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TONLY ELECTRONICS HOLDINGS LIMITED
通力電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01249)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

Results for the year ended 31 December

	2014 **(HK$M)**	2013 (HK$M)	**Change**
Turnover	**5,421.0**	4,554.3	**+19.0%**
Gross profit	**666.4**	492.2	**+35.4%**
Operating profit	**192.6**	160.7	**+19.9%**
Profit attributable to owners of the parent	**149.9**	106.7	**+40.5%**
Basic earnings per share *(HK cents)*	**88.25**	76.44	**+15.5%**
Full year dividend per share *(HK cents)*			
– Proposed final dividend per share *(HK cents)*	**25.0**	23.8	**+5.0%**

HIGHLIGHTS

For the year ended 31 December 2014, the Group recorded turnover of approximately HK$5,421.0 million, up by 19.0% year-on-year. Gross profit amounted to approximately HK$666.4 million, up by 35.4% year-on-year. Operating profit reached approximately HK$192.6 million, up by 19.9% year-on-year. Profit attributable to owners of the parent reached approximately HK$149.9 million, representing an increase of 40.5% year-on-year, which was mainly due to the completion of the Group's acquisition of the remaining 20% equity of its subsidiary, Tonly Electronics Limited, on 15 May 2014. The Board of Directors proposed a final dividend of HK25.0 cents per share based on the number of shares as at 31 December 2014.

The sales revenue of video products reached approximately HK$2,067.3 million, representing a decrease of 2.8% year-on-year. The sales revenue of audio products reached approximately HK$2,188.1 million, representing an increase of 28.5% year-on-year. The sales revenue of media boxes products reached approximately HK$625.1 million, representing an increase of 3,911.0% year-on-year. The sales revenue of other products (mainly ABS-s products) reached approximately HK$540.5 million, representing a decrease of 23.8% year-on-year.

On 29 September 2014, the Company announced to raise not less than approximately HK$423,245,000 before deduction of related expenses, by way of rights issue of not less than 82,989,355 rights shares at the subscription price of HK$5.10 per rights share on the basis of one rights share for every two existing shares held on the record date of 29 October 2014 (the "Rights Issue"). The Rights Issue has been completed on 21 November 2014 and the Company raised approximately HK$421,252,000 after the deduction of related expenses.

The Board of Directors (the "Board") of Tonly Electronics Holdings Limited (the "Company") is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Twelve months ended 31 December		Three months ended 31 December	
		2014	2013	**2014**	2013
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER	4	**5,421,007**	4,554,275	**1,408,774**	1,346,569
Cost of sales		**(4,754,614)**	(4,062,080)	**(1,243,050)**	(1,237,286)
Gross profit		**666,393**	492,195	**165,724**	109,283
Other income and gains, net		**83,548**	117,620	**15,000**	(5,820)
Selling and distribution costs		**(189,088)**	(141,553)	**(51,169)**	(33,768)
Administrative expenses		**(180,826)**	(147,169)	**(39,994)**	(9,634)
Research and development costs		**(174,710)**	(160,014)	**(42,061)**	(40,119)
Other operating expenses, net		**(12,687)**	(384)	**55**	132
		192,630	160,695	**47,555**	20,074
Finance costs	5	**(6,686)**	(9,211)	**(1,901)**	3,856
Share of profits of an associate		**1**	7	**–**	–
PROFIT BEFORE TAX	6	**185,945**	151,491	**45,654**	23,930
Income tax expense	7	**(24,560)**	(17,433)	**(7,970)**	(297)
PROFIT FOR THE YEAR/PERIOD		**161,385**	134,058	**37,684**	23,633
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**(1,915)**	11,642	**1,420**	3,451
Cash flow hedge:					
Effective portion of changes in fair value of the hedging instruments arising during the year/period		**(4,839)**	–	**(2,411)**	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		**(6,754)**	11,642	**(991)**	3,451
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		**154,631**	145,700	**36,693**	27,084

