建 聯 集 團 有 限 公 司*

Chinney Alliance Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 385)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The board of directors (the "Board") of Chinney Alliance Group Limited (the "Company") is pleased to announce that the consolidated income statement and the consolidated statement of comprehensive income of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010 and the consolidated statement of financial position of the Group as at 31 December 2010 together with comparative figures in 2009 are as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
REVENUE	*2*	**1,990,214**	2,106,488
Cost of sales/services provided		**(1,751,076)**	(1,842,680)
Gross profit		**239,138**	263,808
Other income	*3*	**6,265**	6,877
Selling and distribution costs		**(8,555)**	(8,062)
Administrative expenses		**(200,931)**	(196,264)
Other operating income/(expenses), net		**2,331**	(3,123)
Fair value gains/(losses) on equity investments at fair value through profit or loss, net		**(6,331)**	15,068
Surplus arising from revaluation of land and buildings		**-**	8,630
Changes in fair value of investment properties		**3,091**	2,058
Finance costs	*4*	**(6,541)**	(5,408)
Share of profits and losses of:			
A jointly-controlled entity		**-**	(11)
An associate		**(67)**	(194)
PROFIT BEFORE TAX	*5*	**28,400**	83,379
Income tax expense	*6*	**(4,738)**	(6,029)
PROFIT FOR THE YEAR		**23,662**	77,350
Attributable to:			
Owners of the Company		**23,662**	77,378
Non-controlling interests		**-**	(28)
		23,662	77,350
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*7*		
Basic and diluted		**4.0 cents**	13.0 cents

Details of the proposed final dividend for the year are disclosed in note 8 to this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**23,662**	77,350
OTHER COMPREHENSIVE INCOME		
Surplus on revaluation of land and buildings	**29,887**	13,843
Income tax effect	**(5,047)**	(1,157)
	24,840	12,686
Exchange differences on translation of foreign operations	**(332)**	(1,285)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**24,508**	11,401
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**48,170**	88,751
Attributable to:		
Owners of the Company	**48,170**	88,779
Non-controlling interests	**-**	(28)
	48,170	88,751

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2010** **HK$'000**	31 December 2009 *HK$'000* (Restated)	1 January 2009 *HK$'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**358,515**	256,947	197,017
Investment properties		**29,560**	26,469	28,261
Investment in an associate		**1,381**	1,184	1,378
Investments in jointly-controlled entities		**-**	-	11
Goodwill		**5,767**	5,767	6,970
Deferred tax assets		**372**	415	987
Other assets		**282**	282	282
Total non-current assets		**395,877**	291,064	234,906
CURRENT ASSETS				
Inventories		**73,890**	51,290	78,863
Gross amount due from contract customers		**125,047**	115,725	125,901
Trade receivables	*9*	**330,507**	229,757	436,695
Retention monies receivable		**110,145**	98,233	100,907
Amounts due from related companies		**-**	-	11,778
Amounts due from jointly-controlled entities		**967**	637	119
Prepayments, deposits and other receivables		**38,158**	41,872	62,870
Equity investments at fair value through profit or loss		**11,806**	18,614	5,319
Tax recoverable		**6,634**	574	743
Pledged time deposits		**12,414**	47,519	37,046
Cash and cash equivalents		**218,603**	240,387	135,643
Total current assets		**928,171**	844,608	995,884
CURRENT LIABILITIES				
Gross amount due to contract customers		**167,656**	171,409	138,889
Trade and bills payables	*10*	**291,245**	157,778	303,733
Trust receipt loans		**85,539**	70,288	156,111
Retention monies payable		**60,451**	59,565	61,786
Amounts due to related companies		**3,709**	10,962	11,241
Amount due to a jointly-controlled entity		**-**	97	-
Other payables and accruals		**51,926**	51,504	52,245
Tax payable		**3,351**	2,279	2,033
Obligations under finance leases		**18,028**	11,567	11,033
Interest-bearing bank borrowings		**94,778**	50,126	45,364
Promissory note		**-**	39,652	-
Total current liabilities		**776,683**	625,227	782,435
NET CURRENT ASSETS		**151,488**	219,381	213,449
TOTAL ASSETS LESS CURRENT LIABILITIES		**547,365**	510,445	448,355

