COMBA TELECOM SYSTEMS HOLDINGS LIMITED
京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2342)

Interim results announcement
For the six months ended 30 June 2014

FINANCIAL HIGHLIGHTS

- Revenue increased by 39.8% to HK$3,024 million
- Gross profit increased by 54.4% to HK$852 million
- Gross profit margin increased by 2.7% points to 28.2%
- Profit attributable to shareholders: HK$72 million (2013: loss of HK$151 million)
- Basic earnings per share: HK4.76 cents (2013: loss of HK9.98 cents)
- Interim dividend of HK1.2 cents per share (2013: Nil)
- 1 bonus share for every 10 ordinary shares held (2013: Nil)

RESULTS

The board of directors (the "Board" or the "Directors") of Comba Telecom Systems Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2014, together with the comparative figures for the same period in 2013. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	Notes	For the six months ended 30 June 2014 (Unaudited) HK$'000	2013 (Unaudited) HK$'000
REVENUE	5	**3,023,575**	2,162,422
Cost of sales		**(2,171,907)**	(1,610,747)
Gross profit		**851,668**	551,675
Other income and gains	5	**40,488**	18,614
Research and development costs		**(106,797)**	(86,461)
Selling and distribution expenses		**(246,340)**	(237,351)
Administrative expenses		**(381,056)**	(355,307)
Other expenses		**(22,664)**	(1,696)
Finance costs	7	**(24,721)**	(26,033)
PROFIT/(LOSS) BEFORE TAX	6	**110,578**	(136,559)
Income tax expense	8	**(36,783)**	(18,174)
PROFIT/(LOSS) FOR THE PERIOD		**73,795**	(154,733)
Attributable to:			
Owners of the parent		**72,305**	(150,676)
Non-controlling interests		**1,490**	(4,057)
		73,795	(154,733)
EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (HK cents)	10		
Basic		**4.76**	(9.98)
Diluted		**4.76**	(9.98)

Details of the dividends payable and proposed for the period are disclosed in note 9 to these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**73,795**	(154,733)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(87,691)**	30,426
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	**(87,691)**	30,426
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(87,691)**	30,426
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(13,896)**	(124,307)
Attributable to:		
Owners of the parent	**(14,022)**	(121,105)
Non-controlling interests	**126**	(3,202)
	(13,896)	(124,307)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2014

	Notes	**30 June 2014 (Unaudited)** *HK$'000*	31 December 2013 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**715,963**	760,841
Prepaid land lease payments		**53,391**	51,789
Goodwill		**28,571**	28,571
Long-term trade receivables	*12*	**33,791**	83,322
Deferred tax assets		**120,835**	115,948
Intangible assets		**152,603**	133,302
Restricted bank deposits		**35,335**	30,655
Total non-current assets		**1,140,489**	1,204,428
CURRENT ASSETS			
Inventories	*11*	**2,514,759**	2,240,395
Trade receivables	*12*	**5,055,867**	4,530,279
Notes receivable		**165,730**	85,703
Prepayments, deposits and other receivables		**777,388**	621,476
Restricted bank deposits		**41,148**	46,735
Cash and cash equivalents		**791,523**	1,589,261
Total current assets		**9,346,415**	9,113,849
CURRENT LIABILITIES			
Trade and bills payables	*13*	**3,844,945**	3,839,472
Other payables and accruals		**1,218,342**	1,074,167
Interest-bearing bank borrowings	*14*	**683,305**	1,232,409
Tax payable		**54,526**	25,861
Provisions for product warranties		**75,068**	76,182
Total current liabilities		**5,876,186**	6,248,091
NET CURRENT ASSETS		**3,470,229**	2,865,758
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,610,718**	4,070,186

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2014

	Notes	**30 June 2014 (Unaudited) *HK$'000***	31 December 2013 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*14*	**872,215**	325,667
Deferred tax liabilities		**16,233**	16,628
Total non-current liabilities		**888,448**	342,295
Net assets		**3,722,270**	3,727,891
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**152,620**	152,620
Treasury shares		**(13,055)**	(13,572)
Reserves		**3,510,170**	3,534,748
Proposed dividend		**18,314**	—
		3,668,049	3,673,796
Non-controlling interests		**54,221**	54,095
Total equity		**3,722,270**	3,727,891

Notes

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 17 May 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The head office and principal place of business of the Company is located at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong.

The Group was principally engaged in the research, development, manufacture and sale of wireless telecommunications network system equipment and the provision of related engineering services.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations as of 1 January 2014, noted below:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets*
HK(IFRIC)-Int 21	*Levies*

The adoption of the above new standards and interpretations has had no material effect on the accounting policies of the Group and the methods of computation in these condensed consolidated interim financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the research, development, manufacture and sale of wireless telecommunications network system equipment and the provision of related engineering services. All of the Group's products are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are attributable to a single operating segment.

