

# LARRY JEWELRY

INTERNATIONAL COMPANY LIMITED

Incorporated in Bermuda with limited liability Stock Code: 8351

# 2016

THIRD QUARTERLY REPORT

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Larry Jewelry International Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this report misleading.

The board of Directors (the “Board”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 30 September 2016 together with the unaudited comparative figures for the corresponding periods in 2015, as follows.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 30 September 2016

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Revenue	3	<b>79,593</b>	37,161	<b>152,488</b>	136,159
Cost of sales		<b>(55,455)</b>	(27,911)	<b>(109,244)</b>	(104,918)
Gross profit		<b>24,138</b>	9,250	<b>43,244</b>	31,241
Other income		<b>708</b>	15	<b>1,882</b>	242
Selling and distribution expenses		<b>(19,511)</b>	(12,809)	<b>(39,192)</b>	(38,107)
Administrative and other operating expenses		<b>(23,286)</b>	(8,537)	<b>(35,055)</b>	(24,121)
Finance costs		<b>(591)</b>	–	<b>(591)</b>	–
Loss before income tax	4	<b>(18,542)</b>	(12,081)	<b>(29,712)</b>	(30,745)
Income tax (expense)/credit	5	<b>(508)</b>	8	<b>(365)</b>	326
Loss for the period attributable to owners of the Company		<b>(19,050)</b>	(12,073)	<b>(30,077)</b>	(30,419)
		<b>HK cents</b>	HK cents	<b>HK cents</b>	HK cents
Loss per share attributable to owners of the Company – Basic and diluted	7	<b>1.2</b>	3.2	<b>3.8</b>	8.0

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

For the three months and nine months ended 30 September 2016

	Three months ended 30 September		Nine months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company	(19,050)	(12,073)	(30,077)	(30,419)
Other comprehensive (expense)/income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(1,271)	(5,100)	3,229	(7,104)
Total comprehensive expense for the period attributable to owners of the Company	(20,321)	(17,173)	(26,848)	(37,523)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2016

	Capital							Total
	Share capital	Share premium	Capital contribution reserve	Contribution surplus	Merger reserve	Exchange reserve	Accumulated losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January 2016 (audited)	33,704	599,171	3,988	-	(830)	(14,562)	(324,173)	297,298
Loss for the period	-	-	-	-	-	-	(30,077)	(30,077)
Other comprehensive expense								
- Exchange differences arising on translation of foreign operations	-	-	-	-	-	3,229	-	3,229
Total comprehensive expense for the period	-	-	-	-	-	3,229	(30,077)	(26,848)
Capital reorganisation	(30,334)	(599,171)	-	629,505	-	-	-	-
Issue of new shares upon rights issue	30,334	350,520	-	-	-	-	-	380,854
At 30 September 2016 (unaudited)	33,704	350,520	3,988	629,505	(830)	(11,333)	(354,250)	651,304
Balance as at 1 January 2015 (audited)	33,704	599,171	3,988	-	(830)	(8,197)	(273,723)	354,113
Loss for the period	-	-	-	-	-	-	(30,419)	(30,419)
Other comprehensive income								
- Exchange differences on translation of foreign operations	-	-	-	-	-	(7,104)	-	(7,104)
Total comprehensive expense for the period	-	-	-	-	-	(7,104)	(30,419)	(37,523)
At 30 September 2015 (unaudited)	33,704	599,171	3,988	-	(830)	(15,301)	(304,142)	316,590

## NOTES TO THE FINANCIAL RESULTS:

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability on 11 June 2009. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 13/F., Pacific House, 20 Queen's Road Central, Hong Kong. The Company's shares have been listed on GEM since 7 October 2009.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in (i) design and sale of a broad range of fine jewelry products in Hong Kong and Singapore; and (ii) sourcing, processing, re-packaging and retailing of Chinese pharmaceutical products, dry seafood, health products and foodstuff in Hong Kong, Macau and the Mainland China.

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared under historical cost convention.