	Note	Twelve months ended 31 December 2014 HK$'000	2013 HK$'000	Three months ended 31 December 2014 HK$'000	2013 HK$'000
Profit attributable to:					
Owners of the parent		**149,894**	106,679	**36,934**	17,994
Non-controlling interests		**11,491**	27,379	**750**	5,639
		161,385	134,058	**37,684**	23,633
Total comprehensive income attributable to:					
Owners of the parent		**144,042**	115,358	**35,813**	20,573
Non-controlling interests		**10,589**	30,342	**880**	6,511
		154,631	145,700	**36,693**	27,084
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9				
			(Restated)		
Basic and diluted		**HK88.25 cents**	HK76.44 cents		

Details of the dividends proposed for the year are disclosed in note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2014** *HK$'000*	31 December 2013 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**465,608**	393,215
Prepaid land lease payments		**38,960**	39,727
Investment in an associate		**–**	406
Deferred tax assets		**80,247**	72,826
Total non-current assets		**584,815**	506,174
CURRENT ASSETS			
Inventories		**432,187**	459,758
Trade receivables	10	**978,182**	875,274
Bills receivable		**15,168**	21,955
Prepayments, deposits and other receivables		**187,443**	198,888
Other investment		**–**	135,991
Tax recoverable		**2,381**	2,104
Derivative financial instruments		**840**	14,077
Cash and cash equivalents		**938,303**	410,460
Total current assets		**2,554,504**	2,118,507
CURRENT LIABILITIES			
Trade payables	11	**1,087,559**	958,806
Bills payable		**19,903**	220,236
Other payables and accruals		**631,768**	619,181
Tax payable		**97,558**	84,156
Derivative financial instruments		**8,011**	7,952
Provisions		**196,539**	180,947
Total current liabilities		**2,041,338**	2,071,278
NET CURRENT ASSETS		**513,166**	47,229
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,097,981**	553,403

	Note	**31 December 2014** **HK$'000**	31 December 2013 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,097,981**	553,403
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,655**	4,176
Net assets		**1,095,326**	549,227
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	**248,968**	133,316
Reserves		**818,499**	291,385
		1,067,467	424,701
Non-controlling interests		**27,859**	124,526
Total equity		**1,095,326**	549,227

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and a new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendments to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition* [1]
Amendments to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination* [1]
Amendments to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendments to HKFRS 1 included in *Annual Improvements 2012-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1 July 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments have had no impact on the financial position or performance of the Group.

(d) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

(e) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

(f) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(g) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(h) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

3. NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKAS 1	*Disclosure Initiative* [2]
HKFRS 9	*Financial Instruments* [4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception* [2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations* [2]
HKFRS 14	*Regulatory Deferral Accounts* [5]
HKFRS 15	*Revenue from Contracts with Customers* [3]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants* [2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions* [1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements* [2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs [1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs [1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs [2]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2018
[5] Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue 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 principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in note 2, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

4. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment which is the manufacture and sale of audio-visual products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

5. FINANCE COSTS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans	**448**	1,701
Interest on factored trade receivables	**6,238**	7,510
	6,686	9,211

6. PROFIT BEFORE TAX

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
Cost of inventories sold*	**4,718,314**	4,023,409
Cost of services rendered*	**41,265**	35,264
Write-down/(reversal) of inventories to net realisable value*	**(4,965)**	3,407
Depreciation	**40,975**	21,480
Research and development costs – current year expenditure	**174,710**	160,014
Realised loss/(gain) on settlement of derivative financial instruments	**791**	(22,907)
Unrealised fair value loss/(gain) on derivative financial instruments, net – transactions not qualifying as hedges	**2,333**	(5,162)
Amortisation of prepaid land lease payments	**634**	534
Minimum lease payments under operating leases in respect of land and buildings	**28,573**	25,247
Auditors' remuneration	**1,680**	1,500
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**456,860**	369,947
Equity-settled share option benefits	**5,739**	–
Defined contribution expense	**18,118**	15,839
	480,717	385,786
Product warranty provision:		
Additional provision	**83,826**	36,593
Reversal of unutilised provision	**(40,164)**	(3,840)
	43,662	32,753
Foreign exchange differences, net	**(804)**	(1,134)
Loss on disposal of items of property, plant and equipment**	**290**	384
Loss on liquidation of a subsidiary**	**8**	–
Loss on disposal of an associate**	**25**	–
Impairment of trade receivables**	**12,364**	–