Information about major customers

Revenue of approximately HK$1,322,843,000 (six months ended 30 June 2013: HK$1,180,104,000), HK$596,452,000 (six months ended 30 June 2013: HK$214,701,000) and HK$371,813,000 (six months ended 30 June 2013: HK$306,102,000) were derived from 3 major customers, which accounted for 43.8% (six months ended 30 June 2013: 54.6%), 19.7% (six months ended 30 June 2013: 9.9%) and 12.3% (six months ended 30 June 2013: 14.2%) of the total revenue of the Group, respectively.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services rendered during the period, net of value-added tax (the "VAT"), and after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Manufacture and sale of wireless telecommunications network system equipment and provision of related engineering services	**2,829,134**	1,986,888
Warranty services	**194,441**	175,534
	3,023,575	2,162,422
Other income and gains		
Bank interest income	**6,701**	5,031
Government subsidy	**1,385**	2,010
VAT refunds*	**6,370**	11,573
Gross rental income	**1,808**	—
Exchange gain	**22,341**	—
Others	**1,883**	—
	40,488	18,614

* Comba Software Technology (Guangzhou) Limited ("Comba Software"), being designated as a software enterprise, was entitled to VAT refunds on the effective VAT rate in excess of 3% after the payment of statutory net output VAT of 17%. Such VAT refunds were approved by the Guangzhou State Tax Bureau (廣州市國家稅務局) and received by Comba Software.

6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold and services provided	**2,127,039**	1,585,416
Depreciation	**62,768**	51,678
Recognition of prepaid land lease payments	**597**	491
Amortization of computer software and technology	**6,768**	3,954
Research and development costs:		
Deferred expenditure amortized	**32,142**	1,138
Current period expenditure	**106,797**	85,323
	138,939	86,461
Minimum lease payments under operating leases in respect of land and buildings	**43,808**	53,379
Employee benefit expense (including directors' remuneration):		
Salaries and wages	**498,940**	378,746
Staff welfare expenses	**34,142**	38,642
Equity-settled share option expense	**3,626**	4,554
Awarded share expense	**4,649**	14,942
Pension scheme contributions[#]	**45,247**	37,234
	586,604	474,118
Exchange (gain)/loss, net	**(22,341)**	24,978
Provision for product warranties	**21,089**	14,843
Write-down of inventories to net realizable value	**14,319**	—
Impairment of trade receivables	**17,876**	—
(Gain)/loss on disposal of items of property, plant and equipment	**(438)**	1,605

[#] At 30 June 2014, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (30 June 2013: Nil).

7. FINANCE COSTS

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within 5 years	**24,721**	26,033

8. 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 period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — charge for the period		
Hong Kong	**711**	2,454
Mainland China	**43,705**	11,719
Elsewhere	**511**	1,260
Deferred	**(8,144)**	2,741
Total tax charge for the period	**36,783**	18,174

Under the relevant income tax law, the subsidiaries in Mainland China are subject to corporate income tax at a statutory rate of 25% on their respective taxable income during the period.

Comba Telecom Systems (Guangzhou) Limited and Comba Telecom Systems (China) Limited were entitled to the preferential tax rate of 15% for the period ended 30 June 2014 based on the designation as High-New Technology Enterprises by the Guangdong Provincial Department of Science and Technology which remained effective for the period ended 30 June 2014.

9. DIVIDEND

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Proposed interim dividend — HK1.2 cents (six months ended 30 June 2013: Nil) per ordinary share	**18,314**	—

On 21 August 2014, the Directors resolved to declare an interim dividend of HK1.2 cents per ordinary share for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

10. EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings/loss		
Profit/(loss) for the period attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/loss per share calculations	**72,305**	(150,676)

	Number of shares For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/loss per share calculation	**1,517,429,000**	1,510,387,000
Effect of dilution — weighted average number of ordinary shares:		
Awarded shares	**2,148,000**	—
	1,519,577,000	1,510,387,000

The calculation of diluted earnings per share for the six months ended 30 June 2014 is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of the ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potential dilutive ordinary shares arising from the awarded shares into ordinary shares. The effects of share options have been excluded from the diluted earnings per share calculation as their effects would be anti-dilutive.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2013 in respect of a dilution as the impact of the share options and awarded shares outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

11. INVENTORIES

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Raw materials	**390,891**	259,095
Project materials	**296,533**	137,350
Work in progress	**103,146**	98,992
Finished goods	**487,418**	416,382
Inventories on site	**1,236,771**	1,328,576
	2,514,759	2,240,395

12. LONG-TERM TRADE RECEIVABLES AND TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 months and is extendable up to 2 years depending on the credit worthiness of customers. The balances also include retention money of approximately 10% to 20% of the total contract sum of each project, and are generally receivable after final certification of products by customers, which would be performed 6 to 12 months after sale, or upon completion of the 1 to 2 years warranty periods granted to customers. The credit terms for major customers are reviewed regularly by senior management. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize the credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over these balances.

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

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Within 3 months	**1,874,960**	1,899,831
4 to 6 months	**362,210**	478,763
7 to 12 months	**1,206,786**	744,908
More than 1 year	**1,712,531**	1,537,170
	5,156,487	4,660,672
Provision for impairment	**(66,829)**	(47,071)
	5,089,658	4,613,601
Current portion	**(5,055,867)**	(4,530,279)
Long-term portion	**33,791**	83,322

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

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Neither past due nor impaired	**4,293,916**	4,116,829
Less than 1 year past due	**356,689**	157,053
	4,650,605	4,273,882

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 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.

