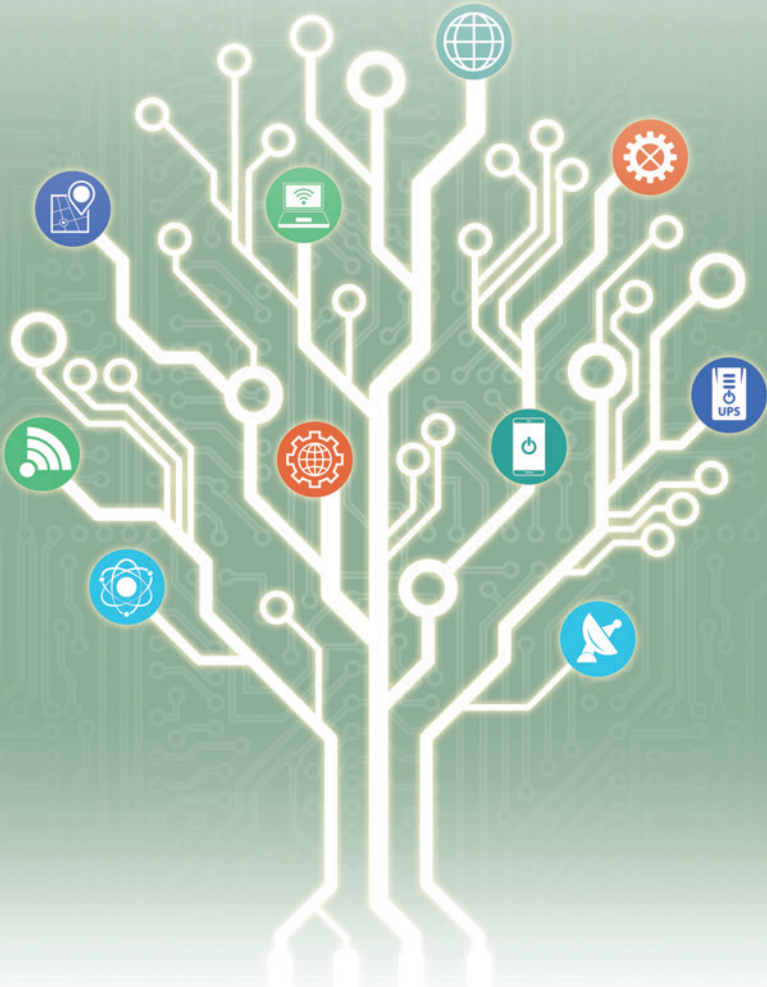




PFC Device Inc.

節能元件有限公司

(incorporated in the Cayman Islands with limited liability)
Stock code : 8231



2020

THIRD QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 PFC Device Inc. (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 and its subsidiaries. The Directors, having made all reasonable enquiries, 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 this report misleading.*

THIRD QUARTERLY RESULTS

The board of Directors (“the Board”) of the Company is pleased to announce the unaudited condensed consolidated third quarterly results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the nine months ended 30 September 2020, together with the unaudited comparative figures for the corresponding period in 2019, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 US\$'000 (unaudited)	2019 US\$'000 (unaudited)	2020 US\$'000 (unaudited)	2019 US\$'000 (unaudited)
Revenue	3	5,905	4,781	15,289	12,825
Cost of sales		(4,519)	(3,967)	(11,538)	(11,065)
Gross profit		1,386	814	3,751	1,760
Other income		145	4	204	7
Selling and distribution expenses		(49)	(32)	(129)	(81)
Administrative expenses		(816)	(839)	(2,566)	(2,647)
Other operating expenses		(48)	(45)	(170)	(153)
Finance costs		(2)	(7)	(7)	(36)
Other (losses)/gains		(171)	8	(144)	40
Profit/(Loss) before income tax	4	445	(97)	939	(1,110)
Income tax (expense)/credit	5	19	17	(84)	(58)
Profit/(Loss) for the period attributable to owners of the Company		464	(80)	855	(1,168)
Other comprehensive income Item that may be reclassified subsequently to profit or loss					
Exchange difference arising from translation of overseas operations		581	(395)	459	(477)
Total comprehensive income for the period attributable to owners of the Company		1,045	(475)	1,314	(1,645)
		US cents	US cents	US cents	US cents
Earnings/(Loss) per share	7				
– Basic		0.029	(0.005)	0.053	(0.072)
– Diluted		0.029	(0.005)	0.053	(0.072)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