* These amounts are included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

** These amounts are included in "Other operating expenses, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**6,728**	3,196
Overprovision in prior years	**(13)**	(58)
Current – Elsewhere		
Charge for the year	**26,982**	15,876
Deferred	**(9,137)**	(1,581)
Total tax charge for the year	**24,560**	17,433

8. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Proposed final dividend – HK25.0 cents (2013: HK23.8 cents) per ordinary share	**62,242**	31,729

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic and diluted earnings per share are based on:

	2014	2013
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**149,894**	106,679

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**169,857,974**	139,553,143*

* Restated by taking into account the retrospective adjustment to the number of shares outstanding before the Rights Issue completed on 21 November 2014 to reflect the bonus element inherent in the Rights Issue.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 December 2014 in respect of a dilution as the impact of the share options outstanding during the year had an anti-dilutive effect on the basic earnings per share amount presented.

10. TRADE RECEIVABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Due from third parties	**971,615**	802,568
Provision for impairment	**(12,411)**	–
	959,204	802,568
Due from companies controlled by TCL Corporation (note)	**18,978**	72,706
	978,182	875,274

Note: The amounts are unsecured, non-interest-bearing and repayable within one year.

Sales to third party customers

The majority of the Group's sales in the PRC were mainly made on the cash-on-delivery basis or on commercial bills guaranteed by banks with credit periods ranging from 60 to 180 days. For overseas sales, the Group usually requires settlement by letters of credit with tenures ranging from 15 to 120 days. Sales to certain long term strategic customers were made on the open-account basis with credit terms of no more than 180 days.

Sales to related parties

Sales to related parties were made on the open-account basis.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables from third parties are non-interest-bearing.

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
Current to 90 days	**728,346**	730,745
91 to 180 days	**77,890**	11,544
181 to 365 days	**130,423**	92,735
Over 365 days	**41,523**	40,250
	978,182	875,274

The movements in the provision for impairment of trade receivables are as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
At 1 January	**–**	–
Impairment loss recognised	**12,364**	–
Exchange realignment	**47**	–
At 31 December	**12,411**	–

The above provision for impairment of trade receivables is a provision for individually impaired trade receivables. The individually impaired trade receivables relate to a customer who was in dispute with the Group and only a portion of the receivables is expected to be recovered.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**911,825**	832,503
Less than 90 days past due	**47,739**	35,810
90 to 180 days past due	**18,618**	5,479
Over 180 days past due	**–**	1,482
	978,182	875,274

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Certain subsidiaries of the Group have entered into receivable purchase agreements with banks for the factoring of trade receivables with certain designated customers. At 31 December 2014, trade receivables factored to banks aggregated to HK$541,399,000 (2013: HK$659,821,000), and all of which were derecognised from the consolidated statement of financial position because, in the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership in respect of the relevant factored receivables to banks.

11. TRADE PAYABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Due to third parties	**1,063,420**	899,237
Due to companies controlled by TCL Corporation	**24,139**	59,569
	1,087,559	958,806

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
Current to 90 days	**1,036,144**	940,531
91 to 180 days	**35,023**	4,718
181 to 365 days	**2,334**	12,714
Over 365 days	**14,058**	843
	1,087,559	958,806

The trade payables are non-interest-bearing and are normally settled with credit periods ranging from 15 to 120 days.

