MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2010

AUDITED RESULTS

The board of directors (the "Directors") of Magician Industries (Holdings) Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2010 with comparative figures of the previous corresponding year are as follows:

Consolidated Statement of Comprehensive Income
Year ended 31 March 2010

	Note	**2010** **HK$'000**	2009 *HK$'000*
Turnover		**287,224**	251,605
Cost of sales		**(223,724)**	(203,618)
Gross profit		**63,500**	47,987
Other revenue		**1,785**	1,990
Other income	4	**2,782**	6,580
Selling and distribution expenses		**(11,398)**	(10,424)
Administrative and other operating expenses		**(39,976)**	(44,401)
Finance costs	5	**(8,215)**	(12,593)
Profit (Loss) before taxation	5	**8,478**	(10,861)
Income tax credit	6	**188**	–
Profit (Loss) for the year		**8,666**	(10,861)
Other comprehensive income for the year		**–**	–
Total comprehensive income (loss) for the year attributable to equity holders of the Company		**8,666**	(10,861)
Earnings (Loss) per share			
Basic and diluted	7	**HK0.56 cent**	HK(0.77) cent

* *For identification purpose only*

Consolidated Statement of Financial Position
At 31 March 2010

	Note	**2010** *HK$'000*	2009 *HK$'000*
Non-current assets			
Property, plant and equipment		**232,213**	237,719
Current assets			
Inventories		**39,866**	18,233
Trade and bills receivables	8	**56,668**	25,557
Prepayments, deposits and other receivables		**6,921**	3,724
Due from a director		**–**	170
Bank balances and cash		**12,412**	11,168
		115,867	58,852
Current liabilities			
Trade and other payables	9	**101,841**	84,436
Advance from related companies		**6,818**	3,409
Loan from a related company		**6,355**	6,396
Loans from a shareholder		**14,000**	6,000
Short-term bank borrowings		**38,513**	5,568
Current portion of long-term bank borrowing		**102,273**	17,045
Current portion of obligations under finance leases		**34**	1,830
		269,834	124,684
Net current liabilities		**(153,967)**	(65,832)
Total assets less current liabilities		**78,246**	171,887
Non-current liabilities			
Obligations under finance leases		**106**	140
Long-term bank borrowing		**–**	102,273
		106	102,413
NET ASSETS		**78,140**	69,474
Capital and reserves			
Share capital		**15,395**	15,395
Reserves		**62,745**	54,079
TOTAL EQUITY		**78,140**	69,474

Notes:

1. **PRINCIPAL ACCOUNTING POLICIES**

Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2009 financial statements except for the adoption of the following new / revised HKFRS effective from the current year that are relevant to the Group.

A summary of the principal accounting policies adopted by the Group is set out below.

Adoption of new/revised HKFRS

HKAS 1 (Revised): Presentation of Financial Statements

HKAS 1 (Revised) requires transactions with owners to be presented separately from all other income and expenses in a revised statement of changes in equity. The revised Standard however allows non-owner changes in equity to be shown in a single statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). The Group has elected to prepare one statement. In addition, the revised Standard requires that when comparative information is restated or reclassified, a statement of financial position as at the beginning of the comparative period, in addition to the statements of financial position as at the end of the current period and the comparative period, should be presented. Since the Company and the Group did not restate comparative information during the year, this new requirement has no impact on the financial statements.

HKFRS 8: Operating Segments

The Standard, replacing HKAS 14: Segment Reporting, requires segment information to be reported based on internal information used by management to evaluate the performance of operating segments and allocate resources to those segments. Adoption of this standard did not have any effect on the Group's results of operations or financial position. The Group has determined that it has only one operating segment of manufacturing and trading of household products, which is the same as the business segments previously identified under HKAS 14.

2. BASIS OF PREPARATION

The financial statements have been prepared in conformity with the principles applicable to a going concern. The applicability of these principles is dependent upon the continued availability of adequate finance in view of the excess of current liabilities over current assets as at 31 March 2010.

In preparing the financial statements for the year ended 31 March 2010, the directors adopted a going concern basis as the following actions and measures have been taken by the Group to improve the financial position and performance of the Group:

i) The Group has adopted measures to improve its liquidity, including obtaining continuing support from its banks and shareholders.