13. TRADE AND BILLS PAYABLES

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

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Within 3 months	**1,950,111**	1,687,390
4 to 6 months	**1,179,438**	625,916
7 to 12 months	**387,962**	1,034,540
More than 1 year	**327,434**	491,626
	3,844,945	3,839,472

The trade payables are non-interest-bearing, are normally settled within a period of 3 months and are extendable to a longer period.

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Analyzed into:		
Within 1 year	**683,305**	1,232,409
In the 2nd to 3rd years, inclusive	**872,215**	325,667
	1,555,520	1,558,076

As at 30 June 2014, loans denominated in Hong Kong dollars, United States dollars and Renminbi amounted to HK$250,200,000 (31 December 2013: HK$279,873,000), HK$1,124,186,000 (31 December 2013: HK$1,132,061,000) and HK$181,134,000 (31 December 2013: HK$146,142,000), respectively.

The Group entered into a 3-year term loan facility agreement amounting to US$125,000,000 on 18 June 2014 (the "2014 Facility Agreement") with certain financial institutions.

Under the 2014 Facility Agreement, there are specific performance obligations that Mr. Fok Tung Ling, who is the controlling shareholder of the Company, and Mr. Zhang Yue Jun, who is the substantial shareholder of the Company, shall maintain beneficial ownership in aggregate, directly or indirectly, of at least 35% of the entire issued shares (of each class) of and equity interests in the Company free from any security. Pursuant to the 2014 Facility Agreement, both Mr. Fok Tung Ling and Mr. Zhang Yue Jun shall also maintain the ability in leading the management in determining the directions of overall strategies and business development for the Group. At the date of approval of these condensed consolidated interim financial statements, such obligations have been complied with.

The Company and three of its wholly-owned subsidiaries, namely Comba Telecom Systems Investments Limited, Praises Holdings Limited and Comba Telecom Limited, were parties to the 2014 Facility Agreement act as guarantors, to guarantee punctual performance of the obligations under the 2014 Facility Agreement.

As at 30 June 2014, the Group had fully utilized the amount of US$125,000,000 (equivalent to HK$969,128,000) under the 2014 Facility Agreement. As at 30 June 2014, the outstanding term loan balance amounted to HK$969,128,000, of which, HK$96,913,000 and HK$872,215,000 are repayable within 1 year and in the 2nd to 3rd years inclusive, respectively. The term loan bears interest at 4.6% per annum.

The interest-bearing bank borrowings as at 31 December 2013 included a loan balance of HK$977,002,000 under a 3-year term loan facility agreement amounting to US$210,000,000 (equivalent to HK$1,628,323,000) entered into between the Group and certain financial institutions on 26 June 2012 (the "2012 Facility Agreement"). The loan balance under the 2012 Facility Agreement was fully repaid on 26 June 2014.

Certain short-term loans amounting to HK$155,058,000 were guaranteed by a standby letter of credit issued by a bank. The bank loans bear interest at 1.7% (31 December 2013: 1.7%) per annum.

Other short-term bank loans bear interest at rates ranging from 1.9% to 6.6% (31 December 2013: from 1.9% to 6.0%) per annum.

15. EVENT AFTER THE REPORTING PERIOD

On 21 August 2014, the Board proposed to increase the share capital of the Company by capitalizing the share premium of the Company and bonus shares will be allotted and issued to the shareholders on the basis of 1 bonus share for every 10 ordinary shares held by the shareholders. Based on the total of 1,526,196,229 shares in issue as at 30 June 2014, 152,619,622 bonus shares will be issued by the Company. The share capital of the Company will increase from HK$152,620,000 to HK$167,882,000 upon completion of the bonus issue. The amount HK$15,262,000 will be capitalized from the Company's share premium account.

The bonus issue and the increase in the Company's share capital will be subject to, among others, the shareholders' approval at the forthcoming extraordinary general meeting and the grant of listing approval on the bonus shares.

RECORD DATE FOR INTERIM DIVIDEND

The record date for determination of entitlements under the interim dividend will be on Monday, 8 September 2014. Shareholders whose names appear on the register of members of the Company on Monday, 8 September 2014 will be entitled to receive interim dividend. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 8 September 2014. Dividend warrants will be despatched on Thursday, 18 September 2014.

CLOSURE OF REGISTER OF MEMBERS FOR BONUS ISSUE

For the purpose of determining shareholders' entitlements to the bonus issue, the register of members of the Company will be closed from Tuesday, 14 October 2014 to Wednesday, 15 October 2014, both days inclusive, during which period no transfer of shares will be registered. The record date for determination of entitlements under the bonus issue will be on Wednesday, 15 October 2014. Shareholders whose names appear on the register of members of the Company on Wednesday, 15 October 2014 will be entitled to receive the bonus shares. In order to qualify for the bonus issue, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 13 October 2014. The bonus shares will be issued and allotted to the shareholders of the Company on Thursday, 23 October 2014. It is expected that a circular containing, amongst other things, the details of the bonus issue and notice convening the extraordinary general meeting (the "EGM") will be despatched to the shareholders of the Company on or before 18 September 2014.

