SCMP Group Limited

南華早報集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 583)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

FINAL RESULTS

The Directors of SCMP Group Limited (the "Company") are pleased to announce the consolidated final results of the Company and its group of companies (the "Group") for the year ended 31 December 2010 as follows:

CONSOLIDATED BALANCE SHEET
As at 31 December 2010

	Notes	**31 December 2010** *HK$'000*	(Restated) 31 December 2009 *HK$'000*	(Restated) 1 January 2009 *HK$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	*3*	**566,324**	608,782	516,549
Investment properties		**1,224,900**	1,008,100	986,100
Intangible assets		**15,690**	19,165	24,729
Interests in associates		**54,368**	46,451	53,334
Available-for-sale financial assets		**267,965**	200,995	105,074
Defined benefit plan's assets		**56,400**	52,198	60,104
		2,185,647	1,935,691	1,745,890
Current assets				
Inventories		**20,813**	18,557	38,904
Accounts receivable	*4*	**195,618**	156,719	187,428
Prepayments, deposits and other receivables		**11,226**	15,764	23,411
Tax recoverable		**-**	3,508	-
Cash and cash equivalents		**432,663**	254,112	272,015
		660,320	448,660	521,758
Total assets		**2,845,967**	2,384,351	2,267,648

CONSOLIDATED BALANCE SHEET (continued)
As at 31 December 2010

	Notes	**31 December 2010** *HK$'000*	(Restated) 31 December 2009 *HK$'000*	(Restated) 1 January 2009 *HK$'000*
EQUITY				
Capital and reserves				
Share capital	*5*	**156,095**	156,095	156,095
Reserves		**2,218,491**	1,935,277	1,722,944
Proposed dividend		**62,438**	-	31,219
		2,280,929	1,935,277	1,754,163
Shareholders' funds		**2,437,024**	2,091,372	1,910,258
Non-controlling interests		**21,855**	21,037	20,114
Total equity		**2,458,879**	2,112,409	1,930,372
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities		**176,128**	145,308	125,861
		176,128	145,308	125,861
Current liabilities				
Accounts payable and accrued liabilities	*6*	**163,102**	99,450	142,466
Subscriptions in advance		**23,041**	23,104	24,550
Current income tax liabilities		**24,817**	4,080	44,399
		210,960	126,634	211,415
Total liabilities		**387,088**	271,942	337,276
Total equity and liabilities		**2,845,967**	2,384,351	2,267,648
Net current assets		**449,360**	322,026	310,343
Total assets less current liabilities		**2,635,007**	2,257,717	2,056,233

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2010

	Notes	**2010** **HK$'000**	2009 HK$'000
Revenue	*2*	**881,082**	740,667
Other income		**8,431**	4,669
Staff costs		**(352,372)**	(323,559)
Cost of production materials		**(136,018)**	(126,671)
Rental and utilities		**(20,500)**	(37,828)
Depreciation and amortisation		**(56,341)**	(56,762)
Advertising and promotion		**(26,116)**	(34,899)
Other operating expenses		**(131,885)**	(115,325)
Fair value gain on investment properties		**198,800**	134,919
Operating profit		**365,081**	185,211
Finance income		**2,457**	1,110
Share of profits/(losses) of associates		**5,763**	(3,434)
Profit before income tax		**373,301**	182,887
Income tax expense	*7*	**(67,307)**	(34,813)
Profit for the year		**305,994**	148,074
Other comprehensive income			
Fair value gain arising from reclassification of leasehold properties to investment properties		**13,178**	-
Fair value gain on available-for-sale financial assets		**66,967**	72,031
Currency translation difference		**4,524**	2,151
Income tax relating to components of other comprehensive income		**(2,174)**	-
Other comprehensive income for the year, net of tax		**82,495**	74,182
Total comprehensive income for the year		**388,489**	222,256

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

Year ended 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Profit attributable to:			
Shareholders of the Company		**294,376**	138,151
Non-controlling interests		**11,618**	9,923
		305,994	148,074
Total comprehensive income attributable to:			
Shareholders of the Company		**376,871**	212,333
Non-controlling interests		**11,618**	9,923
		388,489	222,256
Earnings per share	*9*		
Basic and diluted		**18.86 cents**	8.85 cents
Dividends	*8*	**93,657**	**-**

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ADOPTION OF NEW/REVISED HKFRS

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, certain leasehold buildings and available-for-sale financial assets, as further explained below.

