联华超市股份有限公司
LIANHUA SUPERMARKET HOLDINGS CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00980)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010 AND CHANGE OF COMPANY SECRETARY

FINANCIAL HIGHLIGHTS

As at 31 December 2010, the Group recorded the following:

- Turnover amounted to RMB25,887 million, representing a growth of approximately 7.78% as compared with that of 2009. The same store sales of the Group increased by approximately 5.64% over that of 2009, in which hypermarket business grew by 6.86%, supermarket business grew by 5.46% and convenience stores grew by 4.37%.

- Gross profit amounted to approximately RMB3,611 million, representing an increase of 15.14% over 2009. Gross profit margin was approximately 13.95%, representing a year-on-year increase of 0.89 percentage points. Consolidated income grew steadily to approximately RMB6,474 million, representing an increase of 11.83% over 2009. Consolidated income margin reached 25.01%.

- Operating profit amounted to RMB775 million, representing a growth of 19.74% over 2009. Profit attributable to shareholders of the Company amounted to approximately RMB623 million, a growth of approximately 22.84% over 2009. The Group's remarkable performance was mainly attributable to the continuous improvement in operation and the effective merger and acquisition move. Basic earnings per share amounted to RMB1.00.

- The total number of outlets reached 5,172. During the period under review, the Group opened 550 new outlets, including, 11 newly opened hypermarkets and 1 hypermarket transformed from supermarket (i.e., 12 new hypermarkets in total), 320 newly-opened supermarkets (including 21 direct operation stores and 299 franchised stores), 218 newly-opened convenience stores (including 65 direct operation stores and 153 franchised stores).

- The total dividend to be distributed for the year is RMB0.33 (tax included) per share, of which the interim dividend of RMB0.15 per share was paid and the proposed final dividend is RMB0.18 per share.

- As approved by the Board, the Company proposed to increase its total issued share capital. The additional share capital, to be transferred from part of the capital reserve fund by way of capitalization, will be credited as paid-up capital. The actual plan for such capital increase by capitalization is that: an additional 8 shares to be issued to the shareholders whose names appear on the register of members of the Company on the record date for every 10 shares held by them by way of capitalization of capital reserve fund.

Note 1: Consolidated income = Gross profit + Other revenues + Other income

Note 2: Consolidated income margin = (Gross profit + Other revenues + Other income)/Turnover

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	**2010** **RMB'000**	2009 RMB'000
Turnover	*4*	**25,887,432**	24,017,720
Cost of sales		**(22,276,482)**	(20,881,677)
Gross profit		**3,610,950**	3,136,043
Other revenue	*4*	**2,415,375**	2,280,322
Other income	*5*	**447,440**	372,517
Selling and distribution expenses		**(4,973,881)**	(4,558,202)
Administrative expenses		**(646,824)**	(560,117)
Other operating expenses		**(77,633)**	(16,667)
Finance costs		**–**	(6,323)
Operating profit		**775,427**	647,573
Share of profits of associates		**178,826**	150,240
Profit before taxation		**954,253**	797,813
Taxation	*6*	**(243,654)**	(208,430)
Profit and total comprehensive income for the year		**710,599**	589,383
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**622,579**	506,802
Non-controlling interests		**88,020**	82,581
		710,599	589,383
Dividend			
– interim dividend	*7*	**93,300**	74,640
– final dividend	*7*	**99,520**	93,300
Earnings per share – Basic	*8*	**RMB1.00**	RMB0.81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

	NOTES	**31/12/2010** **RMB'000**	31/12/2009 RMB'000
Non-current assets			
Property, plant and equipment		**2,882,638**	3,031,153
Construction in progress		**220,730**	86,921
Land use rights		**249,419**	254,717
Intangible assets		**177,615**	183,917
Investments in associates		**503,567**	449,885
Available-for-sale financial assets		**167,158**	31,271
Held-to-maturity financial assets		**377,295**	377,615
Term deposits – restricted		**293,000**	–
– unrestricted		**1,200,000**	480,000
Prepaid rental		**108,193**	138,481
Deferred tax assets		**120,739**	104,661
Other non-current assets		**24,654**	25,839
		6,325,008	5,164,460
Current assets			
Inventories		**2,785,242**	2,459,506
Trade receivables	*9*	**117,370**	74,302
Deposits, prepayments and other receivables		**598,851**	487,723
Amounts due from fellow subsidiaries		**8,092**	–
Amounts due from associates		**29**	34
Available-for-sale financial assets		**500,000**	610,900
Held-to-maturity financial assets		**45,777**	97,873
Financial assets at fair value through profit or loss		**204,089**	1,874
Term deposits			
– Restricted		**1,621,400**	1,219,800
– Unrestricted		**660,000**	1,110,000
Cash and cash equivalents		**5,581,005**	4,191,924
		12,121,855	10,253,936
Total assets		**18,446,863**	15,418,396

	NOTES	31/12/2010 RMB'000	31/12/2009 RMB'000
Capital and reserves			
Share capital		**622,000**	622,000
Reserves		**2,271,043**	1,841,284
Equity attributable to owners of the Company		**2,893,043**	2,463,284
Non-controlling interests		**329,047**	464,790
Total equity		**3,222,090**	2,928,074
Non-current liabilities			
Deferred tax liabilities		**49,318**	51,375
Current liabilities			
Trade payables	*10*	**4,154,603**	3,490,098
Other payables and accruals		**1,870,587**	1,773,257
Dividend payable to non-controlling interest of subsidiaries		**203,569**	–
Coupon liabilities		**8,707,110**	6,944,234
Deferred income		**21,260**	30,388
Amounts due to associates		**5,399**	4,791
Amount due to ultimate holding company		**–**	10,023
Amounts due to fellow subsidiaries		**105,172**	93,696
Taxation payable		**107,755**	92,460
		15,175,455	12,438,947
Total liabilities		**15,224,773**	12,490,322
Total equity and liabilities		**18,446,863**	15,418,396
Net current liabilities		**(3,053,600)**	(2,185,011)
Total assets less current liabilities		**3,271,408**	2,979,449

SELECTED NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. PRINCIPAL ACTIVITIES

The principal activities of Lianhua Supermarket Holdings Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and its associates are the operation of chain stores including supermarkets, hypermarkets and convenience stores, primarily in the Eastern Region of the People's Republic of China (the "PRC"). All the operating assets of the Group and its associates are located in the PRC.

