 2018, the Group's current liabilities exceeded its current assets by HK$1,188,912,000 primarily due to the fact that the Group has liabilities under short-term bank and other borrowings (the "Short-term Borrowings") of HK$2,337,920,000.

The Board has reviewed the Group's cash flow projections which covers a period of not less than twelve months from 30 June 2018. Given that the Short-term Borrowings of HK$2,242.9 million are guaranteed by China Electronics Corporation Limited, and taking into account the financial resources available to the Group, including the internally generated funds, expected renewal and extension of borrowings upon their maturities and the available committed borrowing facilities, the Board considers that there are sufficient financial resources available to the Group to meet its financial liabilities as and when they fall due in the coming twelve months from 30 June 2018. Accordingly, the Board has prepared the condensed consolidated interim financial statements on a going concern basis.

2 PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the consolidated financial statements of the Group for the year ended 31 December 2017.

(i) In 2018, the Group had adopted the following new and amended standards that are relevant to its operations and effective for the accounting period beginning on 1 January 2018:

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HKAS 40 (amendments)	Transfers of investment property

Save as disclosed below, the application of the above new and amended standards from 1 January 2018 has no material impact on the amounts and/or disclosures reported in this condensed consolidated interim financial statements.

HKFRS 9 "Financial instruments"

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and
- Financial assets at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

From 1 January 2018, the category of loans and receivables, including cash and cash equivalents, short-term deposits, trade receivables, and financial assets included in other receivables, were transferred to debt instruments at amortised cost under HKFRS 9. Available-for-sale financial assets were transferred to financial assets at fair value through profit or loss under HKFRS 9. No revaluation reserve is transferred from other reserves to retained earnings as there is nil revaluation reserve related to available-for-sale financial assets at 31 December 2017. Impairment of trade receivables, other receivables and short-term deposits are recorded based on the expected credit loss model. The Group applies the simplified approach under HKFRS 9 and records lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. The Group applies the general approach under HKFRS 9 to financial assets included in other receivables and short-term deposits.

The comparative information of the condensed consolidated interim financial statements continues to be reported under the accounting policies and disclosure requirements prevailing prior to 1 January 2018, with changes in presentation as explained below.

Consolidated statement of financial position (Extract)	**31 December 2017 (As originally reported)** *HK$'000*	**Effect of adoption of HKFRS 9** *HK$'000*	**1 January 2018 (Restated)** *HK$'000*
Available-for-sale financial assets	202,485	(202,485)	–
Financial assets at fair value through profit or loss	–	202,485	202,485

HKFRS 15 "Revenue from contracts with customers"

From 1 January 2018, revenue of the Group is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The comparative information of the condensed consolidated interim financial statements continues to be reported under the accounting policies and disclosure requirements prevailing prior to 1 January 2018.

Disclosure on revenue recognised from contracts with customers by categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors for the six months ended 30 June 2018 are set out in Note 3 to notes to the condensed consolidated interim financial statements.

(ii) The following new and amended standards that are relevant to the Group have been issued but are not effective for the accounting period beginning on 1 January 2018 and have not been early adopted:

HKFRS 16	Leases (effective from 1 January 2019)
HKFRS 10 and HKAS 28 (amendments)	Sale or contribution of assets between an investor and its associate or joint venture (effective date not yet determined)

Management is currently assessing the impact of the above new and amended standards to the Group's financial position and performance.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
Sale of integrated circuit products	**981,034**	688,074

All the revenue of the Group are from sale of goods, which is recognised when the control of goods is transferred at a point in time.

(b) Operating segments

Management has determined the operating segments based on the reports reviewed by the Board (the chief operating decision maker) that are used to assess performance and allocate resources. The Board assesses the performance of operating segment based on a measure of its operating profit excluding unallocated corporate income and expenses.

The Board considers that the Group's operations are operated and managed as a single segment, accordingly no operating segment information is presented.

Nearly 100% of the Group's revenue is attributable to the market in the PRC and over 90% of the Group's non-current assets are located in the PRC. No geographical information is therefore presented.

4 OTHER INCOME

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
Government grants	**6,733**	11,926
Gain on disposal of a business *(Note (a))*	**–**	102,510
Exchange gains	**4,046**	–
Fair value gains on financial assets at fair value through profit or loss	**2,994**	–
Gain on disposal of financial assets at fair value through profit or loss	**4,587**	–
Interest income on available-for-sale financial assets	**–**	1,230
Rental income	**1,349**	–
Others	**–**	2,109
	19,709	117,775

(a) The Group recognised a gain before taxation of HK$102,510,000 arising from the disposal of its navigation chips business in May 2017.