(b) Changes in accounting policy and disclosures

The following new standards and amendments to standards that are relevant to the Group are mandatory for the first time for the financial year beginning 1 January 2010.

HKFRS 3 (revised), 'Business combinations'

HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

There have been no business combinations in 2010. The Group will apply the new requirements in all future business combinations.

HKFRS 8 (amendment), 'Operating segments'

HKFRS 8 (amendment), 'Operating segments', includes minor textual amendment to the standard, and amendment to the basis of conclusion, to clarify that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision-maker. As a result of the amendment, segment asset is no longer disclosed in the notes. This amendment had no impact on the Group's profit or loss.

HKAS 17 (amendment), 'Leases'

HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Lease premium for land", and amortised over the lease term.

1. BASIS OF PREPARATION AND ADOPTION OF NEW/REVISED HKFRS (continued)

(b) Changes in accounting policy and disclosures (continued)

HKAS 17 (amendment), 'Leases' (continued)

HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

The land interest of the Group that is held for own use is accounted for as property, plant and equipment and is depreciated over the lease term.

The effect of the adoption of this amendment is as below:

	31 December 2010 *HK$'000*	31 December 2009 *HK$'000*	1 January 2009 *HK$'000*
Decrease in lease premium for land	**(108,330)**	(113,121)	(13,969)
Increase in property, plant and equipment	**108,330**	113,121	13,969

2. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Managing Director and Chief Executive Officer of the Group. She reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group has three reportable segments: newspaper, magazine and property. Newspaper segment is engaged in the publication of *South China Morning Post*, *Sunday Morning Post* and other related print and digital publications. It derives its revenue mainly from advertising and sales of newspapers. Magazine segment is engaged in the publication of various magazines in Chinese language and related print and digital publications. Its revenue is derived from advertising and sales of magazines. Property segment holds various commercial and industrial properties in Hong Kong. It also owns advertising billboards for outdoor advertising. It derives revenue through leasing out its properties and billboards.

The chief operating decision-maker assesses the performance of the operating segments based on a number of measures, including earnings before interest, tax, depreciation and amortisation (EBITDA) and profit or loss after tax. The Group considers that the measurement principles for profit or loss after tax are most consistent with those used in measuring the corresponding amounts in the Group's financial statements. Hence, profit or loss after tax is used for reporting segment profit or loss.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that interest in the profit or loss of an associate is accounted for on the basis of dividend received or receivable in segment profit or loss while such interest is accounted for under the equity method in the Group's consolidated financial statements.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies. Transactions between reportable segments are accounted for on arm's length basis.

Turnover consists of revenue from all of the Group's reportable segments, which comprise newspaper, magazine and property, as well as other segments whose contributions to the Group's revenue and profit or loss are below the quantitative threshold for separate disclosures. The turnover for the year ended 31 December 2010 and 2009 were HK$881,082,000 and HK$740,667,000 respectively.

Revenue from newspapers, magazines and other publications included revenue of HK$5,286,000 (2009: HK$7,859,000) arising from exchanges of goods or services with third parties.

2. REVENUE AND SEGMENT INFORMATION (continued)

Substantially all the activities of the Group are based in Hong Kong and below is segment information by reportable segments:

(a) Reportable segment profit or loss

For the year ended 31 December 2010

	Newspaper *HK$'000*	**Magazine** *HK$'000*	**Property** *HK$'000*	**All other** *HK$'000*	**Total** *HK$'000*
Total segment revenue	**725,630**	**134,808**	**28,982**	**6**	**889,426**
Inter-segment revenue	**(772)**	**(6,031)**	**(1,541)**	**-**	**(8,344)**
Revenue from external customers	**724,858**	**128,777**	**27,441**	**6**	**881,082**
Finance income	**1,089**	**16**	**-**	**1,352**	**2,457**
Depreciation and amortisation	**(49,850)**	**(1,085)**	**(5,406)**	**-**	**(56,341)**
Income tax	**(23,735)**	**(7,652)**	**(35,920)**	**-**	**(67,307)**
Reportable segment profit/(loss)	**118,996**	**(695)**	**179,549**	**3,748**	**301,598**