The Company is a limited liability company incorporated in the PRC. The address of its registered office is Room 713, 7th Floor, No. 1258, Zhen Guang Road, Pu Tuo District, Shanghai, the PRC. The Company is listed on the main board of The Stock Exchange of Hong Kong Limited.

The directors of the Company consider that the Company's immediate holding company is Shanghai Friendship Group Incorporated, a company incorporated and listed on the Shanghai Stock Exchange, and the Company's ultimate holding company is Bailian Group Co., Ltd (the "Bailian Group"), a stated owned enterprise established in the PRC.

The consolidated financial statements are presented in Renminbi (the "RMB"), which is the same as the functional currency of the Company and its subsidiaries.

2. BASIS OF PRESENTATION

The consolidated accounts have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies in the accounts, financial assets and financial liabilities are generally stated at fair value.

The preparation of accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

In the current year, the Group has applied new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Group's General Manager, who is the chief operating decision maker of the Group for the purposes of resource allocation and assessment of performance is focused on the three main operations of the Group which are identified in accordance with the business nature and the size of the operations. This basis is also consistent with the basis of organisation in the Group, where management has organised the Group around these three main operations. Accordingly the operating segments of the Group are as follows:

- Hypermarkets chain operation
- Supermarkets chain operation
- Convenience stores chain operation
- Other operations

There are no significant sales or other transactions between the segments. Other operations of the Group mainly comprise sales of merchandise to wholesalers; provision of logistic services for wholesale business; and sales through internet.

The following is an analysis of the Group's revenue (include turnover and other revenues) and results by operating segment for the years under review:

	Segment revenue		Segment results	
	2010	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hypermarkets	**16,055,573**	14,414,598	**330,820**	243,857
Supermarkets	**10,170,676**	10,040,750	**351,313**	327,889
Convenience stores	**1,870,978**	1,676,987	**40,007**	25,128
Other operations	**205,580**	165,707	**102,741**	99,890
	28,302,807	26,298,042	**824,881**	696,764

A reconciliation of total segments results to consolidated profit before taxation is provided as follows:

	2010	2009
	RMB'000	*RMB'000*
Segment results	**824,881**	696,764
Interest income	**22,919**	34,254
Unallocated income	**47,779**	18,279
Unallocated expenses	**(120,152)**	(101,724)
Share of profits of associates	**178,826**	150,240
Consolidated profit before taxation	**954,253**	797,813

All of the segment revenue reported above is from external customers.

All of the Group's revenue and segment results is attributable to customers in the PRC.

Segment results did not include share of profits of associates, allocation of headquarter income and expenses (including certain interest income relating to funds managed centrally). This is the measure reported to the Group's general manager for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by operating segment:

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Segment assets		
– Hypermarkets	**9,603,936**	8,077,369
– Supermarkets	**5,636,381**	4,539,038
– Convenience Stores	**314,422**	333,052
– Other operations	**175,673**	89,760
Total segment assets	**15,730,412**	13,039,219
Investments in associates	**503,567**	449,885
Unallocated assets	**2,212,884**	1,929,292
Total assets	**18,446,863**	15,418,396

Other unallocated assets mainly comprise certain financial assets, cash and cash equivalents managed centrally by headquarter and deferred tax assets.

4. TURNOVER AND OTHER REVENUE

The Group is principally engaged in operation of chain stores including supermarkets, hypermarkets and convenience stores. Revenue recognised during the year as follows:

	2010 *RMB'000*	2009 *RMB'000*
Turnover		
Sales of merchandise	**25,887,432**	24,017,720
Other revenue		
Income from suppliers	**1,815,567**	1,727,035
Gross rental income from leasing of shop premises	**479,763**	457,532
Royalty income from franchised stores	**66,526**	63,140
Commission income from coupon redemption in other retailers	**53,519**	32,615
	2,415,375	2,280,322

5. OTHER INCOME

	2010 *RMB'000*	2009 *RMB'000*
Interest income on cash and term deposits	**194,195**	208,758
Government subsidies	**48,118**	20,324
Fair value change of financial assets at fair value through profit or loss	**31,250**	18,539
Fair value gain on available-for-sale financial assets	**31,991**	16,735
Fair value gain on held-to-maturity financial assets	**26,307**	4,188
Compensation for relocation or rental	**7,941**	11,910
Salvage sales	**27,230**	19,756
Others	**80,408**	72,307
Total	**447,440**	372,517

6. TAXATION

	2010 *RMB'000*	2009 *RMB'000*
PRC income tax		
– Current taxation	**261,789**	230,959
– Deferred taxation	**(18,135)**	(22,529)
	243,654	208,430

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits subject to Hong Kong profits tax.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Certain subsidiaries are taxed at preferential rate of 15% to 22% (2009: 15% to 20%).