The principal accounting policies used in the unaudited condensed consolidated financial statements for the nine months ended 30 September 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the new and revised HKFRSs issued by HKICPA that are adopted for the first time for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

### 3. REVENUE

Revenue, which is also the Group's turnover, represents total invoiced value of goods sold in the course of the Group's principal activities, net of returns and trade discounts. Revenue recognised during the period are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
<b>Revenue</b>				
Sales of jewelry products	44,492	37,161	117,387	136,159
Sales of Chinese Pharmaceutical products	35,101	–	35,101	–
	<b>79,593</b>	37,161	<b>152,488</b>	136,159

### 4. LOSS BEFORE INCOME TAX

	Three months ended 30 September		Nine months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Loss before income tax is arrived at after charging/(crediting):				
Auditors' remuneration	450	251	1,145	581
Cost of inventories recognised as expense	55,455	27,911	109,244	104,918
Depreciation	2,471	1,140	4,164	2,606
Written off/loss on disposals of property, plant and equipment	1	301	1	337
Change in fair value of financial asset at fair value through profit or loss	–	75	–	125
Employee benefit expense	10,702	5,398	22,201	17,757
Exchange loss/(gain), net	112	910	(707)	1,434
Operating lease rentals in respect of rented premises	11,609	9,200	23,983	27,328

## 5. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 30 September		Nine months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Current income tax				
– Hong Kong				
– current period	271	–	271	–
– Singapore				
– over provision in prior period	(2)	–	(223)	–
– The PRC				
– current period	255	–	255	–
Deferred tax	(16)	(8)	62	(326)
	<b>508</b>	<b>(8)</b>	<b>365</b>	<b>(326)</b>

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in Bermuda and the BVI for the three months and nine months ended 30 September 2016 and 2015.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for each of the periods shown above.

Under the Enterprise Income Tax Law (the “EIT Law”) of the PRC and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25% for each of the periods shown above.

## 6. DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 30 September 2016 (nine months ended 30 September 2015: Nil).

## 7. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss attributable to owners of the Company for the three months and nine months ended 30 September 2016 of approximately HK\$19,050,000 (2015: HK\$12,073,000) and HK\$30,077,000 (2015: HK\$30,419,000) and the weighted average number of ordinary shares for the three months and nine months ended 30 September 2016 of 1,633,144,989 and 796,692,209, respectively (three months and nine months ended 30 September 2015: 378,465,819) in issue.

For the three months and nine months ended 30 September 2016 and 2015, basic loss per share is the same as diluted loss per share as there was no dilutive ordinary share.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

The Group's business can be broadly categorised into two main sectors: (i) jewelry and (ii) pharmaceutical.

### **Jewelry**

The jewelry segment focuses on design and sale of jewelry products under the "Larry Jewelry" brand. The Group focuses on the development of products that are unique in design and of superb craftsmanship to meet the needs of individuals who have a discerning taste in jewelries.

The luxury goods market in Hong Kong remained soft in the third quarter of 2016, and the Group recorded a drop in revenue of about 14% for the nine months ended 30 September 2016 as compared to the corresponding period in 2015. According to the statistics released by the Census and Statistics Department of Hong Kong, a persistent decline in the value and volume of retail sales of jewelry, watches, clocks and valuable gifts in Hong Kong was noted during the nine months ended 30 September 2016. Despite the weak sales performance in Hong Kong, the Group managed to achieve a better profit margin in both Hong Kong and Singapore market.

The Group remains cautiously optimistic in the luxury jewelry market in the long-run. The Group will explore opportunities to broaden the geographic base of customers to markets outside Hong Kong and Singapore and increase its visibility across South East Asian countries. The Group also seeks to achieve a diversified customer base through the introduction of new distinctive and unique product designs to more youthful, cosmopolitan audience.

### **Pharmaceutical**

The acquisition of the entire issued share capital in and the shareholder's loan to Tung Fong Hung Investments Limited ("TFH") was completed on 22 August 2016. Since then, TFH became the wholly-owned subsidiary of the Group.

TFH and its subsidiaries are principally engaged in the business of sourcing, processing, re-packaging and retailing of Chinese pharmaceutical products, dry seafood, health products and foodstuff in the brand name of “Tung Fong Hung” (“東方紅”) in Hong Kong, Macau and the mainland China. In Hong Kong, Tung Fong Hung Medicine Company Limited, the retailing arm of TFH, is a licensed manufacturer of nine type of traditional Chinese medicine (“TCM”) under the Chinese Medicine Ordinance. TFH has 16 retail shops in Hong Kong, 4 retail shops in Macau and 43 retail outlets in the mainland China. The head office of TFH is located at Tai Po Industrial Estate in Hong Kong.