For the year ended 31 December 2009

	Newspaper *HK$'000*	Magazine *HK$'000*	Property *HK$'000*	All other *HK$'000*	Total *HK$'000*
Total segment revenue	590,969	134,085	24,428	129	749,611
Inter-segment revenue	(445)	(8,499)	-	-	(8,944)
Revenue from external customers	590,524	125,586	24,428	129	740,667
Finance income	233	88	-	792	1,113
Depreciation and amortisation	(53,552)	(1,457)	(1,753)	-	(56,762)
Income tax	(3,714)	(6,515)	(24,584)	-	(34,813)
Reportable segment profit	20,066	1,084	127,355	4,404	152,909

(b) Reportable segment information

For the year ended 31 December 2010

	Newspaper *HK$'000*	**Magazine** *HK$'000*	**Property** *HK$'000*	**All other** *HK$'000*	**Total** *HK$'000*
Capital expenditure	**11,742**	**3,122**	**917**	**-**	**15,781**

For the year ended 31 December 2009

	Newspaper *HK$'000*	Magazine *HK$'000*	Property *HK$'000*	All other *HK$'000*	Total *HK$'000*
Capital expenditure	20,550	931	13,544	-	35,025

2. REVENUE AND SEGMENT INFORMATION (continued)

(c) Reconciliation of reportable segment profit or loss to profit for the year

	For the year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Profit for reportable segments	**297,850**	148,505
Profit for all other segments	**3,748**	4,404
	301,598	152,909
Reconciling items :		
Share of profits/(losses) of associates under equity method of accounting	**5,763**	(3,434)
Dividend received from associates	**(1,367)**	(1,401)
	4,396	(4,835)
Profit for the year	**305,994**	148,074

3. PROPERTY, PLANT AND EQUIPMENT

	Group			
	Leasehold land and buildings *HK$'000*	**Other fixed assets** *HK$'000*	**Assets in progress** *HK$'000*	**Total** *HK$'000*
At 1 January 2010, as previously reported	219,242	275,143	1,276	495,661
Effect of adoption of HKAS 17 (Amendment)	113,121	-	-	113,121
At 1 January 2010, as restated	332,363	275,143	1,276	608,782
Additions	191	5,914	5,066	11,171
Disposals	-	(358)	-	(358)
Revaluation	13,178	-	-	13,178
Transfer	-	3,956	(3,956)	-
Reclassification to investment properties	(18,000)	-	-	(18,000)
Depreciation	(10,053)	(38,423)	-	(48,476)
Translation differences	-	27	-	27
Net book value at 31 December 2010	**317,679**	**246,259**	**2,386**	**566,324**
At 31 December 2010				
Cost	420,375	886,378	2,386	1,309,139
Accumulated depreciation and impairment losses	(102,696)	(640,119)	-	(742,815)
Net book value at 31 December 2010	**317,679**	**246,259**	**2,386**	**566,324**

4. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 7 to 90 days to its trade customers and an ageing analysis of accounts receivables is as follows:

	Group			
	2010		2009	
	Balance *HK$'000*	**Percentage** *%*	Balance *HK$'000*	Percentage *%*
Current	**125,289**	**62.5**	89,280	55.7
Less than 30 days past due	**15,039**	**7.5**	19,557	12.2
31 to 60 days past due	**38,272**	**19.1**	34,209	21.4
61 to 90 days past due	**14,850**	**7.4**	11,769	7.3
Over 90 days past due	**6,925**	**3.5**	5,375	3.4
Total	**200,375**	**100.0**	160,190	100.0
Less: Allowance for impairment	**(4,757)**		(3,471)	
	195,618		156,719	