- In April 2010, the bank renewed the term loan facilities to a 3-year term loan facility in the amount of RMB135,000,000 which was interest bearing at 107% of the base lending rate published by the People's Bank of China and repayable in various quarterly installments up to April 2013. In addition, the Group's trade finance facility of RMB31,000,000 was renewed. These banking facilities provided long-term and short-term fundings to the Group and improved its liquidity position.

- In April 2010, the Company completed the issuance of 937,500,000 shares to Big-Max Manufacturing Co., Limited ("Big-Max") at a subscription price of HK$0.16 each for a total consideration of HK$150,000,000 in cash. The issuance of share capital has strengthened the cash and liquidity position of the Group.

- The Group had agreed with a related company and a shareholder to extend the maturity dates of their loans of US$820,000 (equivalent to HK$6,355,000) and HK$14,000,000 to August 2010.

- Inventories are regularly reviewed and any excessive inventories would be sold and idle assets would be disposed of.

ii) From time to time, the Group negotiates with their suppliers for more favourable credit terms. Meanwhile, credits period granted to customers is reviewed in order to determine if any revision is needed.

iii) Credit limits of export credit insurance had been granted by China Export & Credit Insurance Corporation in April 2010 for facilitating a trade finance facilities of RMB31,000,000 from a PRC bank in April 2010.

iv) The Group improved the productivity through the replacement of machineries in new models. The Group further acquired five sets of plastic injection machines during the year to replace certain machines with low productivity.

v) Since the change of management in March 2006, the Group has committed substantial efforts in improving production efficiency, cost effectiveness and sales impetus. The results of all these efforts had been gradually materialised and evidenced in various forms such as new customers signed, cost reductions in both direct input and overheads, improved gross margins and sales turnover.

vi) The Group would continue its current successful strategies, especially focusing on higher-margin business opportunities and creditworthy customers so as to boost up the quality and return of sales. With the continuous improvement in organisation, controls and productivity, any substantial sales increment could be comfortably accommodated without further substantial capital investment.

3. SEGMENT INFORMATION

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has only one operating segment of manufacturing and trading of household products.

The Group's operations are principally located in Hong Kong and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Group			
	Revenue		**Non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States of America	**231,035**	187,377	**–**	–
Canada	**6,671**	6,519	**–**	–
Hong Kong	**20,468**	28,212	**551**	621
PRC	**318**	245	**231,662**	237,098
Europe	**8,256**	9,494	**–**	–
Others	**20,476**	19,758	**–**	–
	287,224	251,605	**232,213**	237,719

For the year ended 31 March 2010, there was one (2009: one) customer which accounted for over 10% of total revenue of the Group with revenue of HK$207,278,000 (2009: HK$159,719,000).

4. OTHER INCOME

	Group	
	2010	2009
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**2,379**	831
Reversal of impairment loss on property, plant and equipment, net	**–**	4,814
Write-back of allowance for bad and doubtful debts	**–**	935
Write-back of other payables	**403**	–
	2,782	6,580

5. PROFIT (LOSS) BEFORE TAXATION

	Group	
	2010	2009
	HK$'000	*HK$'000*
This is stated after charging:		
Finance costs		
Amortised costs on zero-coupon convertible bonds	**–**	1,311
Interest on bank borrowings wholly repayable within five years	**6,939**	9,969
Interest on loans from a shareholder wholly repayable within five years	**603**	503
Interest on loans from related companies wholly repayable within five years	**548**	447
Finance charges on obligations under finance leases	**85**	363
Other interest expenses	**40**	–
	8,215	12,593
Other items		
Staff costs (excluding directors' emoluments):		
Wages and salaries	**46,958**	40,501
Termination benefits	**182**	1,017
Contributions to retirement schemes	**1,080**	1,159
	48,220	42,677
Auditor's remuneration	**550**	550
Allowance for inventory obsolescence	**456**	477
Cost of inventories	**223,724**	203,618
Depreciation of property, plant and equipment	**13,397**	15,188
Exchange losses, net	**444**	4,521
Impairment loss of property, plant and equipment	**5,173**	-
Operating lease charges on premises	**997**	972

6. TAXATION

Hong Kong Profits Tax has not been provided for the year as the Group incurred a loss for taxation purposes for the year.

PRC enterprise income tax has not been provided as the PRC subsidiaries' estimated assessable profit for the year are wholly absorbed by unrelieved tax losses brought forward from previous years.