5 FINANCE COSTS – NET

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
Finance costs		
– Interest expense on borrowings	**48,919**	48,925
Finance income		
– Interest income on cash and cash equivalents	**(2,874)**	(5,601)
Finance costs – net	**46,045**	43,324

6 PROFIT BEFORE TAXATION

The Group's profit before taxation has been arrived at after charging/(crediting) the following:

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**12,015**	12,761
Amortisation of intangible assets	**3,542**	10,203
Provision for inventories	**14,860**	6,602
Impairment/(reversal of impairment) provision for trade receivables	**1,634**	(3,524)
Operating lease expenses on properties	**6,228**	7,017

Research and development costs for the six months ended 30 June 2018 were HK$108,762,000 (2017: HK$101,886,000), and mainly comprised of employee costs of HK$59,231,000 (2017: HK$54,504,000) and material costs of HK$18,111,000 (2017: HK$10,750,000). No research and development costs were capitalised during the six months ended 30 June 2018 (2017: nil). For the six months ended 30 June 2018, provision for inventories of HK$14,860,000 (2017: HK$6,602,000) has been charged to cost of sales.

7 TAXATION

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
Current taxation		
– PRC corporate income tax	**10,115**	15,605
– Withholding tax on distributed profits *(Note (c))*	**(5,276)**	219
	4,839	15,824
Deferred taxation		
– PRC corporate income tax	**(4,005)**	1,988
– Withholding tax on undistributed profits *(Note (c))*	**3,725**	1,821
	(280)	3,809
	4,559	19,633

(a) No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profit in Hong Kong for the six months ended 30 June 2018 (2017: nil).

(b) In accordance with the corporate income tax laws of the PRC, the applicable statutory tax rate of CEC Huada Electronic Design Co., Ltd ("Huada Electronics") and Shanghai Huahong Integrated Circuit Co., Ltd ("Huahong") is 25%. However, Huada Electronics qualifies as an "Integrated Circuit Design Enterprises in National Planning Layout" and Huahong qualifies as a "High and New Technology Enterprise" and thus enjoys a 10% and a 15% preferential tax rate, respectively.

(c) According to the relevant regulations of the corporate income tax laws of the PRC, when a foreign investment enterprise distributed dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, such dividends are subject to withholding tax at a rate of 10%.

8 DIVIDEND

The Board has resolved not to declare any dividend for the six months ended 30 June 2018 (2017: nil).

9 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Unaudited Six months ended 30 June	
	2018	2017
Profit for the period attributable to owners of the Company (HK$'000)	**78,080**	142,957
Weighted average number of ordinary shares for the purposes of basic earnings per share	**2,029,872,000**	2,029,872,000
Basic earnings per share (HK cents)	**3.85**	7.04

No diluted earnings per share is presented as the Company did not have any potential ordinary shares outstanding.

10 TRADE AND OTHER RECEIVABLES

The majority of the Group's sales are with credit terms of 30 days to 135 days. The remaining amounts are due immediately after the delivery of goods. The ageing analysis of the Group's trade receivables (net of provision for impairment) is as follows:

	30 June 2018 (Unaudited) ***HK\$'000***	31 December 2017 (Audited) *HK\$'000*
Current to 30 days	**178,950**	208,398
31-60 days	**136,209**	62,798
61-180 days	**434,895**	256,138
Over 180 days and within 1 year	**102,626**	106,934
Over 1 year	**37,852**	93,407
	890,532	727,675

11 TRADE AND OTHER PAYABLES

The ageing analysis of the Group's trade payables is as follows:

	30 June 2018 (Unaudited) ***HK\$'000***	31 December 2017 (Audited) *HK\$'000*
Current to 30 days	**192,204**	205,936
31-60 days	**132,815**	90,051
Over 60 days	**170,767**	119,751
	495,786	415,738

BUSINESS REVIEW

Results overview

Revenue of the Group for the six months ended 30 June 2018 amounted to HK$981.0 million, representing an increase of 42.6% when comparing with the corresponding period of last year. Profit attributable to owners of the Company amounted to HK$78.1 million, representing a decrease of 45.4% when comparing with the corresponding period of last year. The decrease in profit was primarily attributable to the recognition by the Group of a one-off gain before taxation of HK$102.5 million arising from the disposal of its navigation chips business for the six months ended 30 June 2017. The basic earnings per share was HK3.85 cents (2017: HK7.04 cents).