	Share capital	Share premium	Share option reserve	Merger reserve	Capital contribution	Translation reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Nine months ended 30 September 2019								
(unaudited)								
At 1 January 2019	2,085	21,067	194	905	1,247	(553)	(2,023)	22,922
Loss for the period	-	-	-	-	-	-	(1,168)	(1,168)
Other comprehensive income for the period								
– Exchange difference arising from translation of overseas operations	-	-	-	-	-	(477)	-	(477)
Total comprehensive income for the period	-	-	-	-	-	(477)	(1,168)	(1,645)
Vested share options forfeited	-	-	(2)	-	-	-	2	-
Transactions with owner:								
Share-based payment expense of options granted by the Company in 2017	-	-	12	-	-	-	-	12
At 30 September 2019	<u>2,085</u>	<u>21,067</u>	<u>204</u>	<u>905</u>	<u>1,247</u>	<u>(1,030)</u>	<u>(3,189)</u>	<u>21,289</u>
Nine months ended 30 September 2020								
(unaudited)								
At 1 January 2020	2,085	21,067	206	905	1,247	(715)	(3,446)	21,349
Profit for the period	-	-	-	-	-	-	855	855
Other comprehensive income for the period								
– Exchange difference arising from translation of overseas operations	-	-	-	-	-	459	-	459
Total comprehensive income for the period	-	-	-	-	-	459	855	1,314
Vested share options forfeited	-	-	(19)	-	-	-	19	-
Transactions with owner:								
Share-based payment expense of options granted by the Company in 2017	-	-	4	-	-	-	-	4
At 30 September 2020	<u>2,085</u>	<u>21,067</u>	<u>191</u>	<u>905</u>	<u>1,247</u>	<u>(256)</u>	<u>(2,572)</u>	<u>22,667</u>

1. GENERAL INFORMATION

PFC Device Inc. (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 7 October 2016.

The address of its registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong.

The Group, comprising the Company and its subsidiaries, is principally engaged in manufacturing and sales of power discrete semiconductors.

The Company's holding company is Lotus Atlantic Limited (“**Lotus Atlantic**”), a company incorporated in the British Virgin Islands and the directors of the Company consider its ultimate holding company is Shell Electric Holdings Limited (“**Shell Electric**”), a company incorporated in Bermuda.

The unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2020 have not been audited but have been reviewed by the Audit Committee, and were approved for issue by the directors on 4 November 2020.

2. BASIS OF PREPARATION

Except for the adoption of new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are effective for the Group's financial year beginning 1 January 2020, the accounting policies applied in preparing these unaudited condensed consolidated financial information for the nine months ended 30 September 2020 are consistent with those of the annual financial statements. The unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2019 (the “**2019 Annual Financial Statements**”) which have been prepared in accordance with HKFRSs.

2. BASIS OF PREPARATION (Continued)

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

The unaudited condensed consolidated financial information have been prepared under the historical cost basis.

The unaudited condensed consolidated financial information are presented in United States dollars (“US\$”), which is same as the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

3. REVENUE

The Group is principally engaged in manufacturing and sales of power discrete semiconductors. Revenue from contracts with customers within the scope of HKFRS 15, which is recognised at a point in time comprise:

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of power discrete semiconductors	5,905	4,703	15,289	12,397
Trading of raw materials	–	78	–	428
	<u>5,905</u>	<u>4,781</u>	<u>15,289</u>	<u>12,825</u>

4. PROFIT/(LOSS) BEFORE INCOME TAX

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit/(Loss) before income tax is arrived after charging:				
Write down of inventories to net realisable value	112	84	64	326
Depreciation of property, plant and equipment	401	411	1,194	1,241
Depreciation of right-of-use assets	58	85	172	259
Employee benefit expenses (including directors' emoluments)				
– Salaries, wages and other benefits	773	764	2,332	2,370
– Contribution to defined contribution retirement plans	19	41	62	135
– Equity-settled share-based payment expense	–	2	4	12
	<u>792</u>	<u>807</u>	<u>2,398</u>	<u>2,517</u>