	Group	
	2010	2009
	HK$'000	*HK$'000*
PRC Enterprise Income Tax		
Overprovision in prior years	**188**	–

Reconciliation of effective tax rate

	Group	
	2010	2009
	%	*%*
Applicable tax rate	**17**	(17)
Non-deductible expenses	**9**	10
Unrecognised temporary differences	**9**	1
Unrecognised tax losses	**35**	20
Utilisation of previously unrecognised tax loss	**(73)**	–
Recognition of previously unrecognised deferred tax assets	**(10)**	(15)
Differences in overseas tax rates	**13**	1
Overprovision in prior years	**(2)**	–
Effective tax rate for the year	**(2)**	–

The applicable tax rate is the Hong Kong Profits Tax rate of 16.5% (2009: 16.5%).

7. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the net profit for the year of HK$8,666,000 (2009: net loss of HK$10,861,000) and on the weighted average number of 1,539,464,000 (2009:1,410,323,000) shares in issue during the year.

The Company had no dilutive potential ordinary shares for 2010 and 2009. Accordingly, the diluted earnings per share (2009: diluted loss per share) was same as the basic earnings (loss) per share.

8. TRADE AND BILLS RECEIVABLES

		Group	
		2010	2009
	Note	***HK$'000***	*HK$'000*
Trade and bills receivables from third parties		**96,702**	67,485
Allowance for bad and doubtful debts	(i)	**(40,034)**	(41,928)
		56,668	25,557

In general, the Group allows a credit period of 30 to 60 days to its trade customers. Included in the Group's trade receivables balance are debtors with a carrying amount of HK$8,298,000 (2009: HK$5,062,000), which were past due at the end of the reporting period but not impaired as there has not been a significant change in credit quality and were subsequently settled. These relate to a wide range of customers for whom there is no recent history of default.

At the end of the reporting period, the ageing analysis of the trade and bills receivables (net of allowance for bad and doubtful debts) by overdue date is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Current	**48,370**	20,495
Less than 1 month past due	**8,173**	4,717
1 month to 2 months past due	**4**	24
Over 2 months past due	**121**	321
	8,298	5,062
	56,668	25,557

Note:

(i) Allowance for bad and doubtful debts

As at 31 March 2010, trade receivables of HK$40,034,000 (2009: HK$41,928,000) were impaired. The individual impaired receivables mainly related to unsuccessful collection of receivables from the customers of the Group's sales division in the PRC, which were impaired in 2005 and were not expected to be recovered.

Movements on the provision for impairment of trade receivables are as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
At beginning of year	**(41,928)**	(41,401)
Amounts provided	**–**	(500)
Amount written-off	**1,894**	857
Amount recovered	**–**	30
Exchange difference	**–**	(914)
At end of year	**(40,034)**	(41,928)

The creation and release of provision for impaired receivables have been included in "administrative and other operating expenses" and "other income" respectively in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

9. TRADE AND OTHER PAYABLES

	Group	
	2010	2009
	HK$'000	*HK$'000*
Trade payables		
To a related company	**10,404**	1,073
To third parties	**47,655**	37,465
	58,059	38,538
Other payables and accruals	**43,782**	45,898
	101,841	84,436

An ageing analysis of the Group's trade payables by invoice date is set out below:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Less than 3 months	**36,171**	15,157
3 months to 6 months	**10,918**	7,468
6 months to 1 year	**1,788**	10,712
More than 1 year	**9,182**	5,201
	58,059	38,538

The trade payable to a related company is unsecured, interest-free and has no fixed repayment term. The Company's director Mr. Li Li Xin has beneficial interest in the related company as at 31 March 2010 and 2009.

Included in the other payables and accruals is an advance from a third party of approximately HK$9,700,000 (2009: HK$9,700,000) which is unsecured, interest-free and has no fixed repayment term.

SUMMARY OF THE INDEPENDENT AUDITOR'S REPORT

A summary of the independent auditor's report to the Shareholders is set out below:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 March 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Without qualifying our opinion, we draw attention to note 2 to the financial statements which explains the measures that the directors are currently undertaking and intend to take to generate sufficient liquid funds to finance its operations and, accordingly, that it is appropriate to prepare the financial statements on a going concern basis. At the end of the reporting period, the Group had net current liabilities of HK$153,967,000. The validity of the going concern basis depends on the Group's future profitable operation or the successful and effectiveness of the measures as detailed in note 2 to the financial statements. The financial statements do not include any adjustments that would result from a failure of these measures to accomplish successful outcome. We consider that appropriate disclosures have been made in this respect.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

General Information

For the year ended 31 March 2010, the Group recorded a turnover of HK$287.2 million, representing an increase of 14.1% compared to HK$251.6 million recorded last year. Profit for the year attributable to equity holders of the Company was HK$8.7 million, compared to a loss of HK$10.9 million for last year. The Group's basic earnings per share was HK0.56 cent.