Integrated circuits design operation

The Group's integrated circuits design operation comprises the design of security smart card chips and the development of application system. Currently, the Group's products are mainly used in sectors such as identity authentication, financial payment, government utilities, telecommunication and mobile payment. For the six months ended 30 June 2018, the Group has obtained 27 new patents, registered 4 new software copyrights and 4 new integrated circuits layout designs.

During the first half of 2018, driven by the policy on the issuance of state cryptographic algorithm powered bank cards, and benefited from the positive impacts resulted from centralised issuance of bank cards by state-owned banks, the market demand for domestic financial payment chips grew continuously, and coupled with the Group's successful participation in bank card projects of various major domestic banks, both market share and sales volume of the financial payment chips of the Group increased significantly when comparing with the corresponding period of last year. Meanwhile, as a result of the acceleration of issuance of the second-generation social security cards due to the commencement of the replacement process for the domestic social security cards, as well as the supply of the third-generation social security cards in the first tranche pilot cities which began during the first half of 2018, sales volume of the social security card chips increased significantly when comparing with the corresponding period of last year. Sales volume of other major products, such as identity authentication and telecommunication and mobile payment smart card chips remained stable when comparing with the corresponding period of last year. For the six months ended 30 June 2018, overall sales volume of the Group increased by 10.7% when comparing with the corresponding period of last year. Since the types of smart card chips that recorded growth in sales volume for the first half of 2018 were mainly financial payment and social security products with unit price higher than the average selling price, revenue of the Group for the six months ended 30 June 2018 increased by 42.6% to HK$981.0 million.

For the six months ended 30 June 2018, the overall gross profit margin was 32.5%, representing a drop of 4.7 percentage points from 37.2% of the corresponding period of last year. The decrease was mainly attributable to the intensified competition in the market of financial payment chips and telecommunication and mobile payment chips in 2018, which resulted in the decrease of selling price of these products when comparing with the corresponding period of last year. Nevertheless, through successfully conducting the research of, applying and promoting different types of assembling materials, the Group has not only relieved the problem of shortage of raw material, but also controlled and reduced cost to a certain extent, and partly offset the negative impact of the abovementioned factor on the overall gross profit margin of the period.

Selling and marketing costs for the six months ended 30 June 2018 amounted to HK$50.6 million (2017: HK$43.8 million). The percentage of selling and marketing costs to revenue decreased to 5.2% from 6.4% of the corresponding period of last year. The decrease was mainly attributable to the continuous implementation by the Group of stringent cost control measures during the period.

Administrative expenses for the six months ended 30 June 2018 amounted to HK$170.6 million, representing an increase of 13.2% when comparing with the corresponding period of last year, which was primarily due to the increase in research and development costs during the period. The percentage of administrative expenses to revenue decreased to 17.4% from 21.9% of the corresponding period of last year.

Research and development costs for the six months ended 30 June 2018 was HK$108.8 million (2017: HK$101.9 million), which represented 11.1% of the revenue for the six months ended 30 June 2018 (2017: 14.8%). Research and development during the period primarily focused on the continuous improvements in product functions and performance, advanced research of new process, enhancement of product security technology, research in application of security chips in the Internet of Things sector and the development of application systems and solutions.

Other income

Government grants recognised as income decreased by 43.5% to HK$6.7 million for the six months ended 30 June 2018 resulted from less government subsidies for research and development costs incurred in the period.

Share of result of an associate

China Electronics Optics Valley Union Holding Company Limited ("CEOVU"), the Group's associate listed on The Stock Exchange of Hong Kong Limited, is principally engaged in the business of development and operation of large-scale business parks in the PRC. Since a number of the projects were still in the development stage in the first half of 2018, the Group's share of result from CEOVU for the six months ended 30 June 2018 decreased by 55.0% to HK$13.0 million.

OUTLOOK

Looking forward, benefited from rapid promotion of the domestic smart card chips and the gradual increase of competitiveness of domestic smart card chip products, the domestic financial payment chips market will retain a relatively large market capacity, while the trial and promotion of the third-generation social security cards will enter the scale application stage and facing intensified competition across the domestic and overseas integrated circuits industry, the Group will closely track the domestic market demands, seize the opportunity of the financial payment chips and the third-generation social security card chips market, actively explore potential customers in industries and enterprises, strengthen the construction of sales channels and expand its scale of sales. In addition, the Group will step up its efforts in developing new business layouts that could drive its future revenue growth, strive to provide diversified and high-quality products that meet the demands of customers and markets.