12. SHARE CAPITAL

Shares

	Company	
	2014	2013
	HK$'000	*HK$'000*
Authorised:		
500,000,000 shares of HK$1.00 each	**500,000**	500,000
Issued and fully paid:		
248,968,066 (2013:133,316,234) ordinary shares of HK$1.00 each	**248,968**	133,316

During the year, the movements in share capital and share premium account of the Company were summarised as follows:

	Notes	**Number of shares in issue with par value of HK$1**	**Issued capital**	**Share premium account**	**Total**
			HK$'000	*HK$'000*	*HK$'000*
At 8 February 2013 (date of incorporation)		–	–	–	–
Deemed distribution to TCL Multimedia Technology Holdings Limited		133,316,234	133,316	–	133,316
At 31 December 2013 and 1 January 2014		133,316,234	133,316	–	133,316
Issue of consideration shares	(a)	32,662,477	32,663	160,046	192,709
Issue of right shares	(b)	82,989,355	82,989	340,256	423,245
Share issue expenses	(b)	–	–	(1,993)	(1,993)
At 31 December 2014		248,968,066	248,968	498,309	747,277

Notes:

(a) On 15 May 2014, the Company issued 32,662,477 ordinary shares of the Company at a market price of HK$5.9 per share as the consideration for the acquisition of 20% equity interest in Tonly Electronics Limited not owned by the Group.

(b) On 21 November 2014, the Company completed a rights issue (the "Rights Issue") of one rights share for every two existing shares held by qualifying shareholders at an issue price of HK$5.10 per rights share and a total 82,989,355 rights shares were issued for a total cash consideration, before expenses, of approximately HK$423,245,000. The related share issue expenses charged to share premium account amounted to HK$1,993,000.

INDUSTRY OVERVIEW

The global economy had been on the slow road to recovery in 2014. On one hand, the United States experienced gradual improvement in its employment outlook, and is anticipating an interest rate hike cycle. On the other hand, the economy in Europe remains unstable with heavy reliance being placed on quantitative easing monetary policy to stimulate the sluggish economy. Meanwhile, China experienced a slowdown in the growth owing to the structural adjustment of its economy, and the effect of the interest rate cut as announced by the People's Bank of China in the fourth quarter of 2014 on the economy is yet to emerge. Overall, although global economy show tardiness in its pace of recovery, the Group remained cautiously optimistic and continued to cope with the changes in market and operating environment with its pragmatic approach.

The Group believes that the irresistible trend in wireless technology and smart home related technology and the consistent growth in corresponding audio products and media boxes would expedite the transformation and upgrade of the audio-visual equipment industry. The Group has actively implemented its strategy of "transformation and entrepreneurship" to embrace changes in the market, thus successfully shifted the focus of its business from conventional video disc players to a diversified product portfolio comprising media boxes and new audio products.

BUSINESS REVIEW

The Group is a leading vertically integrated manufacturer of audio-visual products in the world, mainly developing, producing and selling premium audio-visual products on behalf of internationally renowned brands on the original-design-manufacturing ("ODM") basis. According to the market research report by Techno System Research, for 2014, the Group was the world's largest video product manufacturer and the fourth largest home theater system ("HTS") manufacturer by production volume. In 2014, the Group enhanced production efficiency significantly and restored it to a normal level of the industry through expanding and optimizing the client portfolio, assimilating experiences learned from projects and addressing the structural and systemic problems in business management. Both sales revenue and operating profit grew considerably. For the year ended 31 December 2014, the Group recorded a turnover of approximately HK$ 5,421.0 million, representing an increase of 19.0% year-on-year. Gross profit increased by 35.4% year-on-year to approximately HK$666.4 million, while gross profit margin increased from 10.8% of 2013 to 12.3%. Operating profit rose by 19.9% year-on-year to approximately HK$192.6 million. Profit attributable to the shareholders of the Company grew by 40.5% year-on-year to approximately HK$149.9 million. Net profit margin was 3.0%.