CLOSURE OF REGISTER OF MEMBERS FOR EGM

For the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the EGM, the details of the closure of register of members and the record date are set out below:

For determining eligibility to attend and vote at the forthcoming EGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on Monday, 6 October 2014
Closure of register of members, no transfer of shares will be registered	Tuesday, 7 October 2014 to Wednesday, 8 October 2014 (both days inclusive)
Record date	Wednesday, 8 October 2014

All transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Although there are still uncertainties in external economic environment, the global development of telecom equipment industry in the first half of 2014 is relatively optimistic and the overall domestic market condition of telecom equipment is positive. In the era of digital, the use of mobile data grows rapidly in a sustainable way, driving more mobile network operators at home and abroad to accelerate the deployment of 4G networks. By the end of June 2014, over 300 4G networks have been commercially launched worldwide; and since the granting of 4G licenses in Mainland China at the end of last year, domestic mobile network operators' large-scale investment in 4G has increased, significantly putting more efforts in mobile network deployment. Riding by these positive factors, the results of the Group therefore for the six months ended 30 June 2014 (the "Current Period") were seen improved.

Revenue

During the Current Period, the revenue of the Group was HK$3,023,575,000 (2013: HK$2,162,422,000), representing a significant rise of 39.8% over the revenue for the six months ended 30 June 2013 (the "Prior Period"). The increase of revenue was mainly attributable to the gradual recovery of global economy and the 4G network deployment after the granting of 4G LTE licenses in Mainland China last year, which led to a substantial increase of revenue from the base station antennas and services of the Group.

During the Current Period, revenue from 3G and 4G mobile networks projects increased significantly to HK$1,950,001,000 (2013: HK$990,580,000 (including revenue from 3G only)), in aggregate accounting for 64.5% (2013: 45.8%) of the Group's revenue.

By customers

Revenue generated from China Mobile Communications Corporation and its subsidiaries (collectively referred to as the "China Mobile Group") increased by 12.1% to HK$1,322,843,000 (2013: HK$1,180,104,000), accounting for 43.8% of the Group's revenue in the Current Period, compared to 54.6% in the Prior Period.

Revenue generated from China United Network Communications Group Company Limited and its subsidiaries (collectively referred to as the "China Unicom Group") increased by 21.5% to HK$371,813,000 (2013: HK$306,102,000), accounting for 12.3% of the Group's revenue in the Current Period, compared to 14.2% in the Prior Period.

Revenue generated from China Telecommunications Corporation and its subsidiaries (collectively referred to as the "China Telecom Group") increased sharply by 177.8% to HK$596,452,000 (2013: HK$214,701,000), accounting for 19.7% of the Group's revenue in the Current Period, compared to 9.9% in the Prior Period.

Performance of international customers and core equipment manufacturers were also encouraging, with revenue increased by 58.7% to HK$684,963,000 (2013: HK$431,739,000), accounting for 22.7% (2013: 20.0%) of the Group's revenue in the Current Period. During the Current Period, the Group successfully provided comprehensive wireless coverage to world-class stadiums, representing another milestone in the course of business. The increase of revenue from international customers and core equipment manufacturers was mainly attributable to the completion and inspection of large stadium projects undertaken and the rising demand from core equipment manufacturers for 4G products in Mainland China.

By businesses

Revenue generated from the antennas and subsystems business in the Current Period increased significantly by 90.4% to HK$1,355,771,000 (2013: HK$711,931,000), accounting for 44.9% (2013: 32.9%) of the Group's revenue. The increase in revenue was mainly attributable to the proactive 4G network deployment by mobile network operators after the granting of TD-LTE licenses in Mainland China last year, which led to a substantial increase of demand for base station antennas.

Revenue generated from the wireless enhancement business in the Current Period increased slightly by 4.0% to HK$578,901,000 (2013: HK$556,900,000) over the last year, accounting for 19.1% (2013: 25.8%) of the Group's revenue. The management expected that the wireless enhancement market would gradually recover, and the bidding project suspended last year were also resumed. While the customers' demand for new generation wireless enhancement products is picking up, it is expected that the trend will continue to the second half of the year.

Revenue generated from the wireless access and transmission business in the Current Period decreased by 21.1% to HK$143,452,000 (2013: HK$181,897,000), accounting for 4.7% (2013: 8.4%) of the Group's revenue. Despite the maturing market of WLAN products led to a lower demand, the revenue from microwave transmission products and Small Cell system increased compared to the Prior Period, and as the management expected, will continue to increase.

Revenue from services in the Current Period increased by 32.8% to HK$945,451,000 (2013: HK$711,694,000), accounting for 31.3% (2013: 32.9%) of the Group's revenue. The Group's services business strategy has been adjusted by strictly selecting service projects with higher profit potential as its priorities, striving to improve the overall profitability and liquidity of the Group.

Gross Profit

During the Current Period, the Group's gross profit increased by 54.4% to HK$851,668,000 (2013: HK$551,675,000) as compared to the Prior Period. Meanwhile, the Group's gross profit margin increased by 2.7 percentage points to 28.2% (2013: 25.5%) in the Current Period. The increase in gross profit margin was mainly caused by the adjustment of product mix by the Group in the Current Period and the increased efforts to improve the contribution from certain products with higher gross profit margin. For the year ended 31 December 2013, the gross profit margin was 23.9%.