	2010		2009	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**954,253**		797,813	
Tax at the PRC statutory income tax rate of 25% (2009: 25%)	**238,563**	**25.0**	199,453	25.0
Tax effect of share of profit of associates	**(44,707)**	**(4.7)**	(37,560)	(4.7)
Tax effect of expenses not deductible for tax purpose	**18,103**	**1.9**	16,755	2.0
Tax effect of income not taxable for tax purpose	**(18,596)**	**(1.9)**	(5,081)	(0.6)
Tax effect of tax losses not recognised	**76,760**	**8.0**	39,553	5.0
Utilisation of tax losses previously not recognised	**(18,988)**	**(2.0)**	(1,857)	(0.2)
Effect of tax exemptions and preferential tax rates granted to certain PRC subsidiaries	**(7,481)**	**(0.8)**	(2,833)	(0.4)
Tax charge and effective tax rate for the year	**243,654**	**25.5**	208,430	26.1

7. DIVIDEND

	2010	2009
	RMB'000	*RMB'000*
Dividend recognised as distribution during the year:		
2010 interim dividend RMB0.15 (2009: 2009 interim dividend RMB0.12) per share	**93,300**	74,640
2009 final dividend RMB0.16 (2009: 2008 final dividend RMB0.15) per share	**99,520**	93,300
	192,820	167,940

At a meeting held on 9 March 2011, the Directors proposed a final dividend of RMB0.18 (2009: RMB0.16) per share for the year ended 31 December 2010, totalling RMB111,960,000 (2009: RMB99,520,000). The proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings in the year ending 31 December 2011 upon approval by the shareholders at the forthcoming Annual General Meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2010	2009
Earnings		
Profit for the year attributable to owners of the Company (RMB'000)	**622,579**	506,802
Number of shares		
Number of ordinary shares in issue during the year	**622,000,000**	622,000,000

9. TRADE RECEIVABLES

The aged analysis of the trade receivables net of allowance for doubtful debts at the end of reporting period arising mainly from sales of merchandise to franchised stores and wholesalers and with credit terms ranging from 30 to 60 days, are as follows:

Group	**31/12/2010**	31/12/2009
	RMB'000	*RMB'000*
Within 30 days	**105,198**	59,958
31-60 days	**1,196**	14,082
61-90 days	**3,254**	176
91 days – one year	**7,722**	86
	117,370	74,302

10. TRADE PAYABLES

The age analysis of trade payables at the end of the reporting period, arising mainly from purchase of merchandise with credit terms ranging from 30 to 60 days, are as follows:

Group	**31/12/2010**	31/12/2009
	RMB'000	*RMB'000*
Within 30 days	**2,343,656**	2,982,348
31-60 days	**804,083**	296,485
61-90 days	**370,184**	104,145
91 days – one year	**636,680**	107,120
	4,154,603	3,490,098

MANAGEMENT DISCUSSION & ANALYSIS

Operating Environment

In 2010, the gross domestic product of the PRC was RMB39,798.3 billion, an increase of 10.3% over that of last year, on a comparable price basis. The growth rate of the economy was 1.1 percentage points higher than that in 2009, reflecting the economy's robust recovery from the international financial crisis. Economic growth together with the continuation and extension of policies to stimulate consumption growth constituted one of the major driving forces for the retail industry. Total retail sales of consumer products increased by 18.4% to RMB15,455.4 billion over the previous year, representing an actual growth of 14.8% if pricing effects are excluded. According to National Bureau of Statistics of China, domestic demand contributed approximately 92% of the PRC's economic growth in 2010.

In 2010, the consumer price level gradually picked up from last year and rose to 3.3%. To curb price inflation, the government adopted measures ranging from increasing supply, regulating demand, providing assistance for production and circulation, controlling market and implementing monetary controls. Therefore, the prices are controlled at a reasonable and a relatively stable level.

Cities across the country raised the minimum wage level from the beginning of 2010. For example, the minimum wage level of Shanghai city increased by 16.7%. The increase in labor costs put pressure on operating expenses of enterprises, while also created new opportunities, by stimulating domestic consumption, encouraging development of the service sector, promoting upgrading of industrial chain and an acceleration of urbanization and industrialization.

In the "Proposed Formulation of the Twelfth Five-Year Plan", issued during the Fifth Plenum of the 17th National People's Congress of the Communist Party of China convened in 2010, expansion of consumption demand is described by the government as the centerpiece of the measures to stimulate domestic demand in the 12th Five-Year Plan (2011-2015). Targets include growth in household consumption, rise of the service industry, accelerated urbanization, and fast income growth for both urban and rural residents etc. The new plan gives priority to expanding domestic demand among the ten critical tasks for next phase of economy development. The implication is that national policy will remain a driving force for development of retail industry. The improvement of the country's distribution system will provide a favorable operating environment for the retail industry. Plans call for balanced development among regions, urbanization, and strengthening of the public service sector, all of which will reinforce expansion of the retail sector.

Financial Review

Growth in turnover and consolidated income

In 2010, the Group recorded a turnover of approximately RMB25,887,432 thousand, representing a growth of 7.78% from RMB24,017,720 thousand as compared with 2009. The same store sales grew by 5.64% as compared with 2009. The increase in turnover was mainly due to sales growth in comparable outlets, and new outlets of hypermarket segment and convenience store segment. During the period under review, the Group commenced a series of enhancement and strengthening work with a view to enhancing outlet profitability, improving fresh product operation, optimizing merchandise mix, constructing supply chain structure and innovating marketing modes, which played an active role in enhancing the sales performance.

During the period under review, the gross profit of the Group was approximately RMB3,610,950 thousand, an increase of 15.14% from RMB3,136,043 thousand as compared with 2009. Gross profit margin was 13.95%, increased by 0.89 percentage points. The consolidated income was approximately RMB6,473,765 thousand, representing an increase of 11.83% from RMB5,788,882 thousand as compared with 2009, with a consolidated income margin of 25.01%, representing an increase of 0.91 percentage point over that of last year. The consolidated income reflected the constant increase in the consolidated income level of the Group, which was mainly due to: (1) the commencement of the Group's regional centralization strategy in respect of merchandize resources, thereby obtaining more favorable contract terms in joint negotiation; (2) the continuous improvement of management and operation in concessionaire regions and the growth in rental income generated by the more reasonable planning of business solicitation structure and marketing strategies; and (3) the growth in commission income driven by the continuous promotion of membership system. Meanwhile, the Group proactively utilized the sufficient capital and adopted the centralized cash management strategies to realize growth in cash income.