There was neither acquisition nor disposal of principal subsidiaries or associated companies during the year. However, an acquisition of the business of a substantial shareholder of the Company, as announced on 2 November 2009, had been completed on 30 April 2010.

Liquidity and Financial Resources

As at 31 March 2010, the Group's net assets increased to HK$78.1 million, representing net asset value per share at HK5.08 cents. The Group's total assets as at that date were valued at HK$348.1 million, including cash and bank deposits totaling approximately HK$12.4 million. Consolidated borrowings amounted to HK$168 million. Its debt-to-equity ratio has been increased from 205.3% as at 31 March 2009 to 215.1% as at 31 March 2010.

Capital Structure

As at 31 March 2010, the Group's major borrowings included a three-year term loan provided by a PRC bank which had an outstanding balance of approximately HK$102.3 million, other bank borrowings of HK$38.5 million and advance and borrowings from a shareholder and related companies totaling approximately HK$27.2 million.

All of the Group's borrowings have been denominated in Hong Kong dollar, U.S. dollar and PRC Renminbi made on a floating-rate or fixed rate basis. The finance costs for the year under review decreased to approximately HK$8.2 million as compared to HK$12.6 million for the previous year.

Charges on Group Assets

Certain assets of the Group having a carrying value of approximately HK$164.9 million as at 31 March 2010 (2009: HK$168.2 million) were pledged to secure bank facilities for the Group.

Capital Expenditure and Commitments

The Group will continue to allocate a reasonable amount of resources to acquisition and improvement of capital assets such as moulds and new machines to maintain efficiency and to meet production and market demands. Sources of funding are expected to come primarily from trading revenue that the Group will generate and alternative debt and equity financing.

Exposure on Foreign-Exchange Fluctuations

The Group's monetary assets and liabilities were principally denominated in Hong Kong dollar, PRC Renminbi and U.S. dollar. As far as the Hong Kong dollar remains pegged to the U.S. dollar and the PRC government takes prudent and gradual measures against the appreciation of Renminbi, the Group's exposure to currency exchange fluctuation risk would be in line with the movement of Renminbi. The Group would monitor the Renminbi currency fluctuation and adopt appropriate measures if the need arises. Given that Renminbi is not an international currency, there is no effective method to hedge the relevant risk for the size and cashflow pattern of the Group. However, as substantial proportion of our raw materials procurement have been settled in U.S. dollar and Hong Kong dollar, and most of the Group's customers accepted the passing-on of the rising costs, to various extents, due to the appreciation of Renminbi, the effect arising from the relevant risk could be reduced significantly.

Segment Information

North America remained the Group's primary market, which accounted for 82.8% of total sales. The remaining comprised of sales to Europe 2.9%, Hong Kong 7.1%, PRC 0.1% and others 7.1%.

Contingent Liabilities

As at the date of this announcement and as at 31 March 2010, the directors are not aware of any material contingent liabilities.

Employee Information

As at 31 March 2010, the Group employed a workforce of 1,334 employees (2009: 1,022) in its various offices and factories located in Hong Kong and the PRC. Competitive remuneration packages were provided and commensurate with individual responsibilities, qualifications, experience and performance. The Group provided management skills workshops, practical seminars for knowledge update, on-the-job training and safety training programs to its employees.

There was a share option scheme in force but no share option was granted during the year under review. No bonus has been paid other than sums, each equivalent to one additional month's salary, paid to individual staff members in Hong Kong in December 2009 as part of agreed salary package, which applied to most of the employees in local market. A small amount of bonus has been paid to management staff in the factory in Shenzhen.

Staff costs including directors' emolument during the year amounted to HK$48.6 million (2009: HK$43.2 million), which represents an increase of 12.5%.

REVIEW OF OPERATIONS

For the year ended 31 March 2010, the Group recorded a profit for the year of HK$8.7 million. The generation of the profit was mainly caused by the rise in turnover and successful cost management, which resulted in the increase of gross profit margin. The drop in the finance costs also contributed to the improved profitability of the business.

