KINGWAY BREWERY HOLDINGS LIMITED
金威啤酒集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS

	For the year ended 31 December		
	2010	2009	Change
Beer sales volume, in tonne	**925,000**	833,000	+11.0%
Gross profit, in thousand HK$	**355,468**	360,895	-1.5%
Profit for the year, in thousand HK$	**36,272**	14,515	+149.9%
Basic earnings per share, in HK cent	**2.1**	0.8	+162.5%
EBITDA, in thousand HK$	**218,321**	237,609	-8.1%

	As at 31 December		
	2010	2009	Change
Current ratio	**0.97 times**	0.74 times	+31.1%
Gearing ratio[1]	**net cash**	net cash	-
Total assets, in million HK$	**3,574**	3,572	+0.1%
Net asset value per share, in HK$	**1.75**	1.68	+4.2%
Year-end number of employees	**2,817**	2,733	+3.1%

Note:

1 Gearing ratio = (Interest-bearing debt − cash and cash equivalents)/net assets

* *For identification purpose only*

FINANCIAL RESULTS

The Board of Directors of Kingway Brewery Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010 together with comparative figures for 2009 as follows:

Consolidated Income Statement
For the year ended 31 December 2010

	Notes	**2010** **HK$'000**	2009 HK$'000
REVENUE	4	**1,631,886**	1,539,248
Cost of sales		**(1,276,418)**	(1,178,353)
Gross profit		**355,468**	360,895
Other income and gains		**75,656**	87,468
Selling and distribution expenses		**(253,351)**	(270,188)
Administrative expenses		**(134,777)**	(129,468)
Finance costs		**(607)**	(27,760)
PROFIT BEFORE TAX	5	**42,389**	20,947
Income tax expense	6	**(6,117)**	(6,432)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**36,272**	14,515
EARNINGS PER SHARE	7		
Basic		**2.1 HK cents**	0.8 HK cent
Diluted		**N/A**	N/A

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

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	2010	2009
	HK$'000	HK$'000
PROFIT FOR THE YEAR	**36,272**	14,515
OTHER COMPREHENSIVE INCOME/(LOSS)		
Exchange differences on translation of foreign operations	**87,019**	(23,045)
Net loss on cash flow hedges	**-**	(3,714)
Transfer of hedging reserve to the income statement	**-**	22,508
Other comprehensive income/(loss) for the year	**87,019**	(4,251)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**123,291**	10,264

Consolidated Balance Sheet
31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,718,645**	2,747,923
Investment properties		**37,371**	35,120
Prepaid land lease payments		**249,151**	250,043
Goodwill		**9,384**	9,384
Reusable packaging materials		**9,061**	17,799
Deferred tax assets		**5,130**	5,018
Total non-current assets		**3,028,742**	3,065,287
CURRENT ASSETS			
Inventories		**305,789**	188,892
Trade and bills receivables	*9*	**14,676**	18,481
Prepayments, deposits and other receivables		**32,553**	35,578
Tax recoverable		**1,469**	-
Pledged bank balances		**7,051**	-
Cash and cash equivalents		**183,733**	263,994
Total current assets		**545,271**	506,945
CURRENT LIABILITIES			
Trade and bills payables	*10*	**(98,767)**	(89,610)
Deferred revenue		**(84,930)**	(103,561)
Tax payable		**(1,144)**	(1,406)
Other payables and accruals		**(329,852)**	(336,958)
VAT payable		**(901)**	(1,271)
Due to the immediate holding company		**(209)**	(97)
Due to fellow subsidiaries		**(46,659)**	(16,019)
Interest-bearing bank borrowings		**-**	(135,000)
Total current liabilities		**(562,462)**	(683,922)
NET CURRENT LIABILITIES		**(17,191)**	(176,977)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,011,551**	2,888,310
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**(7,813)**	(7,863)
Net assets		**3,003,738**	2,880,447
EQUITY			
Issued capital		**171,154**	171,154
Reserves		**2,815,469**	2,709,293
Proposed final dividend		**17,115**	-
Total equity		**3,003,738**	2,880,447

Notes:

(1) Basis of Presentation

Despite the fact that the Group's total assets exceeded its current liabilities by HK$3,011,551,000 as at 31 December 2010, the Group reported a net cash inflow from operating activities of HK$98,737,000 and a net profit of HK$36,272,000 during the year ended 31 December 2010, the Group had net current liabilities of approximately HK$17,191,000 as at 31 December 2010.