5. SHARE CAPITAL

	Group and Company	
	2010	2009
	HK$'000	*HK$'000*
Authorised:		
5,000,000,000 shares of HK$0.10 each	**500,000**	500,000
Issued and fully paid:		
1,560,945,596 (2009: 1,560,945,596) shares of HK$0.10 each	**156,095**	156,095

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the following accounts payable by invoice date:

	Group			
	2010		2009	
	Balance	**Percentage**	Balance	Percentage
	HK$'000	***%***	*HK$'000*	*%*
0 to 30 days	**22,981**	**85.4**	16,583	57.7
31 to 60 days	**2,494**	**9.3**	6,428	22.4
61 to 90 days	**811**	**3.0**	2,714	9.4
Over 90 days	**622**	**2.3**	3,026	10.5
Total accounts payable	**26,908**	**100.0**	28,751	100.0
Accrued liabilities	**136,194**		70,699	
Total accounts payable and accrued liabilities	**163,102**		99,450	

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at a rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	Group	
	2010	2009
	HK$'000	*HK$'000*
Current income tax		
- Hong Kong profits tax	**38,525**	15,318
- Overseas taxation	**136**	48
Deferred income tax		
- Deferred tax with respect to fair value gain on investment properties	**32,802**	22,262
- Other deferred tax credits	**(4,156)**	(2,815)
	67,307	34,813

8. DIVIDENDS

(a) Dividends attributable to the year:

	Company 2010 HK$'000	2009 HK$'000
Interim dividend paid, HK2 cents per share (2009: nil)	**31,219**	-
Final dividend proposed but not yet recognised, HK4 cents per share (2009: nil)	**62,438**	-
	93,657	-

Note: The proposed final dividend of HK$62,438,000 for the year ended 31 December 2010 is to be paid out of the Company's contributed surplus.

(b) Dividends paid during the year:

	Company 2010 HK$'000	2009 HK$'000
Interim dividend in respect of 2010, HK2 cents per share	**31,219**	-
Final dividend in respect of 2008, HK2 cents per share	**-**	31,219
	31,219	31,219

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the year attributable to shareholders of HK$294,376,000 (2009: HK$138,151,000) and 1,560,945,596 (2009: 1,560,945,596) shares in issue during the year.

As at 31 December 2010 there was no share options outstanding that enable the holders to subscribe for shares (2009: nil) in the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results of the Group

The Group's consolidated operating results for the years ended 31 December 2010 and 2009 were as follows:

(HK$ millions, except per share amounts)	**For the year ended 31 December** **2010**	2009	% Change
Revenue	**881.1**	740.7	19
Staff costs	**(352.4)**	(323.6)	9
Production costs	**(136.0)**	(126.7)	7
Rental and utilities	**(20.5)**	(37.8)	(46)
Advertising and promotions	**(26.1)**	(34.9)	(25)
Other operating expenses	**(131.9)**	(115.3)	14
Operating costs before depreciation and amortisation	**(666.9)**	(638.3)	4
Depreciation and amortisation	**(56.3)**	(56.8)	(1)
Operating profit from principal activities	**157.9**	45.6	*
Other income	**8.4**	4.7	79
Fair value gain on investment properties	**198.8**	134.9	47
Operating profit	**365.1**	185.2	97
Net interest income	**2.4**	1.1	*
Share of profits/(losses) of associates	**5.8**	(3.4)	*
Deferred tax on fair value changes of investment properties	**(32.8)**	(22.3)	47
Taxation	**(34.5)**	(12.5)	*
Profit for the year	**306.0**	148.1	*
Non-controlling interests	**(11.6)**	(9.9)	17
Profit attributable to shareholders	**294.4**	138.2	*
Earnings per share (HK cents)	**18.9**	8.9	*

* *Represents an increase in excess of 100%*

The operating results of the Group improved significantly for the year 2010. Net profit for the year was $294.4 million, of which $166.0 million was attributable to the gain in fair value of our investment properties. Excluding the property revaluation, profits from normal business operations recorded a four times increase from $25.6 million in 2009 to $128.4 million in 2010.

Revenue rose 19% to $881.1 million. Revenues from both newspaper advertising and recruitment services increased due to the recovery of the local economy. Operating costs before depreciation and amortisation for the year increased 4% mainly due to the resumption of salaries after the pay cut in 2009 and provision for staff bonus and *Instyle* magazine exit costs, partly offset by savings in newsprint, rental & utilities and advertising & promotion expenses.