On the other hand, based on its independently developed security technology, smart card chips design technology and application technology accumulated over the years, the Group will adopt a market-orientated approach to strengthen its research in areas such as Internet of Things system technology, security technology, smart card chips technology, and production process technology, and take forward the development of products such as Internet of Things security chips and system solution, and internet of Things secure operation and maintenance platforms, as well as the application in industries such as smart cities, smart manufacturing, smart transportation, smart home, and automotive electronics in a progressive manner, and continuously enhance its core competitiveness in the Internet of Things industry and market. In addition, the Group will also actively strengthen its strategic co-operation with foundry manufacturers and optimise the processing flows of its supply chain, and continue to research and promote personalised assembling product solution, to ensure its production capacity and lower its production cost, and strive to become a world leading supplier of smart cards and security chips for Internet of Things.

DIVIDEND

The Board has resolved not to declare any dividend for the six months ended 30 June 2018 (2017: nil).

FINANCIAL REVIEW

The Group generally finances its working capital and funding requirements through internal resources, and bank and other borrowings. At 30 June 2018, the Group had cash and cash equivalents amounted to HK$299.4 million, of which 98.0% was denominated in Renminbi, 1.5% in United States dollars and 0.5% in Hong Kong dollars (31 December 2017: HK$373.8 million, of which 96.8% was denominated in Renminbi, 2.3% in United States dollars and 0.9% in Hong Kong dollars).

At 30 June 2018, the Group had bank and other borrowings of HK$2,337.9 million, all were denominated in Renminbi (31 December 2017: HK$2,314.5 million, of which 95.6% were denominated in Renminbi and 4.4% in Hong Kong dollars). Among these borrowings, (i) HK$23.7 million were secured by deposits of the Group and HK$2,314.2 million were unsecured (31 December 2017: all were unsecured), and (ii) all were borrowed at fixed interest rates (31 December 2017: HK$2,214.5 million and HK$100 million were borrowed at fixed and variable interest rates respectively). At 30 June 2018, committed borrowing facilities available to the Group but not drawn amounted to HK$1,054.3 million.

At 30 June 2018, certain assets of the Group with an aggregate carrying value of HK$24.3 million were pledged as collateral for borrowings of the Group (31 December 2017: the Group did not pledge any assets as collateral for its borrowings).

The Group's revenue are mainly denominated in Renminbi and payments are denominated in Renminbi and Hong Kong dollars. The Group will make use of hedging contracts, when appropriate, to hedge the risk of foreign exchange fluctuation arising from its operations.

At 30 June 2018, the Group had net current liabilities of HK$1,188.9 million (31 December 2017: HK$1,258.1 million). The gearing ratio, which is calculated as net debt divided by total equity and net debt of the Group, was 51.1% (31 December 2017: 48.7%).

At 30 June 2018, the Group did not have any material capital commitment (31 December 2017: nil) for the acquisition of fixed assets and intangible assets. The Group did not have any material contingent liability at 30 June 2018 (31 December 2017: nil).

EMPLOYEE AND REMUNERATION POLICIES

At 30 June 2018, the Group had approximately 360 employees, the majority of whom were based in the PRC. Employee benefit expenses during the period were HK$107.4 million.

The Group recognises the importance of high calibre and competent staff and has a strict recruitment policy and performance appraisal scheme. Remuneration policies are largely in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. Bonuses and other merit payments are linked with the performance of the Group and of the individuals as incentive to optimise performance.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares and the Company had not redeemed any of its shares during the six months ended 30 June 2018.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving the best corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company is dedicated to exercise corporate governance through regular reviews of its adopted practices with reference to the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. The Company has complied with all the applicable code provisions in the CG Code throughout the six months ended 30 June 2018.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018.

PUBLICATION OF INTERIM REPORT

The 2018 interim report will be published on the website of the Company (www.cecht.com.cn) and on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) in due course.

By Order of the Board
China Electronics Huada Technology Company Limited
Dong Haoran
Chairman

Hong Kong, 30 August 2018

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Mr. Dong Haoran (Chairman) and Ms. Liu Jinmei, two Executive Directors, namely Mr. Jiang Juncheng (Deputy Chairman) and Mr. Liu Hongzhou (Managing Director), and three Independent Non-executive Directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Chow Chan Lum.