In order to improve the Group's immediate liquidity and cash flow and otherwise to sustain the Group as a going concern, the Group has implemented the following measures:

(a) the Group has obtained unsecured bank facilities totalling RMB200 million, which shall be revolving in nature and available for general working capital purpose, with expiry date on 14 October 2012;

(b) the directors of the Company have been taking various cost control measures to tighten the costs of operations;

(c) the Group has been implementing various strategies to improve the Group's sales; and

(d) the Group's property, plant and equipment are not pledged as at 31 December 2010 and can be available as pledges for obtaining additional bank facilities, if necessary.

The directors of the Company consider that the Group will have sufficient working capital to finance its operations, and accordingly, are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(2) Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

(3) Changes in accounting policy and disclosures

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

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First time Adoption of Hong Kong Financial Reporting Standards - Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment - Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement - Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations - Plan to sell the controlling interest in a Subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases - Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements - Classification by the Borrower of Term loan that Contains a Repayment on Demand Clause*

The adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

(4) Operating Segment Information

For management purpose, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the Mainland China segment engages in the production, distribution and sale of beer in Mainland China;

(b) the Overseas and Hong Kong segment engages in the distribution and sale of beer in Hong Kong, Macau, and overseas; and

(c) the Corporate segment engages in providing corporate services to the Mainland China segment, and the Overseas and Hong Kong segment in Hong Kong.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income and finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged bank balances and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment transactions mainly represent the sale of beer by the Mainland China segment which was made on the bases determined within the Group.

(4) Operating Segment Information (cont'd)

Group

	2010				
	Mainland China	**Overseas and Hong Kong**	**Corporate**	**Eliminations**	**Consolidated**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Segment revenue:					
Sales to external customers	**1,560,166**	**71,720**	**-**	**-**	**1,631,886**
Intersegment sales	**41,548**	**-**	**-**	**(41,548)**	**-**
Other income and gains	**120,440**	**1**	**13,187**	**-**	**133,628**
Total	**1,722,154**	**71,721**	**13,187**	**(41,548)**	**1,765,514**
Segment results	**24,074**	**14,236**	**607**	**-**	**38,917**
Interest income					**4,079**
Finance costs					**(607)**
Profit before tax					**42,389**
Income tax expense					**(6,117)**
Profit for the year					**36,272**

	2009				
	Mainland China	Overseas and Hong Kong	Corporate	Eliminations	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:					
Sales to external customers	1,468,191	71,057	-	-	1,539,248
Intersegment sales	32,693	-	-	(32,693)	-
Other income and gains	53,182	-	28,245	-	81,427
Total	1,554,066	71,057	28,245	(32,693)	1,620,675
Segment results	(1,736)	25,386	19,016	-	42,666
Interest income					6,041
Finance costs					(27,760)
Profit before tax					20,947
Income tax expense					(6,432)
Profit for the year					14,515

(4) Operating Segment Information (cont'd)

Group

	Mainland China		Overseas and Hong Kong		Corporate		Eliminations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets and liabilities:										
Segment assets	**3,369,965**	3,293,678	**7,984**	9,066	**150**	476	**-**	-	**3,378,099**	3,303,220
Unallocated assets									**195,914**	269,012
Total assets									**3,574,013**	3,572,232
Segment liabilities	**540,487**	537,007	**8,254**	3,719	**12,577**	6,790	**-**	-	**561,318**	547,516
Unallocated liabilities									**8,957**	144,269
Total liabilities									**570,275**	691,785
Other segment information:										
Depreciation and amortisation	**175,300**	188,867	**25**	35	**-**	-	**-**	-	**175,325**	188,902
Changes in fair value of investment properties	**(1,421)**	1,275	**-**	-	**-**	-	**-**	-	**(1,421)**	1,275
Impairment losses reversed in the income statement	**-**	3,462	**-**	-	**-**	-	**-**	-	**-**	3,462
Capital expenditure *	**36,774**	32,179	**22**	8	**-**	-	**-**	-	**36,796**	32,187

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments and reusable packaging materials.