Operating cost and net profit

In 2010, total selling and distribution expenses of the Group amounted to approximately RMB4,973,881 thousand, representing an increase of 9.12% over 2009. Total administrative expenses amounted to RMB646,824 thousand, representing an increase of 15.48% as compared with the previous year and the overall cost ratio was 21.7%, increased by approximately 0.4 percentage point as compared with the previous year. Major items of operating costs were rental, labour costs, utilities charges and depreciation and amortization. The rise in costs were primarily driven by the increase in the said items. In particular, it was due to the fact that different local governments adjusted the minimum wage level upwards since the beginning of 2010, thereby causing the labour cost to rise continuously. For such purpose, the Group proactively prompted internal charge control practices with an aim to improve employment system and realize reasonable control over costs. Meanwhile, the Group strengthened consolidated income to offset cost increase and reasonably control the growth in cost ratio through constant exploration of revenue sources.

As at 31 December 2010, the Group recorded an operating profit of approximately RMB775,427 thousand, representing a growth of 19.74% as compared with 2009. The operating profit margin increased by 0.3 percentage point to 3% when compared with 2009, which set new height in the Group's annual operating profit margin and indicated that the main business of the Group grew healthily and continuously.

During the period under review, the Group's share of revenue of associated companies was approximately RMB178,826 thousand, representing an increase of 19.03% from the corresponding period of last year. No new store of Shanghai Carhua Supermarket Company Limited ("Shanghai Carhua") was opened during the period under review, and Shanghai Carhua had 19 outlets in total for the year ended 31 December 2010, among which the outlets opened in 2008 saw a healthy development with stable growth in their profits.

During the period under review, the Group recorded a total profit attributable to the Company's shareholders of approximately RMB622,579 thousand, representing an increase of 22.84% over that in 2009. In 2010, the net profit margin of the Group was 2.40%, which marked new height in annual net profit margin. Basic earnings per share amounted to RMB1.00.

Cash flow

In 2010, the Group's net cash inflow was approximately RMB1,389,081 thousand, cash and miscellaneous bank balances as at the period-end amounted to approximately RMB9,355,405 thousand, representing an increase of 33.62% over that of the previous year. Following the continuous expansion of enterprise, improvement of profitability and stable growth in deposits of members, both cash flow and financial strength were enhanced incessantly.

For the year ended 31 December 2010, the turnover period of the Group's trade payables was approximately 61 days, and inventory turnover period was approximately 37 days. The operation quality of the Group was improved.

During the year under review, the Group did not use any financial instrument for hedging purposes and the Group did not issue any hedging instrument as at 31 December 2010.

Growth in retail businesses

Hypermarkets

During the period under review, the turnover of the Group's hypermarkets increased by approximately 11.80% when compared with the corresponding period of 2009 to approximately RMB14,578,596 thousand, which accounted for approximately 56.32% of the Group's turnover, and the gross profit margin increased by 0.84 percentage points to 13.13%. The same store sales increased by 6.86%. The turnover and same store sales of hypermarket segment were higher than the average level of the Group, which demonstrated its strong growth momentum. The segment's operating profit was RMB330,820 thousand, representing an increase of approximately RMB86,963 thousand over 2009. The operating profit margin was 2.27%, increased by 0.4 percentage point when compared with that of 2009. So far as hypermarkets are concerned, the Group will continue to implement the strategy of procurement from places of origin to reduce purchase cost, optimize the composition of suppliers and enhance the performance of its commodities with an aim to achieve a significant growth in consolidated income margin and operating profit margin.

As at 31 December	**2010**	2009
Gross Profit Margin (%)	**13.13**	12.29
Consolidated Income Margin (%)	**24.46**	23.82
Operating Profit Margin (%)	**2.27**	1.87

Supermarkets

During the period under review, the turnover of the Group's supermarkets increased by approximately 1.03% when compared with 2009 to approximately RMB9,414,903 thousand, which accounted for approximately 36.37% of the Group's turnover. The growth in same store sales was 5.46%. The weak growth in sales amount of supermarket segment was primarily attributable to the decrease in the number of direct operation stores after the closure of some stores as a result of the operational rationalization of existing stores and relocation of municipal services. Despite the limited growth in sales, the effects of supermarket segment consolidation were significant with the continuous improvement in revenue indicators, which recorded the gross profit of approximately RMB1,385,410 thousand and the gross profit margin of 14.72%, representing an increase of 1.11 percentage points over that of previous year. The consolidated income margin was 24.06%, representing an increase of 1.39 percentage points as compared with previous year.

Segment operating profit was approximately RMB351,313 thousand, representing an increase of approximately RMB23,424 thousand, or a growth of approximately 7.14% over 2009. Operating profit margin slightly increased to 3.73%.

As at 31 December	**2010**	2009
Gross Profit Margin (%)	**14.72**	13.61
Consolidated Income Margin (%)	**24.06**	22.67
Operating Profit Margin (%)	**3.73**	3.52

Convenience stores

During the period under review, the Group's convenience stores recorded a turnover of approximately RMB1,746,729 thousand, which accounted for approximately 6.75% of the Group's turnover, and the same store sales increased by 4.37%. In 2010, the Group's seven stores opened in Shanghai World Expo Park recorded outstanding results. Meanwhile, it continued to carry out the transformation of stores in a proactive manner and launched new-model stores on a trial basis, while establishing integrated stores by providing more services in stores continuously. Consolidated income margin increased by 0.79 percentage point. The operating profit was approximately RMB40,007 thousand, representing an increase of 59.20% over that of the previous year, and the operating profit margin increased by 0.67 percentage point to 2.29% when compared with 2009.

As at 31 December	**2010**	2009
Gross Profit Margin (%)	**16.54**	15.27
Consolidated Income Margin (%)	**24.91**	24.12
Operating Profit Margin (%)	**2.29**	1.62

Capital structure

As at 31 December 2010, the Group's cash and bank balances were mainly held in Renminbi, and the Group had no bank borrowings.

During the period under review, equity attributable to shareholders of the Group increased from RMB2,463,284 thousand to RMB2,893,043 thousand, which was mainly due to the increase in profit amounting to RMB622,579 thousand and dividends distribution amounting to RMB192,820 thousand.

Details of the Group's pledged assets

As at 31 December 2010, the Group did not pledge any assets.