As the strategic adjustment is now bearing results, the Group will continue to optimize the revenue mix, implement stringent cost control measures, ramp up the scale of new products and new businesses, expand its market coverage and broaden other revenue sources to achieve more economies of scale, thus to further improve the gross profit margin.

Research and Development ("R&D") Costs

During the Current Period, R&D costs (after capitalization) increased by 23.5% to HK$106,797,000, representing 3.5% of the Group's revenue (2013: HK$86,461,000, representing 4.0% of the Group's revenue in the Prior Period). The increase in R&D costs was mainly attributable to: 1) continue to invest in the development and expansion of new product portfolio, and 2) invest in the improvement of product quality to achieve higher operational efficiency and better cost-effectiveness. The management considers the R&D investment to be reasonable and will endeavour to maintain it within this level in the future.

The Group is spending great efforts on R&D and product innovation. As at the end of the Current Period, the Group achieved significant accomplishments in creating new products and solutions utilizing its own intellectual property rights and has applied for more than 1,700 patents (as at 31 December 2013: more than 1,600 patents). In addition, the Group determined to make investment in building new R&D facilities in the vicinity of the R&D headquarters in the Current Period for the latest technical development and innovation, and to further strengthen its R&D capabilities.

Selling and Distribution Expenses

During the Current Period, selling and distribution expenses increased slightly by 3.8% to HK$246,340,000, representing 8.1% of the Group's revenue (2013: HK$237,351,000, representing 11.0% of the Group's revenue in the Prior Period). The rise in selling and distribution expenses was mainly due to the significant increase of the Group's revenue, resulting in an increased selling and distribution expenses.

Administrative Expenses

During the Current Period, administrative expenses increased slightly by 7.2% to HK$381,056,000, representing 12.6% of the Group's revenue (2013: HK$355,307,000, representing 16.4% of the Group's revenue in the Prior Period). The slight increase of administrative expenses was mainly due to the significant increase of the Group's revenue, resulting in an increased global operation support.

Awarded Shares Expenses

On 12 April 2011, the Board resolved to award 26,000,000 awarded shares to 365 selected persons under the share award scheme adopted on 25 March 2011, by way of issue and allotment of new shares pursuant to the general mandate granted by the shareholders of the Company at the annual general meeting held on 24 May 2010. These awarded shares were held in trust for the selected persons by the trustee appointed by the Company until the end of each vesting period. For these awarded shares, there were four vesting dates, which were 12 July 2011, 12 April 2012, 12 April 2013 and 12 April 2014. Upon each vesting date, those awarded shares were transferred at no cost to the selected persons.

The fair value of the 26,000,000 awarded shares was approximately HK$226 million, measured at the closing market price of HK$9.32 per share at the date of grant and amortized over each of the vesting periods up to 12 April 2014. During the Current Period, the awarded shares expenses amounted to approximately HK$4 million.

Finance Costs

During the Current Period, finance costs decreased slightly by 5.0% to HK$24,721,000, representing 0.8% of the Group's revenue (2013: HK$26,033,000, representing 1.2% of the Group's revenue in the Prior Period). The slight decrease in finance costs was mainly due to a slight decline of bank borrowings.

The management has always been prudent in managing credit risk and the level of bank borrowings as well as improving cash flow. To cope with the growth of the business, the management has closely monitored the latest developments of the financing market and arranged the most appropriate financing for the Group. Under these circumstances, the Group entered into a 3-year term loan facility agreement amounted to US$125,000,000 (equivalent to HK$969,000,000) on 18 June 2014 with four international financial institutions, including the Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited, China CITIC Bank International Limited and Hang Seng Bank Limited, for repayment of an existing loan of the Group as well as strengthening its working capital requirement, enabling the implementation of its long-term development plan.

In addition, the management has utilized the advantages of interest and foreign exchange rates differentiation among different countries in order to minimize finance costs. As of 30 June 2014, the gross gearing ratio of the Group, defined as total interest-bearing borrowings divided by total assets, stood at a manageable level of 14.8%, compared to 16.5% as of 30 June 2013. The gross gearing ratio of the Group was 15.1% as of 31 December 2013.

Operating Profit

During the Current Period, the operating profit of the Group was HK$135,299,000 (2013: operating loss of HK$110,526,000). The turnaround was attributable to: 1) the gradual recovery of global economy and the 4G network deployment after the granting of 4G LTE licenses last year in Mainland China, delivering a significant increase of the Group's revenue; 2) the improvement in gross profit margin; and 3) the benefits of economy of scale and effective cost control measures, resulting in a decline in the operating expenses as a percentage of the Group's total revenue.

Tax

During the Current Period, the overall taxation charge of HK$36,783,000 (2013: HK$18,174,000) comprised income tax expense of HK$44,927,000 (2013: HK$15,433,000) and deferred tax credit of HK$8,144,000 (2013: deferred tax debit of HK$2,741,000). During the Current Period, the overall taxation charge was mainly due to the assessable profits recorded in certain subsidiaries.