During the year under review, the Group continued to experience severe challenges. The economic downturn resulting from the global financial crisis, which erupted in late 2008, exerted great pressure on the Group's performance in terms of demands in both North America and European markets. The Group responded by continuing its strategies of focusing on profitability and of product portfolio realignment that led to aggressive sales effort in better margin products and stepping-up of efforts in development of new products.

International sales for the year ended 31 March 2010 grew to HK$266.4 million as compared with HK$223.1 million in the prior year. For the year under review, sales in the US market increased by 23.3% to HK$231.0 million when compared to HK$187.4 million for last year. Sales in the Canadian market increased by 3.1% to HK$6.7 million from the HK$6.5 million recorded in last year. The sales performance of the European market dropped to HK$8.3 million, compared to HK$9.5 million in the previous year. Sustained high crude oil prices had a negative impact on the demand for household products in these markets. To enhance the quality of earnings, the Group focused its efforts in accordance with the strategy of quality sales and customers. In addition, the Group had tried to explore the business opportunities in some emerging markets, such as Middle East and Russia.

On the other hand, the Group had taken effective measures for internal productivity and cost management. Through further re-organisation of units and replacement of aged machineries, the Group had aligned its production resources with the demand, which optimized the resources deployment as well as cost saving in production. In order to increase the operating effectiveness, the Group enhanced both sales and supply chain management in order to achieve more effective customer services as well as product delivery.

PROSPECTS

The Group had succeeded in adopting a four-pronged strategy, namely product innovation, cost management, productivity enhancement and balanced market development and recorded net profit in the year under review. Looking ahead, the Group is facing several major challenges in the industry, namely global economic crisis as well as shareholders' expectation of improved bottom-line. To cope with these changes in the current dynamic environment, the Group will continue to adopt the four-pronged strategy.

As one of the leading household products manufacturers in Asia, Magician has always emphasized on innovation. With our strong innovative capabilities and commitment, the Group firmly believes that we can produce quality products meeting different emerging market needs while commanding better margins and more stable income stream. Moreover, we will diversify new product lines in order to optimize the product cycles and the production capacity planning.

The Group had completed the acquisition of the business of a substantial shareholder of the Company on 30 April 2010, the details of which were announced on 2 November 2009. The acquired group is specialized in the manufacturing and sales of plastic and household products. The acquisition will provide a golden opportunity for the Group to diversify its product lines into more comprehensive range of household products.

With different customer groups and different range of household products between the Group and the acquired group, the enlarged group will be able to enjoy synergies of the larger customer base, increased efficiency on production and enhancement of the brand name of the products.

Cost management is another major means for improving our bottom-line. Apart from rationalising our workforce in terms of establishment, the Group will continue to instill cost efficacy and quality consciousness into all levels of staff through revised work organisation and practice. Meanwhile, the Group will continue to monitor the sustainability of the current operating environment for a profitable operation, and take appropriate corresponding measures. With the gradual implementation of various cost containment measures, we are confident to maintain our production and administrative costs at a competitive level.

Besides, measures will continue to be adopted to enhance productivity. These measures include replacing machines of low efficiency and high maintenance effort, streamlining workflow, revision of work practice and parameters, and exploring opportunities for utlitising the idle capacity.

In order to achieve a covered position to market fluctuation through a balanced approach, the Group will keep on exploring opportunities with our current and potential customers in our current and potential markets for our current and possible product segments.

The effectiveness of these strategies had been recognized by the improved performance of the Group, so we believe these strategies would continue to bear fruit for the Group in the future.

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

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

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management the accounting principles and practice adopted by the Group and discussed internal controls, auditing and financial reporting matters including a review of the audited consolidated financial statements for the year ended 31 March 2010, in conjunction with the Company's external auditors.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

In the opinion of the directors, the Company has compiled with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules issued by the Stock Exchange throughout the year ended 31 March 2010.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2010 have been agreed by the Group's auditor, Mazars CPA Limited ("the Auditor") to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2010. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF THE FURTHER INFORMATION

The 2010 annual report of the Company containing all information required by Appendix 16 to the Listing Rules will be published on both the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By order of the Board
Li Li Xin
Chairman

Hong Kong, 28 June 2010

As at the date of this announcement, the Board comprises Mr Li Li Xin (Chairman) being non-executive director, Mr. Cheng Jian He being executive director, Mr. Xu Jin and Mr Lau Kin Hon being non-executive directors, Mr Chan Man Sum Ivan, Mr He Chengying and Mr Cheung Kiu Cho Vincent being independent non-executive directors.