Exposure to foreign exchange risk

Most of the income and expenditures of the Group are denominated in Renminbi. During the period under review, the Group did not experience any material difficulties or negative effects on its operations or liquidity as a result of fluctuation in currency exchange rates. The Group has not entered into any agreements or purchased any financial instruments to hedge the foreign exchange risks of the Group. The Directors believe that the Group is able to meet its foreign exchange requirements.

Share capital

As at 31 December 2010, the issued share capital of the Company was as follows:

Class of shares	**Number of shares in issue**	**Percentage**
Domestic shares	355,543,000	57.16
Unlisted foreign shares	59,457,000	9.56
H shares	207,000,000	33.28
Total	622,000,000	100.00

Contingent liabilities

As at 31 December 2010, the Group did not have any material contingent liabilities.

Operating Review

Consolidation and restructuring

2010 marked a milestone of the Group in terms of business model. The Group re-engineered and centralized in full swing the procurement system, logistics and distribution, information systems, accounting and settlement as it integrated the merchandise management system and supermarket operation. Executing on strategy, the Group have accomplished all of our major objectives in the present stage of development.

The first task was to consolidate the merchandising system. In Shanghai, the Group brought together procurement departments that were previously under different retail segments into one central organization. The six-month process involved a range of tasks from integrating merchandising and organizational codes, comparing the terms of contracts among different segments within the Group, developing a unified structure for contract negotiations, as well as optimizing organization, procedures, and assessments. The merchandise management head office achieved remarkable success in such aspects as the further centralizing procurement and building of collaborative mechanism of operation and procurement. The Group successfully took different synergic actions for resources centralization by way of joint buy-up operation, joint promotion and holding of trade fair.

The second task was to develop a new organizational structure for the supermarket business. The Group merged the direct and franchised operational systems of both Lianhua supermarkets and Hualian supermarkets to form Shanghai Lianhua Supermarket Development Co., Ltd. After the completion of the merger, the new company gradually integrated its offices, management systems, operating regions, and human resources, as well as recruitment and compensation of managers and employees.

The third task was the consolidation of logistics and distribution system. During the period under review, in order to make the best use of existing logistics resources and to address the need for centralized distribution of hypermarket segment in Shanghai region, the Group relocated and consolidated the distribution centers of Lianhua supermarkets and Hualian supermarkets. Following the consolidation, the Taopu distribution center is responsible for the logistic and distribution of Lianhua supermarkets and Hualian supermarkets. Another distribution center ("Caoyang distribution center") previously serving Lianhua supermarkets commenced trial operations for the distribution work of the hypermarket segment in Shanghai, Jiangsu and Anhui regions during the period under review.

The fourth task was the integration of accounting treatment and settlement systems for the consolidation of supermarkets and logistics, completing the integration with operating and merchandising systems. The Group also unified the settlement system on the principles of "sophistication and high-efficiency" and "centralized management".

The fifth task was to integrate and upgrade information systems in accordance with the overall plan of centralization and consolidation during the period under review. This involved the implementation of unified settlement system, setting up online contract information platform at the headquarters and all business units. These steps aim to improve capital management. The business management system at the headquarters now has core modules on-line, including master merchandises and suppliers information system, merchandise contract management, and marketing management, for support of newly centralized merchandise management. A standard regional business management system for supermarket segment was created to address the merger of this segment, meanwhile outlet management systems were streamlined to cut down operating and maintenance costs. Lastly, a unified supply chain management platform was set up so that suppliers' logging on was simplified. This helped to enhance the overall efficiency of the Group's supply chain by improving information exchange and order matching between the Group and its suppliers.

By undertaking these five broad tasks, the Group has set up a business model of which regional resources are centralized and national resources are shared and has laid the foundation for its strategic target of "dominating in regions and leading in the whole country".

Outlet expansion

During the period under review, the Group executed on its strategy of focused, quality development, opening new stores in the Yangtze River Delta region and other existing markets. 550 new stores were opened during the year. As at 31 December 2010, the cumulative number of outlets reached 5,172, of which 86% are located in the eastern region of China.

During the period under review, a total of 12 new hypermarkets were opened, of which 11 were new and one was converted from a supermarket store. The new stores are located in Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Zhengzhou city in Henan Province, and Liuzhou city in Guangxi Zhuang Autonomous Region, respectively. In our hypermarkets business, the Group deepened penetration in Shanghai and Hangzhou city, where the Group already held a leading position, and sought for suburban expansion leveraging Bailian Group Co., Ltd.'s ("Bailian Group") suburban shopping mall development plan. To enhance competitiveness in regional markets, the Group also proactively sought opportunities of expanding network scale in the markets where we have established a foothold including Jiangsu Province, Anhui Province, Zhengzhou city of Henan Province, and Liuzhou city of Guangxi Zhuang Autonomous Region in a way of cooperating with strong partners such as large shopping malls and other urban complexes.

During the period under review, 320 new supermarkets were opened, including 21 directly-operated supermarkets and 299 franchise supermarkets. The Group's directly-operated supermarket segment sought opportunities for opening general merchandise supermarkets and high-end supermarkets in downtown areas, and opened middle-end and high-end supermarkets in both Shanghai and Hangzhou city. The merger of Lianhua supermarkets and Hualian supermarkets opened up new opportunities for franchise supermarkets, which enabled the rapid growth in this business.

During the period under review, 218 new convenience stores were opened, including 65 directly-operated stores and 153 franchise stores. The convenience store segment steadily expanded its networks in Shanghai, Beijing, Hangzhou, Ningbo and Dalian city. During the period under review, the performance of seven convenience stores in the World Expo 2010 Shanghai Park was outstanding which have achieved strong sales and helped to build positive brand image. They also provided valuable experience in operating specialty outlets and in conditions of high customer throughput. With the re-opening of China Pavilion in the Expo park, and in consideration of outstanding performance of Lianhua Quik during the World Expo, two convenience stores are maintained so as to provide services to visitors to the China Pavilion.