Net Profit

During the Current Period, profit attributable to shareholders of the Company was HK$72,305,000 (2013: net loss of HK$150,676,000) owing to the Group benefited from the strong growth in its antennas and service business and the improvement of gross profit margin as well as the decline in the operating expenses as a percentage of the Group's total revenue.

PROSPECTS

Looking into the second half of 2014, despite some uncertainties, global economy (including Mainland China) is expected to continue its steady recovery and the government is anticipated to use targeted control measures to achieve moderate or even faster growth.

The Group is cautiously optimistic about the prospects of telecom equipment sectors in both global and Mainland China markets in the second half of 2014. According to market estimates, as of the end of the first half of 2014, the number of global mobile subscriptions was more than 6.8 billion, of which over 2.3 billion were mobile broadband subscriptions, representing an increase of 35% year-on-year. In addition, there were over 300 4G LTE networks commercially launched worldwide as at early June 2014, and more than 350 LTE networks is expected by the end of the year. With regard to China, the largest mobile network market in the world, according to the statistics issued by the Ministry of Industry and Information Technology (the "MIIT") of the People's Republic of China, as of the end of the first half of 2014, the number of mobile subscriptions was more than 1.26 billion, with a penetration rate of mobile phone of more than 92.6%. Despite slower growth in the number of mobile phone subscriptions, there were more evidences for 3G and 4G LTE replacements, the share of mobile broadband subscriptions increasing rapidly. The number of 3G and 4G LTE subscriptions increased by 83.129 million to 485 million during the first half, with a penetration rate of 38.5% relative to mobile phone subscriptions. Moreover, as at the end of June 2014, the MIIT officially approved China Unicom Group and China Telecom Group to commence the hybrid network trial for two kinds of 4G LTE based networks (namely TD-LTE and LTE FDD) in 16 cities respectively, and indicated that it will issue LTE FDD licenses when appropriate. The management believes that the 4G LTE network in Mainland China will soon enter its golden years, which will bring more opportunities for the Group.

In addition to increased growth in subscriptions and the faster pace of 4G LTE networks development by mobile network operators, rapid growth of mobile phone data traffic was the more important drive. Phone users are more willing to connect to the internet on phone as access to mobile internet become more and more convenient, mobile apps are getting increasingly prominent and the price of broadband internet continues to fall, which has been driving mobile internet users to continuously grow. For example, in Mainland China, the number of mobile internet users was 824 million as of the end of the first half of 2014, with a penetration rate of 65.3% relative to mobile phone subscriptions. On the other hand, driven by the growing popularity of smart devices, mobile internet traffic continue to grow rapidly. As of the end of the first half of 2014, the average traffic for mobile internet connection per day amounted to 4.68 million G and average traffic for mobile internet connection per user per month exceeded 175M, representing an increase of 44.7% year-on-year. Of which, internet traffic on phone amounted to 728 million G, representing an increase of 93.2% year-on-year and accounting for 84.1% of total mobile internet connection traffic. The average internet traffic on phone per user per month amounted to 149.9M, representing an increase of 86.2% year-on-year. Therefore, the Group is confident that telecom equipment sectors in both global and Mainland China markets will continue to grow with good momentum in the foreseeable future as driven by such positive factors.

Antennas and Subsystems

As the development of 4G LTE networks is accelerating worldwide, the management believes the antennas and subsystems business will continue its growth trend. The Group has established itself as a leading first-class antenna vendor globally and has developed a line of MIMO (multiple input, multiple output) antennas with industry leading specification and performance. Featuring multi-system, multi-operator functionality, the Company's MIMO antennas have been well received by the clients. In Mainland China, these antennas are already widely deployed in the 4G LTE networks, making the Group one of the major suppliers of 4G LTE compatible base station antennas in the market.

Entering the 4G LTE era, due to increasing orders for our base station antennas and in order to match up the need for future business expansion, the Group invested to improve its production capability and a new plant was commenced operations during the Current Period. Located in Guangzhou Development Zone, the new plant is adjacent to the Group's existing manufacturing base, with site area of approximately 24,000 square meters. It is used to improve the production capability for base station antennas and wireless enhancement products, and will be utilized in a flexible way to cooperate the expansion of different businesses as the need arises. The rapid operation of the new plant significantly improved the Group's delivery capability and helped the Group achieve greater economies of scale, which enabled the Group to effectively meet the need for developing 4G LTE networks by mobile network operators.

Furthermore, the Group will allocate more resources to on-going R&D and innovation activities to consolidate its industry position. Therefore, the Group will build new R&D facilities at the R&D headquarters, including some larger microwave anechoic chambers with higher precision and more advanced testing platforms to match the latest technological developments and innovation.

Wireless Access

Major global mobile network operators consider Small Cell as an important model for 4G LTE network deployment. The development of smart devices and mobile internet drives mobile data traffic to grow explosively. Small Cell not only can relieve the traffic pressure for macrocell, but also can solve the indoor coverage problem. Hence, it is used to wider application and plays an increasingly important role in the development of 4G LTE networks. Marketing efforts made by the Group to promote Small Cell over the past several years gradually receive award, with its usage, affordability, stability, receptivity and application flexibility well received by customers. In addition, the service and technical support provided by the Group with respect to such innovative product have been in leading position in the industry. Therefore, the scale of Small Cell business is expected to significantly expand during the year. During the Current Period, Small Cell for 2G and 3G was commercially launched in 13 provinces and cities, and Small Cell for 4G pilots had also been extended to 11 provinces and cities. Currently, the Group is also preparing for Small Cell bidding process, in hope to expedite the improvement of economies of scale.