5. INCOME TAX EXPENSE/CREDIT

The amount of income tax expense/(credit) in the unaudited condensed consolidated statement of comprehensive income represents:

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax				
– Other regions of the People's Republic of China (“PRC”)				
– Enterprise Income Tax (“EIT”)	<u>(6)</u>	<u>(1)</u>	<u>94</u>	<u>58</u>
	(6)	(1)	94	58
Under provision in prior year				
– Other regions of the PRC				
– EIT	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>1</u>
– Taiwan profits tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
	-	(1)	1	9
Deferred tax credit	<u>(13)</u>	<u>(15)</u>	<u>(11)</u>	<u>(9)</u>
Income tax expense/(credit)	<u>(19)</u>	<u>(17)</u>	<u>84</u>	<u>58</u>

Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) on the estimated assessable profits derived from Hong Kong for the period. Profits Tax arising from operations in Taiwan is calculated at 20% (2019: 20%) on the estimated assessable profits for the period. EIT arising from other regions of the PRC is calculated at 25% (2019: 25%) on the estimated assessable income for the period.

6. DIVIDEND

The Board does not declare the payment of any interim dividend for the nine months ended 30 September 2020 (nine months ended 30 September 2019: Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following data:

Three months ended 30 September		Nine months ended 30 September	
2020	2019	2020	2019
US\$'000	US\$'000	US\$'000	US\$'000
(unaudited)	(unaudited)	(unaudited)	(unaudited)

Earnings/(Loss)

Profit/(Loss) for the period
attributable to owners of
the Company

464	(80)	855	(1,168)
------------	------	------------	---------

Three months ended 30 September		Nine months ended 30 September	
2020	2019	2020	2019
Number of shares '000	Number of shares '000	Number of shares '000	Number of shares '000
(unaudited)	(unaudited)	(unaudited)	(unaudited)

Number of shares

Weighted average number
of ordinary shares in issue
during the period

1,618,032	1,618,032	1,618,032	1,618,032
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The calculation of the basic earnings per share for the three months and the nine months ended 30 September 2020 is based on the profit for the period attributable to owners of the Company of US\$464,000 and US\$855,000, and the weighted average number of ordinary shares of 1,618,032,000 in issue during the respective periods.

7. EARNINGS/(LOSS) PER SHARE (Continued)

The calculation of the basic loss per share for the three months and the nine months ended 30 September 2019 is based on the loss attributable to owners of the Company of US\$80,000 and US\$1,168,000, and the weighted average number of ordinary shares of 1,618,032,000 in issue during the respective periods.

Diluted earnings per share for the three months and the nine months ended 30 September 2020 are the same as the basic earnings per share as the Company did not assume the exercise of the outstanding share options granted by the Company on 22 March 2017 since the exercise price of the share options exceeds the average market price during the respective periods.

Diluted loss per share for the three months and the nine months ended 30 September 2019 are the same as the basic loss per share as the impact of the potential dilutive ordinary shares outstanding which are the share options granted by the Company on 22 March 2017 has an anti-dilutive effect on the basic loss per share presented for the respective periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the nine months ended 30 September 2020, the Group's revenue increased by 19% compared with the corresponding period last year.

Due to the Covid-19 lockdown and stay-at-home order in the US and Europe, we have seen a significant increase in demand for computer, laptop, and TV related applications. Demands have significantly outstripped supplies and our growth has been constrained by wafer supply limitations. The Group is evaluating to further expand our wafer supplies.

The increase in revenue, higher machine utilization at our assembly plant, and the continuous cost control efforts implemented last year resulted in a return to profitability for the Group.

Looking ahead, we are cautious of the recovery prospects of the semiconductor market as the global trade conditions remain susceptible to the continuing US-China political tension and the pandemic situation.

FINANCIAL REVIEW

Revenue and Operating Results

Revenue from the Group's operations for the nine months ended 30 September 2020 amounted to US\$15.3 million, representing an increase of US\$2.5 million or 19% as compared to US\$12.8 million for the corresponding period in 2019. Such increase was primarily attributable to the increase in the sales volume of power discrete semiconductors.