Product Sales

The Group's products are classified into four categories: (i) video disc players which include digital versatile disc ("DVD") players and blu-ray disc ("BD") players, (ii) audio products which include home theatre system ("HTS") (without wireless technology), Micro & Mini speakers ("Micro & Mini"), wireless speakers and HTS with soundbars (with wireless technology), (iii) media boxes and (iv) other businesses which are mainly Advanced Broadcasting System-Satellite ("ABS-s") products, components, research and development income. During the year under review, revenue from the Group's video disc player business decreased by 2.8% year-on-year to approximately HK$2,067.3 million; revenue from the audio product business grew by 28.5% year-on-year to approximately HK$2,188.1 million; revenue from its media box business rose by 3,911.0% year-on-year to approximately HK$625.1 million; and revenue from its other businesses decreased by 23.8% year-on-year to approximately HK$540.5 million. The revenues from the businesses of video disc players, audio products, media boxes and other businesses accounted for 38.1%, 40.4%, 11.5% and 10.0% respectively of the Group's turnover.

The Group's revenue breakdown by product:

	2014	2013	**Change**
	(HK$'000)	*(HK$'000)*	
Video disc players (1)	**2,067,255**	2,126,384	**-2.8%**
Audio products			
– Traditional audio products (2)	**1,184,503**	1,132,500	**+4.6%**
– New types of audio products (3)	**1,003,606**	570,743	**+75.8%**
Subtotal	**2,188,109**	1,703,243	**+28.5%**
Media boxes (4)	**625,113**	15,585	**+3,911.0%**
Other businesses			
– ABS-s products	**297,873**	514,398	**-42.1%**
– Components	**183,001**	144,171	**+26.9%**
– Research & Development income	**59,656**	50,494	**+18.1%**
Subtotal	**540,530**	709,063	**-23.8%**
Total	**5,421,007**	4,554,275	**+19.0%**

(1) Mainly include DVD players and BD players
(2) Mainly include HTS and Micro & Mini
(3) Mainly include wireless speakers, soundbars and audio docks
(4) Mainly include OTT (over-the-top) Internet Services and content set top box

The Video Disc Player Business

Despite the shrinking demand of conventional DVD player market caused by swift advancement of technology, the Group seized its opportunity through gradual withdrawal of its competitors, stayed put and endeavors to accommodate closely with important clients' marketing and product strategies while leveraged in full its edges in technology, production, supply chain and customer relations, to expand its market share and maintain its leading position in the industry. Hence, the annual decline in the Group's video disc player sales was far below than that of the industry. In 2014, revenue from video disc player declined by 2.8% year-on-year to approximately HK$2,067.3 million.

The Audio Product Business

The popularization of smart home concept, and the maturing Internet and wireless technologies generate growing demand for new types of audio products that serve as peripherals of smartphones and television sets. To capitalize on the trend, the Group has always been actively stepping up research on wireless technology, power dissipation technique, new technologies and new materials. It has also been consolidating its strategic partnerships with existing customers. In the meantime, the Group actively researched into electroacoustics and independently developed its proprietary speaker transducers and speakers to further its vertical integration, thereby enhancing the overall competitiveness of its audio products. During the year under review, the audio product business achieved satisfactory sales performance with revenue up by 28.5% year-on-year to approximately HK$2,188.1 million from approximately HK$1,703.2 million of 2013. In particular, sales of new types of audio products rose by 75.8% year-on-year to approximately HK$ 1,003.6 million.

The Media Box Business

To capitalize on the development of smart homes and Internet technologies, the Group teamed up with domestic and foreign Internet and telecommunication giants to jointly develop the media box business with the aim of enriching and expanding its product portfolio. During the year under review, the Group was qualified as a supplier of a renowned telecommunication equipment firm to produce media box products, and successfully established cooperation relationship with domestic internet companies. Revenue from the business segment grew by 3,911.0% year-on-year to approximately HK$625.1 million for the year 2014. The Group will enhance the competitiveness of its products by strengthening its software development capabilities and improving product design. Meanwhile, it will expand the customer base for this business segment. The Group sees a bright prospect in the development of this business segment and expects that the media box business will become an important component of its businesses.