Wireless Enhancement

Revenue from the wireless enhancement products represented negative growth over the past two years, principally due to various uncertainties such as economic environment and different network deployment strategies of mobile network operators. In the first half of 2014, revenue generated from the wireless enhancement business slightly increased. The management believes that the worst time for the wireless enhancement market has passed, and the customers also gradually renew their tender initiatives, with the most prominent of the Group's multi-service digital distributed access system ("MDAS"). During the tender process in recent months, the system successfully stood out in a number of tender initiatives and delivered encouraging results. This is of great importance to the subsequent product promotion and market expansion. The Group's MDAS products meet the demand of the market, providing a new model among many scenario constructions for the mobile network operators.

For the global business, the Group also recorded robust results. Following the success in obtaining the wireless projects for the just past World Cup in Brazil and the Winter Games in Russia, the Group has started to prepare for tendering the wireless coverage projects of other international large-scale events. Capitalizing on its abundant experience of providing wireless solutions for various world famous stadiums in the past, the Group is confident to carry the success to a higher level and strive for more stadiums projects to further enhance the image and position of Comba Telecom in the international market.

Wireless Transmission

Digital Microwave Systems

Entering the 4G LTE era, there have been growing signs of IP-based and broadband architecture for the LTE business. The Group's new digital microwave systems not only support a smooth transition to all-IP networks, but enable both voice and data transmission with high throughput. As many mobile network operators throughout the world have accelerated their 4G LTE network deployments, and microwave is the access device of the last kilometer of mobile backhaul network, the new digital microwave systems are expected to become more widely adopted by mobile network operators to meet the new demand for the mobile backhaul network in LTE times.

Satellite Emergency Communications

Comba Telecom is a full wireless coverage and transmission solutions provider, as natural disasters and large-scale events often occur, the emergency communication system is an integral part of its product offerings. The management expects the development of emergency communication products to remain stable to strive to assist customers to resume the communications in the disaster area when it occurs and ensure the provision of communication support during the large-scale events.

Services

The Group has made a strategic adjustment to its services business to enhance its profitability and strengthen its liquidity. During the Current Period, the Group separately organized a dedicated team to coordinate, assess, deploy, support and monitor the planning, tender, progress of construction, resources integration and allocation of global services. The management expects the revenue contribution from the services business to continue to grow, and insists on the provision of high-end and value-added services, including network and technical design, network planning, project management and after-sales maintenance, etc., thus to continuously create and enhance value for customers.

Rail Communications

The established rail transportation construction remains one of key infrastructure projects in the PRC in view of urbanization planning. Accordingly, the management believes that the future potential of rail communications business remains very extensive. The rail communications business was stable during the Current Period, and the Group participated in a number of rail communications projects. To capture more opportunities, the Group will continue to strengthen and improve the solutions for wireless rail communication projects and actively negotiate and communicate with various rail companies, in hope to engage in more rail communication project in the second half of 2014.

Conclusion

After more than two years of efforts, the Group is making great progress in its product and business transformation with businesses significantly improved, proving that the decision for transformation is correct and necessary. Now is a great time for big data and 4G LTE, the management is confident the robust results can be achieved again based on sustainable development with continuous innovation and more efforts made on transformational change.

The Group remains committed to cost control, optimization of operational structure and human resources, and will continue to speed up the enhancement of its growth, profitability, liquidity and efficiency.

Last but not least, the Board would like to extend its heartfelt gratitude to all staff for their dedicated efforts and contributions. We also greatly appreciate the continuous support of customers, suppliers, shareholders and business associates. The Group is consistently sparing no effort to achieve satisfactory results through our innovative products and commitment to excellence in management.

LIQUIDITY, FINANCIAL RESOURCES & CAPITAL STRUCTURE

The Group generally finances for its operations from cash flows generated internally and bank borrowings. As at 30 June 2014, the Group had net current assets of HK$3,470,229,000. Current assets comprised inventories of HK$2,514,759,000, trade receivables of HK$5,055,867,000, notes receivable of HK$165,730,000, prepayments, deposits and other receivables of HK$777,388,000, restricted bank deposits of HK$41,148,000, and cash and cash equivalents of HK$791,523,000. Current liabilities comprised trade and bills payables of HK$3,844,945,000, other payables and accruals of HK$1,218,342,000, interest-bearing bank borrowings of HK$683,305,000, tax payable of HK$54,526,000 and provisions for product warranties of HK$75,068,000.

The average receivable turnover for the Current Period was 293 days compared to 388 days for the Prior Period. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 3 months and is extendable up to 2 years depending on the customers' credit worthiness, except for those retention money generally receivable after final certification of products by customers, which would be performed 6 to 12 months after sale, or upon completion of the 1 to 2 years warranty periods granted to customers. The average payable turnover for the Current Period was 323 days compared to 364 days for the Prior Period. The average inventory turnover for the Current Period was 200 days compared to 257 days for the Prior Period.