The Group's gross profit for the nine months ended 30 September 2020 amounted US\$3.8 million, representing an increase of US\$2 million as compared to US\$1.8 million for the corresponding period in 2019. The gross profit margin for the nine months ended 30 September 2020 was 24.5%, representing an increase of 10.8 percentage points compared to 13.7% for the corresponding period in 2019. The increase in the Group's gross profit margin was mainly due to the increase in sales volume resulted in a lower manufacturing overhead per unit.

Profit attributable to the owners of the Company for the nine months ended 30 September 2020 was US\$0.9 million (nine months ended 30 September 2019: loss of US\$1.2 million). The turnaround from loss to profit was mainly attributable to the increase of gross profit as mentioned above.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 September 2020, the Directors and chief executives of the Company and/or any of their respective associates had the following interests and short positions in the shares (the "Shares"), underlying Shares and debentures of the Company and/or any of its associated corporations (which has the same meaning as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

I. Long Position in the Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares held/ interested in the Company	Percentage of shareholding as at 30 September 2020
Mr. Yung Kwok Kee, Billy ("Mr. Yung")	Interest in a controlled corporation (<i>Note</i>)	949,127,925	58.65%
Mr. Hong James Man-fai ("Mr. Hong")	Beneficial interest	9,071,657	0.56%
Mr. Chow Kai Chiu, David ("Mr. Chow")	Beneficial interest	2,703,838	0.17%

Note:

Mr. Yung is interested in 100% of the issued share capital of Red Dynasty Investments Limited ("Red Dynasty"). Red Dynasty holds 80.45% interest in Shell Electric Holdings Limited ("Shell Electric"). Lotus Atlantic Limited ("Lotus Atlantic") is wholly and beneficially owned by Sybond Venture Limited ("Sybond Venture"), and Sybond Venture is wholly and beneficially owned by Shell Electric. Mr. Yung is therefore deemed to be interested in 949,127,925 Shares held by Lotus Atlantic which is an indirect wholly-owned subsidiary of Shell Electric for the purpose of the SFO.

II. Long Position in the underlying Shares

Name of Director	Capacity	Number of underlying Shares held	Percentage of shareholding as at 30 September 2020
Mr. Hong	Beneficial interest	5,408,343 <i>(Note 1)</i>	0.33%
Mr. Tang Che Yin ("Mr. Tang")	Beneficial interest	2,800,000 <i>(Note 2)</i>	0.17%

Notes:

1. *These underlying Shares represent 5,408,343 Shares to be issued upon exercise of the unlisted physically settled share options granted to Mr. Hong on 22 March 2017 pursuant to the share option scheme of the Company adopted on 19 September 2016 under which the said options can be exercised by Mr. Hong from 1 April 2017 to 31 March 2027 (both days inclusive) at the exercise price of HK\$0.165 per Share.*
2. *These underlying Shares represent 2,800,000 Shares to be issued upon exercise of the unlisted physically settled share options granted to Mr. Tang on 22 March 2017 pursuant to the share option scheme of the Company adopted on 19 September 2016 under which the said options can be exercised by Mr. Tang from 1 April 2017 to 31 March 2027 (both days inclusive) at the exercise price of HK\$0.165 per Share.*

Save as disclosed above, as at 30 September 2020, none of Directors nor chief executive of the Company and/or any of their respective associates has registered an interest or short positions in the Shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

B. Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2020, the interest and short positions of the person (other than the interest of the Directors or chief executive of the Company as disclosed above) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/nature of interest	Number of Shares held/interested in	Long/short position	Percentage of shareholding as at 30 September 2020
Lotus Atlantic	Beneficial owner	949,127,925 (Note 1)	Long	58.65%
Sybond Venture	Interest in a controlled corporation	949,127,925 (Note 1)	Long	58.65%
Shell Electric	Interest in a controlled corporation	949,127,925 (Note 1)	Long	58.65%
Red Dynasty	Interest in a controlled corporation	949,127,925 (Note 1)	Long	58.65%
Ms. Vivian Hsu	Family interest	949,127,925 (Note 2)	Long	58.65%

Notes:

1. Red Dynasty holds 80.45% interest in Shell Electric. Lotus Atlantic is wholly and beneficially owned by Sybond Venture, and Sybond Venture is wholly and beneficially owned by Shell Electric. Each of these companies is therefore deemed to be interested in 949,127,925 Shares owned and held by Lotus Atlantic which is an indirect wholly-owned subsidiary of Shell Electric for the purpose of the SFO.
2. These Shares represent the interest held by Lotus Atlantic which is a controlled corporation of Mr. Yung. Ms. Vivian Hsu ("**Mrs. Yung**") is the spouse of Mr. Yung. Under the SFO, Mr. Yung is deemed to be interested in all the Shares owned by Lotus Atlantic and Mrs. Yung is deemed to be interested in all the Shares in which Mr. Yung is interested.