(5) Profit Before Tax

This is arrived at after charging/(crediting):

	2010	2009
	HK$'000	HK$'000
Cost of inventories sold	**1,276,418**	1,178,353
Depreciation	**154,714**	154,485
Recognition of prepaid land lease payments	**6,123**	6,139
Amortisation of reusable packaging materials	**14,488**	28,278
Loss/(gain) on disposal of items of property, plant and equipment	**(795)**	1,302
Write back of impairment of construction in progress and prepaid land lease payment	**-**	(3,462)
Changes in fair value of investment properties	**(1,421)**	1,275
Bank interest income	**(4,079)**	(6,041)

(6) Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Kingway Brewery (Shan Tou) Co., Ltd. and Kingway Brewery (Dongguan) Co., Ltd. are entitled to a 50% tax relief for the years ended 31 December 2010 and 2009.

Kingway Brewery (Foshan) Co., Ltd. is entitled to a 50% tax relief for the year ended 31 December 2010. For the year ended 31 December 2009, Kingway Brewery (Foshan) Co., Ltd. was exempted from CIT.

Kingway Brewery (Tianjin) Co., Ltd., Kingway Brewery (Xian) Co., Ltd. and Kingway Brewery Group (Chengdu) Co., Ltd. have not generated any accumulated assessable profits since their establishment. Pursuant to the PRC Corporate Income Tax Law approved by the National People's Congress on 16 March 2007, these companies are entitled to full tax exemption from CIT for two years commencing from 1 January 2008, followed by a 50% reduction in CIT rate for the next three years.

	2010	2009
	HK$'000	HK$'000
Group:		
Current:		
Hong Kong:		
Charge for the year	**1,389**	2,686
Under provision in prior years	**-**	177
Mainland China:		
Charge for the year	**4,732**	4,047
Under provision in prior years	**148**	-
Deferred	**(152)**	(478)
Total tax charge for the year	**6,117**	6,432

(7) Earnings Per Share

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$36,272,000 (2009: HK$14,515,000), and the weighted average number of ordinary shares in issue of 1,711,536,850 (2009: 1,711,536,850) during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2010 and 2009.

(8) Dividend

	2010	2009
	HK$'000	HK$'000
Proposed final – HK1 cent (2009: Nil) per ordinary share	**17,115**	-

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

(9) Trade and Bills Receivables

The Group's trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, invoices are normally payable within 30 to 180 days of issuance. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

(9) Trade and Bills Receivables (cont'd)

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

	Group	
	2010	2009
	HK$'000	HK$'000
Within 3 months	**12,600**	16,435
3 to 6 months	**994**	965
6 months to 1 year	**469**	206
Over 1 year	**456**	429
	14,519	18,035
Less: Impairment	**(592)**	(489)
Trade receivables	**13,927**	17,546
Bills receivable	**749**	935
	14,676	18,481

(10) 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:

	Group	
	2010	2009
	HK$'000	HK$'000
Within 3 months	**76,770**	77,644
3 to 6 months	**17,731**	9,030
6 months to 1 year	**3,539**	1,583
Over 1 year	**657**	1,353
Trade payables	**98,697**	89,610
Bills payable	**70**	-
	98,767	89,610

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

CHAIRMAN'S STATEMENT

Results

In 2010, the Group sold 925,000 tonnes of beer, an increase of 11.0% over last year. Under steadily increasing sales volume of beer, strengthened management, proper cost control measures and decreases in distribution costs and finance costs, the Group recorded a net profit of HK$36.27 million for the year ended 31 December 2010, representing an increase of 149.9% from last year. Owing to the concerted efforts of the management and staff, the Group continued to record improvements in both its results and financial position.

The Board of Directors recommended the payment of a final dividend of HK$0.01 per share for the year ended 31 December 2010 (2009: Nil).

Business Review

During the year, the Group's brewery plants in Guangdong Province have observed improvements in its operating performance, but were still subject to intensive competition in the beer industry. The aggregated sales volumes of the Group's brewery plants in Guangdong Province represented approximately 57% of its total beer sales volume of the year. The Group's brewery plants outside Guangdong Province reported more satisfactory operating performance, with all of them making profit contributions to the Group during the year.