TFH’s sales during the post-acquisition period were approximately HK\$35,101,000.

Looking ahead, TFH shall review the sales network and customer focus of TFH and to introduce more locally made products to suit the needs of domestic market through its newly refurbished food and TCM production facilities.

In light of the recent business environment and financial resources on hand, the Group will continue to seek for suitable business opportunities to diversify the Group’s existing business stream to enhance the long-term benefits of the Company and the shareholders of the Company as a whole.

## **FINANCIAL REVIEW**

### **Revenue**

The Group’s revenue for the nine months ended 30 September 2016 was approximately HK\$152,488,000, as compared to approximately HK\$136,159,000 recorded in the corresponding period last year. This represents an increase of about 12.0%, which was mainly attributed to the recognition of TFH post-acquisition revenue of approximately HK\$35,101,000, netted off by approximately HK\$18,772,000 decrease in sales in jewelery as a result of the downturn of the luxury retail market in Hong Kong and the closure of Causeway Bay Larry Jewelry store in August 2015.

## **Gross Profit**

Gross profit for the nine months ended 30 September 2016 was approximately HK\$43,244,000, surged by approximately 38.4% from approximately HK\$31,241,000 in the corresponding period last year. The Group's gross profit margin as reported in the condensed consolidated statement of profit or loss was approximately 28.4% compared to approximately 22.9% for the corresponding period last year.

The improvement in the Group's gross profit margin was primarily attributable to the change in products mix during the nine months ended 30 September 2016.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses for the nine months ended 30 September 2016 increased by about 2.8% to approximately HK\$39,192,000 as compared to approximately HK\$38,107,000 for the corresponding period last year.

## **Administrative and Other Operating Expenses**

The Group's administrative and other operating expenses for the nine months ended 30 September 2016 increased by about 45.3% to approximately HK\$35,055,000 compared to approximately HK\$24,121,000 for the corresponding period last year. The increase in administrative and other operating expenses was mainly due to the one-off increase in the legal and professional fee as a result of acquisition of TFH.

## **Finance Costs**

The Group record finance costs of approximately HK\$591,000 for the nine months ended 30 September 2016 as compared to nil finance cost for the corresponding period last year, which was mainly due to imputed interests on convertible bonds and other borrowing.

## **Loss Attributable to Owners of the Company**

Accordingly, loss attributable to owners of the Company was approximately HK\$30,077,000 for the nine months ended 30 September 2016, as compared to the loss of approximately HK\$30,419,000 for the corresponding period last year.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### Long Positions in shares of the Company

Name of Director	Capacity of interests	Number of issued ordinary shares held	Approximate percentage to total issued shares
Mr. Luk Kee Yan Kelvin	Beneficial owner	528,902,840	15.69%

Save as disclosed above, as at 30 September 2016, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules or to be entered in the register referred to in the SFO.

Save as disclosed above, at no time during the nine months ended 30 September 2016 was the Company, its subsidiaries or its other associated corporations a party to any arrangements to enable the Directors or the chief executive of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporation.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2016, the following persons/corporations (other than the Directors or the chief executive of the Company) had interests or short positions in shares or underlying shares of the Company, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

### Long Positions in shares and underlying shares of the Company

Name of shareholders	Capacity of interests	Number of issued ordinary shares held	Number of underlying shares	Approximate percentage to total issued shares
Ms. Ku Yun-Sen ("Ms. Ku") (Note 1)	Interest of controlled corporation	–	1,000,000,000	29.67%
Violet Profit Holdings Limited ("Violet Profit") (Note 1)	Interest of controlled corporation	–	1,000,000,000	29.67%
Master Journal Limited ("Master Journal") (Note 1)	Beneficial owner	–	1,000,000,000	29.67%
Mr. Wang Yung-Tyng ("Mr. Wang") (Note 2)	Interest of spouse	–	1,000,000,000	29.67%
Fullink Management Limited (Note 3)	Beneficial owner	265,300,000	–	7.87%
Mr. Tsang, Michael Manheem (Note 3)	Interest of controlled corporation	265,300,000	–	7.87%
Diamond Well International Limited (Note 4)	Beneficial owner	172,970,900	–	5.13%
Ms. Zhang Ya Juan (Note 4)	Interest of controlled corporation	172,970,900	–	5.13%

Notes:

1. These interests represented the interests in underlying shares in respect of the convertible bonds issued by the Company to Master Journal pursuant to the S&P Agreement entered into by Fame Treasure Global Limited, a wholly-owned subsidiary of the Company, and Master Journal dated 11 March 2015.