Save as disclosed above, as at 30 September 2020 and so far as known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

Pursuant to the resolution passed by the shareholders of the Company on 19 September 2016, the adoption of the share option scheme of the Company (the “**PFC Device Option Scheme**”) was approved to enable the Company to grant options to eligible persons as incentives or rewards for their contributions or potential contributions to the Group. Eligible participants of PFC Device Option Scheme include the directors, employees, executives or officers of the Group and any suppliers, consultants, agents, advisers and related entities to the Group.

On 22 March 2017, options to subscribe for an aggregate of 41,794,191 shares of the Company, were granted under PFC Device Option Scheme to certain directors, employees and consultants, which shall vest based on the vesting schedules specified in the offer documents of the respective grantees. Share options granted to non-employee participants are for their contributions to the Group in respect of providing services similar to those rendered to its employees.

The movements of the share options granted under PFC Device Option Scheme during the period are as follows:

Grantee	Date of grant	Exercise price HK\$	Numbers of options			
			As at 1 January 2020	Excised	Forfeited	As at 30 September 2020
Directors						
Mr. Hong	22 March 2017	0.165	5,408,343	-	-	5,408,343
Mr. Tang	22 March 2017	0.165	2,800,000	-	-	2,800,000
Other employees	22 March 2017	0.165	9,799,821	-	(1,800,000)	7,999,821
Consultants	22 March 2017	0.165	1,960,000	-	-	1,960,000
			<u>19,968,164</u>	<u>-</u>	<u>(1,800,000)</u>	<u>18,168,164</u>

The closing price of the Company’s shares immediately before the date of grant of share options was HK\$0.172.

The share options granted on 22 March 2017 are valid and effective for a period of 10 years from date of acceptance on 1 April 2017 subject to vesting requirements that the options shall be vested by stages which last from 9 months to 3.25 years.

During the nine months ended 30 September 2020, options to subscribe for 1,800,000 shares were forfeited upon the resignation of an employee of the Group.

As at 30 September 2020, all the outstanding 18,168,164 shares options granted under PFC Device Option Scheme were vested and exercisable by the grantees by giving notice in writing to the Company. The weighted average remaining contractual life of these option was 6.5 years. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of additional 18,168,164 shares of the Company.

No option was granted or exercised during the nine months ended 30 September 2020.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the nine months ended 30 September 2020 were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPETING INTERESTS

Save as disclosed in the paragraph headed "Compliance of Non-Competition Undertaking" on pages 54-55 of the 2018 annual report, during the nine months ended 30 September 2020, so far as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined in the GEM Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group, or gave rise to any concern regarding conflict of interests.

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

During the nine months ended 30 September 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests. During the nine months ended 30 September 2020, the Company had complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in the Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the "**Code of Conduct**"). The Company has made specific enquiries to the Directors, and all Directors have confirmed that they have complied with the required standards of dealings set out in the Code of Conduct throughout the nine months ended 30 September 2020.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") consists of two independent non-executive Directors and one non-executive Director of the Company, namely Mr. Leung Man Chiu, Lawrence (chairman of the Audit Committee), Mr. Fan Yan Hok, Philip and Mr. Yung Kwok Kee, Billy, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the Group's financial information for the nine months ended 30 September 2020 and this report.

By order of the Board
PFC DEVICE INC.
CHOW Kai Chiu, David
Executive Director

Hong Kong, 4 November 2020

As at the date of this report, the Board comprises two executive directors, namely, Mr. HONG James Man-fai and Mr. CHOW Kai Chiu, David; two non-executive directors, namely, Mr. YUNG Kwok Kee, Billy and Mr. TANG Che Yin; and three independent non-executive directors, namely, Mr. LAM, Peter, Mr. LEUNG Man Chiu, Lawrence and Mr. FAN Yan Hok, Philip.