The Group's management has been proactively developing markets and sales channels through devising sales and distribution strategies adaptable to the unique market features of different regions. This is paralleled by stepping up and reinforcing the management of each of the operating procedures, including implementation of various cost and expense control measures which achieved tangible results during the year under review. Against the backdrop of increased beer sales and turnover, the sales and distribution expenses decreased by 6.3% over the year, while the average cost per tonne of beer recoded a year-on-year decrease of 2.5%.

As the newly built brewery plants have commenced production in recent years, the Group no longer had major investments during the year, and all the bank loans borrowed in the past years had been fully repaid. As at 31 December 2010, the Group did not have any outstanding bank loans. As a result, the Group recorded a substantial decrease of 97.8% in finance costs for the year.

Outlook

In 2011, the beer industry in the PRC will continue to face diverse challenges, such as increasing raw material prices and other costs resulted by the intensifying inflation, city construction tax and education surcharge newly imposed on foreign-invested enterprises by the government, and ferocious competition from other major beer brands. With the objective to enhance the Group's results, we will strive to increase the revenue through improving the production and sales volumes and production capacity utilisation rate of existing brewery plants, and on the other hand seek to lower the production costs through establishing key performance indices for the production process, tendering for the procurement of raw materials and packaging materials.

As the sole beer sponsor of the Summer Universiade 2011 to be held in Shenzhen, the Group will step up a series of brand promotion to complement the healthy and vibrant images of Kingway brand and enlighten the brand recognition of Kingway beer by consumers.

Lastly, for and on behalf of the Board, I would like to acknowledge the efforts accomplished by the management and staff in enhancing the Group's profitability during the past year. Under the forthright leadership of the Board, the Group will formulate suitable strategies in enhancing its sales volume of beer and operating results in order to create better return to the shareholders.

HUANG Xiaofeng
Chairman

Hong Kong, 15 March 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

In 2010, the core business operations of the Group remained to be the production, distribution and sales of Kingway beer.

Consolidated revenue of the Group for the year amounted to HK$1,632 million (2009: HK$1,539 million), representing an increase of 6.0% over last year. The Group's average selling price per tonne of beer decreased by 4.5% over last year, which was primarily attributable to a dilution of the weighted average selling price per tonne of beer as a result of the increases in sales volume of beer in those regions outside Guangdong Province. The Group's sales in Mainland China accounted for 95.6% of its consolidated revenue, representing an increase of 6.3% over last year in terms of revenue amount, whereas the Group's sales in overseas and Hong Kong market accounted for 4.4% of its consolidated revenue which increased by 0.9% over last year in terms of revenue amount. The Group's consolidated profit after tax for the year was HK$36.27 million (2009: HK$14.52 million), increased by 149.9% from the last year.

The Group's average costs per tonne of beer for the year decreased by 2.5% over that of 2009, which was primarily attributable to decreases in procurement costs of various raw materials, consumables and packaging materials and decreases in the fixed costs per tonne of beer as a result of increases in the sales volume of beer. Since the decrease in the average selling price per tonne of beer was slightly higher than that of its average cost, the Group's gross profit margin decreased from 23.4% recorded in last year to 21.8% recorded in this year.

Operating Expenses and Finance Costs

The Group's selling and distribution expenses for the year amounted to HK$253 million (2009: HK$270 million), representing a decrease of 6.3% over last year. The Group's average selling and distribution expenses per tonne of beer for the year was HK$274 (2009: HK$324), representing a decrease of 15.4% over last year, which was primarily attributable to the Group's proper control and utilisation of its selling expenses and regular formulation and review of expense budgets and its effectiveness.

The Group's administrative expenses for the year was HK$135 million (2009: HK$129 million), representing an increase of 4.7% over last year, which was primarily attributable to the increases in salaries and various administration expenses as a result of the increase in production and sales volumes.

The Group's finance costs for the year was HK$0.61 million (2009: HK$27.76 million), representing a significant decrease of 97.8% over last year, which was primarily attributable to decreases in interest expenses as a result of reduction in outstanding loans in 2010.

Taxation

During the year, most of the Group's subsidiaries in Mainland China were still entitled to preferential tax treatment with full corporate income tax exemption for the first two profit-making years and a 50% relief in the following three years. Apart from the two brewery plants in Shenzhen, the other six brewery plants of the Group enjoyed a 50% corporate income tax relief for the year.