As at 30 June 2014, the Group's cash and bank balances were mainly denominated in Renminbi ("RMB"), Hong Kong dollars ("HK$") and United States dollars ("US$") while the Group's bank borrowings were mainly denominated in RMB, HK$ and US$. The interest rates on the Group's bank borrowings are principally on a floating basis at prevailing market rates.

In addition to the short-term interest-bearing facilities, the Group had entered into two 3-year term loan facility agreements with certain financial institutions respectively, one with facility amount of US$210,000,000 entered into on 26 June 2012 (the "2012 Facility Agreement") and the other with facility amount of US$125,000,000 entered into on 18 June 2014 (the "2014 Facility Agreement", together with the 2012 Facility Agreement collectively known as the "Facility Agreements"). The loan of US$210,000,000 under the 2012 Facility Agreement was fully repaid on 26 June 2014.

Under the Facility Agreements, there are specific performance obligations that Mr. Fok Tung Ling, who is the controlling shareholder of the Company, and Mr. Zhang Yue Jun, who is the substantial shareholder of the Company, shall maintain (i) beneficial ownership in aggregate, directly or indirectly, of at least 35% of the shares (of each class) of, and equity interests in the Company free from any security and (ii) the ability in leading the management in determining the directions of overall strategies and business development for the Group. At the date of approval of these condensed consolidated interim financial statements, the loan of US$210,000,000 under the 2012 Facility Agreement was fully repaid and the above specific performance obligations under the 2014 Facility Agreement have been complied with.

Details of the Facility Agreements are set out in note 14 to these condensed consolidated interim financial statements.

The Group's revenue and expenses, assets and liabilities are mainly denominated in RMB, HK$ and US$. As the Group's revenue is substantially denominated in RMB, the Board currently considers that the fluctuation of RMB exchange rate in a narrow band should not have a material impact on the Group's business and no hedging arrangement was thus engaged.

The Group's gross gearing ratio, calculated as total interest-bearing debts (including bank borrowings and advances) over total assets, was 14.8% as at 30 June 2014 (31 December 2013: 15.1%).

MATERIAL ACQUISITIONS AND DISPOSALS

The Group has not conducted any material acquisitions and disposals of subsidiaries and associated companies during the Current Period.

CHARGE ON ASSETS

As at 30 June 2014, there was no charge on the Group's assets (31 December 2013: Nil).

CONTINGENT LIABILITIES

As at 30 June 2014, the Group had contingent liabilities of HK$99,464,000 (31 December 2013: HK$98,555,000), which mainly included guarantees given to banks in respect of performance bonds.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2014, the Group had approximately 9,000 staff. The total staff costs, excluding capitalized development cost, for the Current Period were HK$586,604,000. The Group offers competitive remuneration schemes to its employees based on industry practices, legal requirements, as well as the employees' and the Group's performance. In addition, share options, awarded shares and discretionary bonuses are granted to eligible employees based on the employees' performance, the Group's results, and in accordance with the share option schemes and the share award scheme of the Company. Mandatory provident fund or staff pension schemes are also provided to relevant staff in Hong Kong, the PRC or elsewhere in accordance with relevant legal requirements. The Group also provides training to the staff to improve their skills and develop their respective expertise.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the Current Period. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Current Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board reviewed daily governance of the Group in accordance with the code provisions (the "Code Provisions") as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considered that, during the Current Period, the Company regulated its operation and carried out appropriate governance in accordance with the Code Provisions. The Company has complied with the Code Provisions during the Current Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities transactions of the Company by the Directors. Specific enquiries have been made to all Directors, and they have confirmed that they have complied with the required standard as set out in the Model Code and the code of conduct during the Current Period.

AUDIT COMMITTEE

The audit committee, together with the management, has reviewed the accounting principles, standards and methods adopted by the Company, and discussed matters relating to auditing, internal controls and financial reporting, including the review of the unaudited accounts for the Current Period. The audit committee has given its consent to the accounting principles, standards and methods adopted by the Company for the unaudited condensed consolidated interim financial statements for the Current Period and has not given any disagreement.

PUBLICATION OF INTERIM REPORT

A copy of interim report containing all information required by the Listing Rules will be despatched to the shareholders of the Company and published on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the website of the Company (http://www.comba-telecom.com) in due course.

By order of the Board
Comba Telecom Systems Holdings Limited
Fok Tung Ling
Chairman

Hong Kong, 21 August 2014

As at the date of this announcement, the Board comprises the following executive Directors: Mr. FOK Tung Ling, Mr. ZHANG Yue Jun, Dr. TONG Chak Wai, Wilson, Mr. WU Jiang Cheng, Mr. YAN Ji Ci, Mr. ZHENG Guo Bao, Mr. YEUNG Pui Sang, Simon and Mr. ZHANG Yuan Jian; and the following independent non-executive Directors: Mr. LIU Cai, Mr. LAU Siu Ki, Kevin, Dr. LIN Jin Tong and Mr. QIAN Ting Shuo.