	Hypermarket	**Supermarket**	**Convenience Store**	**Total**
Direct operation	143	678	934	1,755
Franchised operation	–	2,336	1,081	3,417
Total	143	3,014	2,015	5,172

Note: As of 31 December 2010

Optimization of the supply chain to improve core competitiveness

During the period under review, the Group worked to improve its outlet performance and supplier mix, enhance its capability for sale of fresh produce, and optimize its merchandise mix. All of these activities played a role in expanding sales and increasing profit.

During the period under review, the Group drew upon its national supply chain, increased procurement of merchandise with highly differentiated and local features. The Group made direct purchase in numerous provinces and cities such as Zhejiang, Sichuan and Hubei provinces, and introduced more than 700 new specialty products. Leveraging on the improved scale advantages and stronger bargaining power from the consolidation of the merchandise procurement, the Group increased the buying up of merchandises so as to achieve stronger pricing advantage. Meanwhile, for development of private label products, the Group strengthened the communication with outlets and developed private label products model outlets together with strong promotional activities achieving significant increases in sales of the relevant merchandises.

The Group worked to create a fresh produce supply chain by building fresh produce supply bases and improving operational capability on fresh produce in outlets. During the period under review, the Group participated in the strategic move by the government of "agriculture super-docking", increasing procurement from point of origin at vegetable and fruit farms. Fresh produce was supplied from 210 primary production sites throughout approximately 16 regions including suburban areas of Shanghai, Shandong Province, Jiangsu Province, Xinjiang Uygur Autonomous Region and Sichuan Province. Sales of produce, such as fresh produce, fruits and vegetables procured from primary production base increased by 37.5% compared to 2009. In order to increase the cost-effectiveness and competitiveness of the fresh produce business, the Group adopted a cost-centered rather than a profit-centered approach at its fresh produce processing center and in this way bringing about a "centralized kitchen" function for the business. As a result, the distribution volume, the varieties of processed food and the rate of merchandise replacement realized a better growth and the sales of festive merchandises rose significantly.

The Group accelerated the development of a system to ensure smooth and timely communications between operating staff at retail outlets and procurement staff. The system included convening regular meetings between operating and procurement staff, providing opportunities for the merchandising management department and the operations department to collaborate on strategies to increase sales, understand their respective areas of responsibility more clearly, and cooperate across multiple business functions. Arrangements were made for procurement staff to tour retail outlets, in order to help them solve merchandising issues and improve the service quality of the retail outlets. During the period under review, with the centralization of the merchandise department, merchandise procurement contracts will gradually be centralized by regions. These developments are expected to eliminate discrepancies in operating standards among regions.

The Group further upgraded merchandise mix management. After consolidating the merchandising system, the Group obtained better terms in merchandizing by comparing the contracts previously attributable to different procurement departments. Meanwhile, the Group optimized merchandise mix and replaced individual merchandises by new ones after analyzing various merchandise categories previously attributable to different merchandise departments. Tracking was conducted on main products that the Group tracked top-sale and top-growth product categories across the country on a monthly basis for obtaining better historical feedback information, keeping abreast with the changing market trend and performing good sales alert function. Also, we established an analysis and tracking mechanism for the operation of major merchandises to analyze the sale of requisite merchandises in key areas in order to improve business strategy.

Improvement in marketing and promotions to increase brand influence

Marketing has always been an important means to drive sales and expand brand influence. The Group developed joint marketing following the merger of Lianhua supermarkets and Hualian supermarkets. From the selection of merchandise to price negotiations and pricing of retail products, the advantages of operation with differentiation were fully reflected. Joint marketing resulted in significant gains in brand recognition and sales.

During the period under review, the Group proactively summed up the successful marketing experience in the past, and fully seized the opportunities arising from traditional and new festivals and holidays. The Group organized different marketing activities at various levels through centralized marketing across the country, feature marketing in regions and complementary marketing of stores. Each of the marketing activities showed distinctive features. For example, the nationwide activity of "Lucky Tiger Welcomes the Arrival of Spring and Nice Gifts for New Year (瑞虎迎春、新年送好禮)" and the regional activities of "Coupon Campaign for the Thrilling World Expo (激情迎世博酷棒抵扣大行動)" and "Go Shopping from Villages and Towns with Rebate of Transportation Cost (鄉鎮來購物增交通費)" greatly boosted the shopping interest of consumers, thereby driving the sales growth.

To maintain the attraction to consumers in fierce competition, stores of the Group also innovated new marketing means in a proactive manner. The Group started with the themed marketing activities in outlets and marketing activities in main channels. In addition, The Group constantly renewed the promotional items in main channels, in which large themed marketing activities in lively forms were launched in every quarter that the promoted merchandises complemented mutually with other promotional items in the stores. Such activities continuously attracted the attention of customers.

Strengthening "Strong outlet" strategy for better store performance

Strong outlet strategy is the continuous task of the Group, and the focus of which in each year will be adjusted to the changes of market and enterprise itself. While putting lots of effort to the centralization of regional resources, the Group also intensified transformation on store operation model. In 2010, on top of the strategy of stronger operational skills, management capability, service level, team and more synergies, the Group attached great importance to forging flagship outlets, model outlets and new outlets, being the focuses of strong strategy so as to improve overall operating capabilities.

Innovative measures for new profit points

During the period under review, the Group further expanded its membership system. The Group offered rewards to consumers and enhanced the loyalty of OK Card members by offering point conversions and by developing business alliances across multiple channels. The total number of members was more than 6,000,000 at the year-end. At the same time, with a view of offering diversified merchandises and services to consumers and attracting the emerging groups of online shoppers, the Group promoted the online shopping system proactively. During the period under review, the Group launched a shopping website for the Zhejiang region with more than 9,000 types of merchandises as well as a range of marketing activities. The Zhejiang website accepts payment methods including bank debit, credit cards, stored payment cards, and cash on delivery. As at the end of 2010, the website had recorded 35,293 transactions, with an average spending of RMB166.25.