Starting from December 2010, Mainland China has imposed city construction tax and education surcharge on foreign-invested enterprises. As all beer enterprises set up by the Group in Mainland China were foreign-invested enterprises, the inception of the above taxes would increase the total tax amount payable by the Group.

Capital Expenditure

The Group’s capital expenditure, on a cash basis, for the year was approximately HK$44 million (2009: HK$69 million), representing a decrease of 36.2% over last year.

Financial Resources and Liquidity

As at 31 December 2010, the Group's net asset value was HK$3.00 billion (2009: HK$2.88 billion), representing an increase of 4.2% over last year. Based on the number of ordinary shares in issue as at 31 December 2010, the net asset value per share of the Group was HK$1.75 (2009: HK$1.68), increased by 4.2% from last year.

As at 31 December 2010, the Group had cash and bank balances amounted to HK$191 million (2009: HK$264 million), representing a decrease of 27.7% over last year, of which HK$7.05 million were pledged bank balances with restricted purposes. Of the Group’s bank balances as at 31 December 2010, 93.8% was in RMB, 3.7% in HK$ and 2.5% in USD, whereas cash inflow from operating activities for the year amounted to HK$102 million (2009: HK$369 million). The decrease in cash inflow from operating activities for the year as compared with that of last year was principally attributable to the additional purchase of malt (one of the major raw materials for beer production) in advance during the year as inventory reserve by the Group due to the expected increase in the price of malt. As at the end of 2010, additional inventory reserve of malt amounted to approximately HK$83 million.

During the year, the Group repaid HK$135 million of bank loan principals. As at the end of 2010, the Group did not have any outstanding bank loans, reflecting a healthy and consistent improvement in financial structure of the Group. Given the Group's existing cash balances and available standby credit facilities of RMB200 million (equivalent to approximately HK$235 million), the Group will have sufficient financial resources to finance its business development. The Group may timely increase the standby credit facilities in response to market changes in order to support the sustained growth of its businesses.

Apart from the aforementioned pledged bank balances of HK$7.05 million, none of the assets of the Group was pledged to any creditors and there was no material contingent liability recorded as at the end of the year.

Human Resources

The Group had approximately 2,817 (2009: 2,733) employees as at the end of the year, with total remuneration and provident fund contributions for the year of HK$208 million (2009: HK$224 million). Various basic benefits are provided to the Group's staff with an incentive policy pegging the Group's sales volume and results with their individual performance, which has effectively motivated staff initiatives.

PROPOSED FINAL DIVIDEND

The board of directors of the Company recommended the payment of a final dividend of HK$0.01 (2009: Nil) per share for the year ended 31 December 2010.

The proposed final dividend, if approved at the forthcoming Annual General Meeting of the Company to be held on Wednesday, 15 June 2011, is expected to be paid on Wednesday, 13 July 2011 to shareholders whose names appear on register of members of the Company on Wednesday, 15 June 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 13 June 2011 to Wednesday, 15 June 2011, both days inclusive, during such period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Company's Branch Share Registrars in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 10 June 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2010.

REVIEW OF RESULTS

The annual results of the Group for the year ended 31 December 2010 have been reviewed by the audit committee of the Company.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 15 March 2011

As at the date of this announcement, the Board comprises two executive directors, namely Mr. YE Xuquan and Mr. JIANG Guoqiang; eight non-executive directors, namely Mr. HUANG Xiaofeng, Ms. XU Wenfang, Mr. HUANG Zhenhai, Mr. LUO Fanyu, Ms. LIANG Jianqin, Mr. Roland PIRMEZ *(Note 1)*, Mr. KOH Poh Tiong *(Note 2)* and Mr. Sijbe HIEMSTRA *(Note 3)*; and three independent non-executive directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.

Notes:
1. Mr. Roland PIRMEZ has appointed Mr. TAN Tiang Hing as his alternate director.
2. Mr. KOH Poh Tiong has appointed Madam LOY Juat Boey as his alternate director.
3. Mr. Sijbe HIEMSTRA has appointed Mr. Kenneth CHOO Tay Sian as his alternate director.