Other Business

During 2014, some of the local governments postponed their tenders for ABS-s, leading to a 42.1% year-on-year decline in sales of the Group's ABS-s products to approximately HK$297.9 million. The Group expects that the PRC central government's gradual deregulation of the retail market for advanced broadcasting satellite products will boost the growth of the business segment.

Meanwhile, most of the Group's clients are leading international consumer electronics brands and have stringent requirements for product quality and specifications. The Group fully leverages its competitive advantages in product research and development, and proactively provides diversified research and development services for its clients. This does not only help generate more income, but also supports ongoing investment in research and development which help maintain the Group's competitiveness. Having satisfied its internal needs for plastic components in production, the Group also sold the surplus to external parties to generate additional income.

Production and Supply Chain Management

Coping with the labour shortage, the Group is gradually enhancing its staffing system, including decreasing the proportion of temporary staff in the work force and stabilizing the turnover of skilled workers, adopting more automated equipment and automated product testing process. These measures have significantly raised the per capita production efficiency and mitigated the impact of rising labour cost. To fulfill the small orders for each of the various types of innovative products, the Group gradually adopts cellular manufacturing mode to reduce the non-operating hours of the plant to increase efficiency. Meanwhile, the equipment maintenance and management system was improved according to the industrial best practices, so that the actual production capacity of Huizhou production base is raised to the designed level. The Group relocated its factory to a new site in July 2013 during peak season. This affected the production efficiency until early 2014. With the persistent efforts of the management and staff members, the Group was able to restore the production efficiency to a normal level of the industry.

In addition, the Group took advantage of its global supply chain, strengthened the operational capability of its overseas supply chain with the aim of providing more competitive products for customers. In particular, HTS and DVD production lines were established in its factory in Indonesia which procured some of the raw materials locally and acquired new customers, thus boosting the shipments substantially during the year under review.

Research and Development (R&D) and Product Innovation

The rapid technological development has spurred the upgrade of audio and video products. The Group attaches great importance to product innovation and design, and persists in investing substantially in research and development. During the year under review, R&D expenses were approximately HK$216.0 million, representing 4.0% of the Group's total revenue. The ratio was high by the industry's standards. The Group owns R&D bases in Huizhou, Shenzhen and Xi'an. Its R&D team comprised more than 600 staff who mainly develop and introduce products to the market according to the clients' specific requirements, and carry out visionary research on fundamental technologies of the products. On top of optimizing the hardware for R&D, the Group has continuously introduced experienced electroacoustic professionals to the R&D team with the aim of enhancing core R&D capability in electroacoustics and strengthening its competitiveness during product transformation.

As at 31 December 2014, the Group owns 103 patents, and its applications for 73 patents were being processed. Moreover, the Group receives numerous awards for its technological innovation, industrial designs and utility model patents. This bears testimony to the Group's R&D and innovation capabilities.

Future Plans and Outlook

Looking ahead, it is expected that global economic recovery in 2015 will be modest, and all the major currencies except the US Dollar will depreciate substantially. In addition, labour costs will continue to rise. All these factors will affect businesses' revenue and profitability. To cope with the situation, the Group will continue to focus on product innovation, strengthen its core competitiveness such as industrial and technological innovation as well as operational capabilities. It will also launch more new products which meet market demand and cater for consumer tastes. Meanwhile, we will persistently optimize and expand the product portfolio, consolidate its cooperation with clients of strategic importance, and expand customer base so as to give a new impetus to its growth.

The popularization of the Internet and wireless technology gives rise to smart homes, and creates bright prospects for the development of the new type of audio and media box products. For the business of new types of audio products, the Group will continue to invest in R&D, strengthen its innovation capability in electroacoustics and the related technologies, and enhance the product quality and designs. For the media box business, the Group will continue to strengthen its cooperation with both domestic and overseas internet and telecommunication companies to foster business development. It also closely follows the trends in the industry's technological development and adopts automated production facilities for its diverse products in order to maintain its competitiveness. Meanwhile, the Group will attempt to enter into other new business, expand its existing business and enlarge its income source through both organic expansion or acquisitions. In this respect, the Group has identified certain potential targets for acquisition and will continuously seek for suitable opportunities for expansion.