During the period under review, convenience store segment launched a new generation of convenience stores in the Beijing region on a trial basis, with improved instant food operations and further carried forward the services in all stores. Supermarket segment introduced a new type of "express store" on a trial basis, representing a new business model between convenience stores and supermarkets. The experiment has been satisfactory so far. Hypermarket segment continued to work for multi-functional outlets with strengthening non-food category.

Business opportunities arising from the World Expo 2010 Shanghai improved market image and operating capability

In 2010, the Group was able to realize a significant marketing opportunity from the World Expo 2010 Shanghai by stepping up efforts to train the staff, stick to standardized operation, optimize the merchandise mix and provide logistic support. The Group set up seven convenience stores outlets in the World Expo Park. As a result, the outlets perfectly completed the task of serving the World Expo. These outlets not only realized considerable sales revenue, but increased the visibility of the Lianhua brand in the course of a major national and international event. Starting from December 2009 to the end of the World Expo, licensed Expo products and tickets also performed well throughout the Group's retail network and on online shopping sites. After the World Expo, the Group rewarded participating staff for their tireless dedication. In addition to six months of customer flows and sales, the World Expo 2010 Shanghai was a learning experience for the Group in the management of retail operations under conditions of massive customer flow and high demand. The Group also acquired experience in opening specialty stores under the convenience store segment through the Expo.

Human Resources Management

During the period under review, one of the focuses of human resources management was on participating and serving for centralization and consolidation, including a comprehensive research and study on the optimization of organizational structure in the course of enterprise's structuring. At the same time, the Group further developed the compensation policy, strengthened incentives, and improved information resources for management and organization, including the preparation of an organizational structure chart for merchandising management, a position hierarchy chart, terms of reference for all positions etc. The Group provided reliable human resource management information and instruments for consolidation and restructuring.

During the period under review, staff training centers of the Group prepared tailor-made training modules for junior and middle management staff and new staff, based on a target-oriented approach. The Group improved tracking and assessment methods in order to reinforce the effectiveness of these programs. In addition, specialized training programs designed to improve standards of frontline staff included a "Golden Supervision Training Programme as the Key to Success in Chain Store Operations", sponsored by the Group together with Shanghai Chain Store Association. These trainings were very practical and effective with respect to the business improvement.

As an incentive to the staff, during the period under review, the Group continuously worked to improve the appraisal and award system. The Group adopted a combined appraisal approach using quantitative indices and management reports to evaluate the performance of store managers and started the appraisal of their competency. With more stores saw improved performance, they are now able to join the profit sharing scheme to share the growth and achievements of the Group. For fresh produce operations, the Group developed a contract based incentive system including allowances for employees in processing jobs, a share in gross profit, and special evaluation scheme on store managers and division heads. These measures helped to improve staff morale and boost sales in the fresh produce division.

Material Acquisitions and Disposals

During the period under review, the Company did not have any material acquisitions and disposals.

Employment

As at 31 December 2010, the Group had a total of 59,566 employees, representing an increase of 2,870 employees during the period under review. Total staff costs were approximately RMB2,014,138 thousand.

Future Strategy

2011 is the first year of China's "Twelfth Five-year Plan" (2011-2015). It is expected that the government will continue to launch various policies targeting on stability in prices and property prices, staff income improvement, innovative development and enhancement of industrial structure. This is a period during which the PRC will be experiencing a shift in its pattern of economic development and during which the Group believe that the retail industry will play a fundamental role. Meanwhile, the consolidation and restructuring in the industry will be accelerating and technology innovation will be the key to the performance of retail enterprises. In addition, from the macro policy side, intermediaries in the distribution of merchandises will continue to be reduced and retailers will strengthen control over headwater through closer cooperation with suppliers and customer loyalty plans. Having understood the business environments, the Group's overall strategies for 2011 include capturing favorable market opportunities, expediting development, in-depth consolidation, optimizing and upgrading, and innovative transformation.

The group will welcome its 20th anniversary in 2011. At this point, the Group has clearly depicted the next step's development strategy, which is to continue to consolidate and extend our leading positions in regions on the guiding principle of "To be the regional leader and a stronger player nationwide". At the same time, the Group will strive to develop more such regions so as to ensure our premier position in retail market of China.

The Group will accelerate development under the premises of ensuring quality of new outlets and plan to open 15 hypermarkets in 2011. The Group expects supermarkets to further improve competitiveness of existing outlets and seek breakthroughs in fresh produce operations. The Group will also further expand convenience stores to reinforce their market positions in cities where they are already present. The Group will also pay great attention to improve new outlets' incubation mechanism and will seize opportunities to purchase property for outlets in prime locations as they arise so as to secure existing good outlets and get potential locations.

One of the Group's main avenues of growth will be through mergers and acquisitions. Taking into account the characteristics of the current mergers and acquisitions in the industry, the Group will work closely with parent company to seek appropriate takeover candidates.

The Group aims to deepen the consolidation and restructuring work based on the progress in the course of 2010. First of all, to complete the consolidation in supermarket segment, the Group will complete unifying information management systems of the headquarters, regional offices and retail outlets. Secondly, to deepen the restructuring of merchandising system, the Group will continue on new contracts negotiation for the merged procurement department, seek better collaboration between operations and procurement divisions, and improve business process as well as personnel performance appraisal and rewards system. The third objective is to improve the management of supply chain by consolidating and enhancing the comprehensive supplier management platform and widely expanding the use of the Business-to-Business (B2B) function. The fourth is to push forward three projects in logistic system: Supermarket segment's warehouse integration will continue to optimize the existing distribution business of Taopu distribution center for supermarkets and target at improving order satisfactory rate. Hypermarket will make full use of the Caoyang distribution center to accelerate centralized distribution for areas of Shanghai, Jiangsu Province and Anhui Province under Cao Warehouse project. The Group will complete planning and design of Jiangqiao distribution center and begin the construction work under Jiangqiao project. Fifthly, the Group will improve the utilization efficiency of information systems, simplify their application, and strengthen their functions in business analysis.