Staff costs increased due to the resumption of salaries at "full pre-recession levels" and staff bonus provision this year, partly offset by the headcount reduction and valuation gain from the staff retirement scheme. The company implemented a company-wide pay cut program in 2009 and there was also no staff bonus when our business was adversely impacted by the economic downturn of that year.

Production costs rose as a result of the final royalty payment to Time Inc. for the cessation of *Instyle* operation, which fully offset the saving from lower newsprint cost. Average cost per metric ton of 45gsm newsprint for the year was 23% below last year.

Rental and utilities dropped 46% due to the relocation of our town office from Somerset House in Quarry Bay to the Group's own property on Leighton Road. The increase in other operating expenses reflects the higher sales commission and discount in line with revenue growth and higher repairs & maintenance costs.

FINANCIAL REVIEW BY BUSINESS

Newspaper Publishing

Improvement in newspaper revenue and operating profit was mainly attributable to the growth in sales volume from both display and recruitment advertisements.

Revenue from advertising and marketing services increased 25%. The increase was mainly from a higher volume of display advertising in the newspaper segment, followed by notices advertisement, glossy magazines, customized publishing and special execution services. IPO related revenue increased by 61% due to the increase in number of IPOs captured. 93 IPOs were captured out of the total of 100 in the market, as compared to 55 IPOs captured out of a total of 60 last year.

Recruitment revenue increased 43%. Print revenue rebounded strongly with volume in both *Classified Post* and *Jiu Jik* increasing almost 50%. Online recruitment revenue also recorded significant growth in 2010.

The un-audited second half 2010 circulation figures of *South China Morning Post* and *Sunday Morning Post* are estimated at an average daily of 101,500 and 79,564 respectively, increasing by 0.5% and 6% respectively as compared with same period last year.

Magazine Publishing

Magazine division recorded $6.8 million operating profit in 2010. The results included the operating loss and exit costs of *Instyle* magazine which ceased operation in September. The women's titles in Hong Kong continued to perform well which generated an operating profit of $46.3 million in 2010.

Property

2010 net profit of $179.6 million (2009: $127.4 million) included a revaluation gain net of deferred tax of $166.0 million (2009: $112.6 million). Rental revenue increased 19% in 2010 mainly due to higher rental from our Seaview property and the advertising boards.

Management continues its intention of holding all the properties for long-term investment and is pursuing different options to enhance value of the properties and discussing with relevant parties in that regard.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's cash and cash equivalents are held predominantly in Hong Kong dollars and the Group has no significant exposure to foreign exchange fluctuations.

The Group had no gearing as at 31 December 2010. The ratio of current assets to current liabilities was 3.1 times.

The Group managed to maintain a very strong cash position and expects its cash and cash equivalents, cash generated from operations and funds available from external sources to be adequate to meet its working capital requirements, to finance planned capital expenditures and to pay dividends.

Operating Activities

The newspaper publishing business was the major source of the Group's cash flow from operating activities. Net cash generated from operating activities for the year was $227.9 million, a significant increase from $70.7 million in 2009, mainly from the increase in advertising income.

Investment Activities

Net cash outflow from investing activities for the year was $7.3 million compared with $48.4 million for 2009. The higher cash outflow in 2009 was mainly for the one-off investment in corporate bonds and spending on the office relocation. The cash outflow in 2010 was mainly for IT related capital expenditure.

Financing Activities

Net cash used in financing activities was $42.0 million, which consists of 2010 interim dividend payment to the Company's shareholders of $31.2 million and a dividend to a non-controlling interest of $10.8 million. In 2009, the Group paid the 2008 final dividend of $31.2 million to the shareholders of the Company and $9.0 million to the non-controlling interest.

OUTLOOK

The outlook for 2011 reflects greater confidence than we have experienced in the past couple of years. The SCMP Group has made substantial progress in strengthening our financial performance, as well as paving the way for future growth with a more robust portfolio of products. Indications are that we are enjoying a much stronger start than in the prior few years, and provided the economy remains stable in the months ahead, we have confidence in continuing our upward trend.