For the production and supply chain management, the Group is committed to enhancing production efficiency and expanding production capacity, and is searching for a suitable site for its new factory to be constructed in order to meet the needs of its future development. Moreover, the Group will also leverage its overseas supply chain to mitigate the pressure of rising costs in the PRC and enhance its capacity for delivering orders. In addition, the Group will strengthen its integrated production capabilities, and shift to the development of high-end products so as to improve its profitability in the future and reinforce its leading position in the global market for audio-visual products, and thus maximize value for the customers and shareholders.

FINANCIAL REVIEW

Significant Investments, Acquisitions and Disposals

On 25 February 2014, the Company entered into a sale and purchase agreement between Run Fu Holdings Limited ("Run Fu") and Star Force Investment Limited ("Star Force"), pursuant to which, (i) Run Fu and Star Force agreed to sell and the Company agreed to purchase 20% of the entire issued share capital of Tonly Electronics Limited ("Sale Shares"); and (ii) the Company agreed to allot and issue a total of 32,662,477 shares to Run Fu and Star Force as consideration for the purchase of the Sale Shares. The transaction was completed on 15 May 2014.

Save as disclosed above, as at 31 December 2014, the Group did not hold significant investments, and no other major review of the acquisition and disposal of subsidiaries during the period.

Liquidity and Financial Resources

The Group's principal financial instruments comprise of bank loans, factorings, cash and short-term deposits. The main objective for the use of these financial instruments is to maintain a continuity of funding and flexibility at the lowest cost possible.

The cash and cash equivalents of the Group as at 31 December 2014 amounted to approximately HK$938,303,000 of which 10.88% was maintained in Hong Kong dollars, 48.38% in US dollars, 40.73% in Renminbi and 0.01% in Euro.

There was no material change in available credit facilities when compared with the year ended 31 December 2014 and there was no asset held under finance lease as at 31 December 2014.

As at 31 December 2014, the Group's gearing ratio was 0% since the Group had cash and cash equivalents of approximately HK$938,303,000 and without interest-bearing bank borrowings.

On 29 September 2014, the Company announced to raise not less than approximately HK$423,245,000, before deduction of related expenses, by way of rights issue of not less than 82,989,355 rights shares at the subscription price of HK$5.10 per rights share on the basis of one rights share for every two existing shares held on the record date of 29 October 2014 (the "Rights Issue"). The Rights Issue has been completed on 21 November 2014 and the Company raised approximately HK$421,252,000 after the deducting of related expenses.

Pledge of Assets

There was no pledge of assets by the Group as at 31 December 2014.

Capital Commitments and Contingent Liabilities

As at 31 December 2014, the Group had capital commitments of approximately HK$34,027,000 (31 December 2013: HK$95,518,000) and Nil (31 December 2013: Nil) which were contracted but not provided for and authorized but not contracted for, respectively. The Group did not have any material contingent liabilities as at 31 December 2014.

Pending Litigation

The Group had not been involved in any material litigation for the year ended 31 December 2014.

Foreign Exchange Exposure

Due to its international presence and operation, the Group is facing foreign exchange exposure including transaction exposure and translation exposure.

It is the Group's policy to centralise foreign currency management to monitor the Company's total foreign currency exposure, to net off affiliate positions and to consolidate hedging transactions with banks. The Group emphasises the importance of trading, investing and borrowing in functional currency to achieve natural hedging. In line with the aim of prudent financial management, the Group does not engage in any high risk derivative trading or leveraged foreign exchange contracts.