The work to optimize and upgrade business will focus on the improvement of professional management standards. The Group will maintain its strategy of "strong outlet", forging flagship and model outlets so as to improve outlet's competitiveness. In fresh produce, the Group will seek ways to improve the performance evaluation system, establish a system for controlling fresh produce operations at headquarters, regional companies, and outlets, and develop its fresh product bases. Other targets include optimizing financial management and financial services, improving the capability for concessionaire management, improving business standards and capability of buying up, enhancing human resource development and compensation system.

"Innovative transformation" refers to the conclusion and improvement of the Group's innovative projects in ten aspects in the past two decades in celebration of the 20th anniversary of the Group. In line with this, the Group will focus on making significant progress in five aspects in 2011, namely marketing innovation for the 20th anniversary, business model transformation and innovation, e-commerce, membership databases, and corporate incentive mechanisms.

Purchase, Sale or Redemption of Shares

From 27 June 2003, the date of listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

Final Dividend and Closure of Books

The board of directors (the "Board") of the Company recommends payment of a final dividend of RMB0.18 per share (including tax) for the year ended 31 December 2010.

The register of H shares members of the Company will be closed from Monday, 30 May 2011 to Tuesday, 28 June 2011 (both days inclusive) during which period no transfer of H shares will be effected. The final dividend will be distributed to the shareholders of H shares of the Company whose names appear on the Company's register of members on Friday, 27 May 2011. In order to be qualified for the final dividend, holders of H shares must lodge their share certificates together with the relevant share transfer documents with Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 27 May 2011.

The dividends to be distributed will be denominated and declared in Renminbi. Distribution to domestic shareholders of the Company will be made in Renminbi, while distribution to holders of unlisted foreign shares of the Company will be made in relevant foreign currencies and distribution to holders of H shares of the Company will be made in Hong Kong dollars. The dividends to be distributed in Hong Kong dollars will be converted into Hong Kong dollars at the average exchange rate of Renminbi to Hong Kong dollars to be announced by the People's Bank of China in the week prior to the dividend distribution date.

In accordance with the Law on Corporate Income Tax of the People's Republic of China and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the H shares share register of members of the Company when distributing final dividends to them. Any H shares of the Company registered in the name of the non-individual registered shareholder, including HKSCC Nominees Limited, other nominees, trustees, or other organizations and groups, shall be treated as shares being held by a non-resident enterprise shareholder. As such, the corporate income tax shall be withheld from the dividend payable to such shareholders.

All investors should consider the preceding contents carefully. If any investor intends to change the identity of the holders in the shareholders' register, please kindly enquire about the relevant procedures with your nominees or trustees. The Company has no responsibility and shall not be held responsible for confirming the identities of the shareholders. The Company will strictly comply with the law, and withhold and pay the corporate income tax on behalf of the relevant shareholders based on the register of H shares members of the Company as at 4:30 p.m. on 27 May 2011. Any requests relating to any delay in confirming the identity of the shareholders or any errors in the identity of the shareholders will not be accepted.

Capital Increase by Capitalization

The Board of the Company proposes to increase the total issued share capital of the Company. The additional share capital, to be transferred from part of the capital reserve fund by way of capitalization, will be credited as paid-up capital. The actual plan for such capital increase by capitalization is that: an additional 8 shares to be issued to the shareholders whose names appear on the register of members of the Company on the record date for every 10 shares held by them by way of capitalization of capital reserve fund ("Proposal of Capital Increase by Capitalization").

The Company will issue an announcement according to the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") regarding the plan and details of the Proposal of Capital Increase by Capitalization in due course.

Audit Committee

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2010 and confirmed that they are prepared in accordance with the applicable accounting standards, laws and regulations and appropriate disclosures have been made.

Compliance with Model Code for Securities Transactions by Directors in Appendix 10 of the Listing Rules

The Company has adopted the Model Code for Securities Transactions by Directors ("Model Code") as set out in Appendix 10 to the Listing Rules as code of conduct for securities transactions by all directors of the Company. After specific enquiries to the directors, the Board is pleased to confirm that all the directors have fully complied with the provisions under the Model Code during the period under review.

Compliance with the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules

The Board is pleased to confirm that save and except the Company's practice relating to the directors' retirement rotation as set out below, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules for the year ended 31 December 2010 and, save as set out below, none of the directors is aware of any information that would reasonably indicate that the Company is not or was not for any time during the year ended 31 December 2010 in compliance with the Code. Details of the deviation are set out as follows:

Provision A4.2 of the Code requires that every director (including those appointed for a specific term) of a listed issuer shall be subject to retirement by rotation at least once every three years. The articles of association of the Company provides that each director shall be appointed at the general meeting of the Company for a term of not more than 3 years and is eligible for re-election. Having taken into account of the continuity of the implementation of the Company's operation and management policies, the articles of association contains no express provision for the mechanism of directors' retirement by rotation and thus deviating from the aforementioned provision of the Code.

Change of Company Secretary

The Board convened a board meeting (the "Meeting") on 9 March 2011. The Meeting was held in accordance with the provisions of the Company Law of the PRC and the Articles of Association of the Company.

The Board announces that Ms. Xu Ling-ling ("Ms. Xu") was elected as the secretary of the Company at the Meeting, given that the Stock Exchange had agreed in earlier time that Ms. Xu possesses the qualification of assuming the position of company secretary independently. Her appointment took effect upon the conclusion of the Meeting. In view of the above, Mr. Mok Chung Kwan, Stephen resigned as the joint company secretary of the Company with effect from 9 March 2011. Ms. Xu also ceased to be the joint company secretary of the Company with effect from 9 March 2011.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Ma Xin-sheng
Chairman

Shanghai, 9 March 2011

As at the date of this announcement, the Board comprises:

Executive Directors: Hua Guo-ping, Liang Wei, Xu Ling-ling, Cai Lan-ying and Tangqi

Non-executive directors: Ma Xin-sheng, Xu Bo, Kazuyasu Misu and Wong Tak Hung

Independent non-executive directors: Lee Kwok Ming, Don, Zhang Hui-ming and Xia Da-wei