Our efforts during 2010 are focused on building longer term revenue and earnings growth that will reap rewards not just in 2011, but also in years to come. We are strengthening our print and digital products to deepen our reader relationship and relevance, and to deliver stronger sales opportunities and more exciting marketing avenues for our advertising clients. In addition to our traditional business areas, we are continually evaluating possible areas for diversification, and the application of our core competencies and strengths into new related business areas. This will open up the opportunities for new revenues and new, long term growth prospects.

STAFF

The Company's remuneration policy is established to attract, motivate and retain high performing individuals. A comprehensive review of the fringe benefits including medical, dental and annual leave entitlement has been concluded. Salaries of employees are maintained at competitive levels. As at 31 December 2010, the Group had 784 employees compared with 807 as at 31 December 2009.

DIVIDEND

Directors recommend to pay a final dividend of HK4 cents per share (2009: Nil) from the contributed surplus account. This final dividend, together with the interim dividend of HK2 cents per share, will make a total dividend of HK6 cents per share for the year ended 31 December 2010. The proposed final dividend, if approved, will be paid on Tuesday, 31 May 2011 to shareholders whose names appear on the Register of Members of the Company on Friday, 27 May 2011.

BOOK CLOSURE

The Register of Members of the Company will be closed from Tuesday, 24 May 2011 to Friday, 27 May 2011, both days inclusive. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited of Room no. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 May 2011 so as to qualify for the final dividend.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Board of Directors and Management are committed to upholding the Group's obligations to shareholders. We regard the promotion and protection of shareholders' interests as one of our priorities and keys to success.

During the year, the Group's corporate governance practices have complied with all the code provisions of the Code on Corporate Governance Practices ("Stock Exchange Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group also adheres to the recommended best practices of the Stock Exchange Code insofar as they are relevant and practicable.

A detailed Corporate Governance Report setting out the Group's framework of governance and explanations about how the provisions of the Stock Exchange Code have been applied will be included in the Company's Annual Report 2010.

AUDIT COMMITTEE

The Company established an Audit Committee in 1998 with written terms of reference. The Audit Committee currently comprises three Independent Non-executive Directors, namely Dr. The Hon. Sir David Li Kwok Po, The Hon. Ronald J. Arculli and Mr. Wong Kai Man. Two meetings were held by the Audit Committee during the year. The Audit Committee has reviewed the Group's audited final results for the year ended 31 December 2010.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee in 2000 with written terms of reference. The Remuneration Committee currently comprises two Independent Non-Executive Directors, namely Mr. Wong Kai Man and The Hon. Ronald J. Arculli, and a Non-executive Director, Mr. Kuok Khoon Ean. One meeting was held by the Remuneration Committee during the year.

NOMINATION COMMITTEE

The Company established a Nomination Committee in 2005 with written terms of reference. The Nomination Committee currently comprises two Independent Non-Executive Directors, namely The Hon. Ronald J. Arculli and Mr. Wong Kai Man, and the Non-executive Chairman, Dr. David J. Pang. One meeting was held by the Nomination Committee during the year.

STRATEGY COMMITTEE

The Company established a Strategy Committee in March 2010 with written terms of reference. The Strategy Committee currently comprises the Managing Director and Chief Executive Officer, Ms. Kuok Hui Kwong, the Non-executive Chairman, Dr. David J. Pang and an Independent Non-executive Director, Dr. Fred Hu Zu Liu.

On behalf of the Board
David J. PANG
Chairman

Hong Kong, 17 March 2011

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

Non-Executive Directors
Dr. David J. Pang (Chairman), Mr. Roberto V. Ongpin (Deputy Chairman),
Tan Sri Dr. Khoo Kay Peng and Mr. Kuok Khoon Ean

Independent Non-Executive Directors
The Hon. Ronald J. Arculli, Dr. Fred Hu Zu Liu, Dr. The Hon. Sir David Li Kwok Po
and Mr. Wong Kai Man

Executive Director
Ms. Kuok Hui Kwong

* *For identification purpose only*