Master Journal is wholly-owned by Violet Profit which is wholly-owned by Ms. Ku. Therefore, under the SFO, Violet Profit are deemed to be interested in all the underlying Shares held by Master Journal and Ms. Ku is deemed to be interested in all the underlying Shares in which Violet Profit had interest or deemed interest.

2. Mr. Wang, being the spouse of Ms. Ku, is deemed to be interested in all the underlying shares that Ms. Ku is interested in. Accordingly, Mr. Wang is deemed to be interested in the 1,000,000,000 Shares held by Master Journal under the SFO.
3. These shares are held by Fullink Management Limited, which is beneficially owned as to 40% by Mr. Tsang, Michael Man-heem.
4. Diamond Well International Limited is wholly and beneficially owned by Ms. Zhang Ya Juan.

Save as disclosed above, as at 30 September 2016, the Company had not been notified by any parties (other than the Directors or the chief executive of the Company) who had interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

## CHANGES IN INFORMATION OF DIRECTORS

The appointment of Directors, change in chairman of the Board (the “Chairman”) and change of composition of board committees took effect from 3 October 2016 and were set out below.

### Appointment of Directors

Mr. Chan Wing Chung and Mr. Wong Kui Shing Danny have been appointed as executive Directors, and Ms. Szeto Wai Ling Virginia has been appointed as a non-executive Director.

### Change in Chairman

Mr. Luk Kee Yan, Kelvin has resigned as the Chairman and Ms. Szeto Wai Ling Virginia has been appointed as the Chairman.

### Change of composition of board committees

- (a) Mr. Luk Kee Yan Kelvin has resigned as a member of each of the nomination committee and remuneration committee of the Company;
- (b) Ms. Ngai Ki Yee May has resigned as a member of the remuneration committee of the Company;
- (c) Mr. Chan Wing Chung has been appointed as a member of each of the nomination committee and remuneration committee of the Company;
- (d) Mr. Wong Kui Shing Danny has been appointed as a member of each of the nomination committee and remuneration committee of the Company; and
- (e) Ms. Szeto Wai Ling Virginia has been appointed as a member of the audit committee of the Company.

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

The Company did not redeem any of its shares listed on GEM, nor did the Company or any of its subsidiaries purchase or sell any of the Company’s listed securities during the nine months ended 30 September 2016.



## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

None of the Directors or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 30 September 2016.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all Directors and all the Directors confirmed that they had complied with the required standard of dealings and its code of conduct regarding securities transactions during the nine months ended 30 September 2016.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules during the nine months ended 30 September 2016.

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the nine months ended 30 September 2016 or at any time during the nine months ended 30 September 2016.



## INTEREST OF THE COMPLIANCE ADVISER

As at 30 September 2016, as confirmed by the Company's compliance adviser, Lego Corporate Finance Limited (the "Compliance Adviser"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 15 January 2016, neither the Compliance Adviser nor its directors, employees or close associates had any material interests in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## AUDIT COMMITTEE

As at the date of this report, the audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors and one non-executive Director, namely Mr. Shum Lok To (chairman of the Audit Committee), Mr. Ong Chi King, Mr. Tso Ping Cheong Brian, and Ms. Szeto Wai Ling Virginia. The unaudited condensed consolidated results of the Group for the nine months ended 30 September 2016 and this report has been reviewed by the Audit Committee.

By order of the Board  
**Larry Jewelry International Company Limited**  
**Szeto Wai Ling Virginia**  
*Chairman*

Hong Kong, 10 November 2016

*As at the date of this report, the Board comprises Mr. Hon Kin Wai, Mr. Luk Kee Yan Kelvin, Mr. Chan Wing Chung and Mr. Wong Kui Shing Danny as executive Directors, Ms. Szeto Wai Ling Virginia and Ms. Ngai Ki Yee May as non-executive Directors, and Mr. Ong Chi King, Mr. Shum Lok To and Mr. Tso Ping Cheong Brian as independent non-executive Directors.*