Employee and Remuneration Policy

The Group had approximately 3,700 dynamic and talented employees. They were all dedicated to advancing the quality and reliability of our operations. Remuneration policy was reviewed regularly, with reference to current legislation, market condition and both the performance of individual and the Company. In order to align the interests of staff with those of shareholders, share options for subscribing a total of 14,454,150 shares, after the adjustment for the completion of Rights Issue, were granted to employees under the Company's share option schemes on 30 September 2014.

PURCHASES, SALES OR REDEMPTION OF SHARES

Pursuant to the rules of the Award Scheme adopted by the Company on 28 August 2014, the Company purchased from the market a total of 656,000 shares being the awarded shares during the year. The total amount paid to acquire such shares was approximately HK$3,794,000.

FINAL DIVIDEND

The Board has proposed a final dividend, for the year ended 31 December 2014, of HK25.0 cents (2013: 23.8 cents) in cash per share.

Subject to approval at the forthcoming annual general meeting, the said final dividend will be payable on or about 13 May 2015, Wednesday to shareholders whose names appear on the register of members of the Company on 29 April 2015, Wednesday.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on 17 April 2015, Friday, for the purposes of determining the entitlements of the shareholders to attend and vote at the annual general meeting. No transfer of the shares may be registered on that date. In order to qualify to attend and vote at the annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 16 April 2015, Thursday.

The register of members of the Company will be closed from 27 April 2015, Monday to 29 April 2015, Wednesday (both dates inclusive), for the purpose of determining the entitlements of the shareholders of the Company to the proposed final dividend upon passing of relevant resolution. No transfer of shares may be registered during the said period. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 24 April 2015, Friday.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 17 April 2015, Friday. The notice of annual general meeting will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited and despatched to the shareholders of the Company in due course.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information which would reasonably indicate that the Company had not, for any part of the year ended 31 December 2014, complied fully with the code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except the followings:

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to respective pre-arranged business commitments which must be attended to by certain directors, Mr. Leong Yue Wing, being non-executive director of the Company and Mr. LI Qi and Mr. YOUNG Shiao Ming, both being independent non-executive directors of the Company, were not present at the annual general meeting and the extraordinary general meeting of the Company held on 17 April 2014. However, Mr. YUAN Bing, being the Chairman and non-executive director of the Company, Mr. REN Xuenong, being the executive director of the Company and Mr. POON Chiu Kwok, being independent non-executive director of the Company, were present in the said annual general meeting to ensure an effective communication with the shareholders at that meeting.

Under Code Provision F.1.1, the company secretary should be an employee of the Company and have the day-to-day knowledge of the Company's affairs.

The company secretary of the Company, Ms. PANG Siu Yin is a partner of the Company's legal advisor, Cheung Tong & Rosa Solicitors. Ms. PANG has been appointed as the company secretary of the Company since July 2013. The Company has also assigned Mr. REN Xuenong, an executive director of the Company, as the contact person with Ms. PANG. Information in relation to the performance, financial position and other major developments and affairs of the Group (including but not limited to the management monthly report to the Board) are speedily delivered to Ms. PANG through the contact person assigned. Given the long-term relationship between Ms. PANG and the Group, she is very familiar with the operations of the Group and has an in depth knowledge of the management of the Group. Having in place a mechanism that she will get hold of the Group's development promptly without material delay and with her expertise and experience, the Board is confident that having Ms. PANG as the company secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's condensed consolidated financial statements for the year ended 31 December 2014, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee comprises three members including Mr. POON Chui Kwok (Chairman), Mr. LI Qi and Mr. YOUNG Shiao Ming all being independent non-executive directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a model code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by directors of Listed Issuers (the "Model Code"). Specific enquiries have been made with all directors who have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year ended 31 December 2014.

On behalf of the Board
YUAN Bing
Chairman

Hong Kong, 27 February 2015

As at the date of this announcement, the Board comprises YU Guanghui, SONG Yonghong and REN Xuenong as executive directors, YUAN Bing (Chairman) and LEONG Yue Wing as non-executive directors and POON Chiu Kwok, LI Qi and YOUNG Shiao Ming as independent non-executive directors.