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	Notes	**31 December 2010** **HK$'000**	31 December 2009 *HK$'000* (Restated)	1 January 2009 *HK$'000* (Restated)
NON-CURRENT LIABILITIES				
Obligations under finance leases		**21,875**	18,404	-
Interest-bearing bank borrowings		**6,816**	7,555	-
Promissory note		**-**	-	39,247
Deferred tax liabilities		**30,281**	26,416	24,917
Total non-current liabilities		**58,972**	52,375	64,164
Net assets		**488,393**	458,070	384,191
EQUITY				
Equity attributable to owners of the Company				
Issued capital		**59,490**	59,490	59,490
Reserves		**411,056**	380,733	309,801
Proposed final dividend	*8*	**17,847**	17,847	14,872
		488,393	458,070	384,163
Non-controlling interests		**-**	-	28
Total equity		**488,393**	458,070	384,191

NOTES:

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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, land and buildings and equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

As further explained below, during the year, the Group adopted HK Interpretation 5, following which the Group's term bank loans were reclassified in total as current liabilities. This in turn has impacted on the amount of net current assets presented in the consolidated statement of financial position.

<u>Basis of consolidation</u>

Basis of consolidation from 1 January 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests (formerly known as minority interests), prior to 1 January 2010, were accounted for using parent entity extension method, whereby the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(continued)*

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*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised) and HK Interpretation 5, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(continued)*

(b) HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The interpretation requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement. Prior to the adoption of this interpretation, the Group's term loans were classified in the statement of financial position as non-current liabilities based on the maturity date of repayment. The interpretation has been applied by the Group retrospectively and comparative amounts have been restated. In addition, as a result of this change and as required by HKAS 1 *Presentation of Financial Statements*, these financial statements also include a statement of financial position as at 1 January 2009.

The above change has had no effect on the consolidated income statement. The effect on the consolidated statement of financial position is summarised as follows:

	31 December 2010 *HK$'000*	31 December 2009 *HK$'000*	1 January 2009 *HK$'000*
CURRENT LIABILITIES			
Increase in obligations under finance leases	**5,886**	3,359	7,263
Increase in interest-bearing bank borrowings	**53,286**	26,004	-
NON-CURRENT LIABILITIES			
Decrease in obligations under finance leases	**(5,886)**	(3,359)	(7,263)
Decrease in interest-bearing bank borrowings	**(53,286)**	(26,004)	-

There was no impact on the net assets of the Group.

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the trading of plastics and chemical, provision of building related contracting services, provision of foundation piling works and sub-structure works, building construction works for both public and private sectors and others, which include distribution and installation of building supplies, electrical and mechanical products and property holding. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Operating segments are reported in a manner consistent with the internal reporting provided to key management personnel.

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 operating profit/(loss) before tax.

Segment assets exclude deferred tax assets, tax recoverable, investment in an associate and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

During the year, the Group's operating segments changed as a result of the change in the Group's internal organisation structure. The corresponding information for the year ended 31 December 2009 has been re-presented accordingly.

2. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2010

	Plastic and chemical products *HK$'000*	Building related contracting services *HK$'000*	Foundation piling and ground investigation *HK$'000*	Building construction *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue:						
Sales to external customers	**518,693**	**314,315**	**746,320**	**361,189**	**49,697**	**1,990,214**
Intersegment sales	**-**	**11,746**	**-**	**4,000**	**2,000**	**17,746**
Other revenue	**2,088**	**1,050**	**353**	**125**	**1,118**	**4,734**
	520,781	**327,111**	**746,673**	**365,314**	**52,815**	**2,012,694**
Reconciliation:						
Elimination of intersegment sales						**(17,746)**
Revenue						**1,994,948**
Segment results	**17,846**	**13,352**	**257**	**13,942**	**(431)**	**44,966**
Reconciliation:						
Interest income and unallocated gains						**1,531**
Unallocated expenses						**(12,884)**
Fair value losses on equity investments at fair value through profit or loss, net						**(6,331)**
Gain on disposal of equity investments at fair value through profit or loss						**79**
Changes in fair value of investment properties						**3,091**
Finance costs						**(1,985)**
Share of profits and losses of an associate						**(67)**
Profit before tax						**28,400**

2. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2010

	Plastic and chemical products *HK$'000*	Building related contracting services *HK$'000*	Foundation piling and ground investigation *HK$'000*	Building construction *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment assets	**263,926**	**264,027**	**474,479**	**235,604**	**105,709**	**1,343,745**
Reconciliation:						
Elimination of intersegment receivables						**(45,147)**
Investment in an associate						**1,381**
Corporate and other unallocated assets						**24,069**
Total assets						**1,324,048**
Segment liabilities	**129,566**	**191,823**	**265,416**	**195,196**	**60,759**	**842,760**
Reconciliation:						
Elimination of intersegment payables						**(45,147)**
Corporate and other unallocated liabilities						**38,042**
Total liabilities						**835,655**
Other segment information:						
Write-back of impairment of trade receivables	**-**	**(161)**	**-**	**-**	**(3)**	**(164)**
Write-back of inventories to net realisable value included in cost of inventories sold	**(372)**	**-**	**-**	**-**	**(1,439)**	**(1,811)**
Changes in fair value of investment properties	**(2,044)**	**-**	**-**	**-**	**(1,047)**	**(3,091)**
Depreciation	**1,481**	**294**	**23,719**	**2,155**	**516**	**28,165**
Capital expenditure*	**991**	**309**	**43,337**	**1,670**	**55,978**	**102,285**

* Capital expenditure represents additions to property, plant and equipment.

2. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2009

	Plastic and chemical products *HK$'000*	Building related contracting services *HK$'000*	Foundation piling and ground investigation *HK$'000*	Building construction *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue:						
Sales to external customers	446,431	417,237	780,532	414,538	47,750	2,106,488
Intersegment sales	-	28,344	-	-	7,898	36,242
Other revenue	2,016	92	4	396	1,072	3,580
	448,447	445,673	780,536	414,934	56,720	2,146,310
Reconciliation:						
Elimination of intersegment sales						(36,242)
Revenue						2,110,068
Segment results	8,005	(3,886)	51,817	13,185	(545)	68,576
Reconciliation:						
Interest income and unallocated gains						3,297
Unallocated expenses						(11,890)
Fair value gains on equity investments at fair value through profit or loss, net						15,068
Gain on disposal of equity investments at fair value through profit or loss						277
Surplus arising from revaluation of land and buildings						8,630
Changes in fair value of investment properties						2,058
Finance costs						(2,432)
Share of profits and losses of a jointly-controlled entity	-	-	-	(11)	-	(11)
Share of profits and losses of an associate						(194)
Profit before tax						83,379

2. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2009

	Plastic and chemical products *HK$'000*	Building related contracting services *HK$'000*	Foundation piling and ground investigation *HK$'000*	Building construction products *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment assets	232,922	250,427	484,047	179,198	35,416	1,182,010
Reconciliation:						
Elimination of intersegment receivables						(78,084)
Investment in an associate						1,184
Corporate and other unallocated assets						30,562
Total assets						1,135,672
Segment liabilities	99,983	173,924	223,146	159,606	26,180	682,839
Reconciliation:						
Elimination of intersegment payables						(78,084)
Corporate and other unallocated liabilities						72,847
Total liabilities						677,602
Other segment information:						
Impairment of trade receivables	3,488	12	-	-	24	3,524
Write-back of impairment of trade receivables	(88)	(650)	-	-	-	(738)
Write-down/(write-back) of inventories to net realisable value included in cost of inventories sold/ services provided	(81)	-	540	-	(306)	153
Surplus arising from revaluation of land and buildings	(507)	-	-	(8,123)	-	(8,630)
Changes in fair value of investment properties	(2,051)	-	-	-	(7)	(2,058)
Depreciation	1,126	374	18,946	1,419	69	21,934
Capital expenditure*	112	133	44,690	12,394	-	57,329

* Capital expenditure represents additions to property, plant and equipment.

2. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**1,835,026**	1,931,849
Mainland China and Macau	**155,188**	174,639
	1,990,214	2,106,488

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**342,277**	243,338
Mainland China and Macau	**45,798**	40,078
	388,075	283,416

The non-current asset information above is based on the location of assets and excludes investment in an associate, investments in jointly-controlled entities, goodwill, deferred tax assets and other assets.

Information about a major customer

Revenue of approximately HK$295,018,000 (2009: HK$264,071,000) was derived from construction contracts services to a single customer (2009: one).

3. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Interest income	**491**	148
Commission income	**1,996**	1,648
Dividend income from a listed investment	**-**	29
Gross rental income	**1,125**	1,315
Management fee income from a related company	**1,000**	-
Others	**1,653**	3,737
	6,265	6,877

4. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**2,874**	2,577
Interest on bank loans wholly repayable after five years	**248**	-
Interest on a promissory note	**1,985**	2,405
Interest on obligations under finance leases	**1,434**	426
	6,541	5,408

5. PROFIT BEFORE TAX

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

	2010	2009
	HK$'000	*HK$'000*
Auditors' remuneration	**3,037**	2,988
Employee benefit expense (including directors' remuneration)	**106,625**	102,740
Depreciation	**28,165**	21,934
Cost of inventories sold	**477,496**	409,916
Cost of services provided	**1,273,580**	1,432,764
Direct operating expenses (including repairs and maintenance arising on rental-earning investment properties)	**237**	225
Minimum lease payments under operating leases in respect of land and buildings	**5,382**	7,460
Impairment of trade receivables*	**-**	3,524
Write-back of impairment of trade receivables*	**(164)**	(738)
Write-down/(write-back) of inventories to net realisable value included in cost of inventories sold/services provided	**(1,811)**	153
Loss on disposal of items of property, plant and equipment*	**442**	890
Gain on disposal of equity investments at fair value through profit or loss*	**(79)**	(277)
Gain on disposal of a jointly-controlled entity*	**(97)**	-
Rental income on investment properties less direct operating expenses	**(888)**	(1,090)
Reversal of goodwill*	**-**	1,203
Foreign exchange differences, net*	**(2,433)**	(1,479)

* These expenses/(income) are included in "Other operating income/(expenses), net" of the consolidated income statement.

6. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**2,549**	4,978
Underprovision in prior years	**6**	19
Current – Elsewhere		
Charge for the year	**2,212**	118
Underprovision in prior years	**1,110**	-
Deferred	**(1,139)**	914
Total tax charge for the year	**4,738**	6,029

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. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK$23,662,000 (2009: HK$77,378,000), and the weighted average number of 594,899,245 ordinary shares in issue during both years.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2010 and 2009 in respect of a dilution as the Group has no dilutive ordinary shares in issue during both years.

8. DIVIDEND

	2010	2009
	HK$'000	*HK$'000*
Proposed final – HK3.0 cents (2009: HK3.0 cents) per ordinary share	**17,847**	17,847

9. TRADE RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**330,507**	229,757

The Group's trading terms with its customers are mainly on credit. The credit period is ranging from cash on delivery to 60 days. A longer credit period may be allowed to customers with good business relationships. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly 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 RECEIVABLES *(continued)*

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

	2010	2009
	HK$'000	*HK$'000*
Current to 30 days	**297,195**	191,729
31 to 60 days	**15,983**	23,124
61 to 90 days	**2,921**	5,617
Over 90 days	**14,408**	9,287
	330,507	229,757

10. TRADE AND BILLS PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade payables	**278,885**	150,021
Bills payable	**12,360**	7,757
	291,245	157,778

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

	2010	2009
	HK$'000	*HK$'000*
Current to 30 days	**237,287**	118,241
31 to 60 days	**20,237**	21,068
61 to 90 days	**7,285**	3,589
Over 90 days	**14,076**	7,123
	278,885	150,021

RESULTS

The Group recorded a turnover of HK$1,990 million for the year ended 31 December 2010 (2009: HK$2,106 million). The profit for the year was HK$23.7 million (2009: HK$77.4 million), which included fair value losses on equity investments of HK$6.3 million (2009: gains of HK$15.1 million) and surplus arising on changes in fair value of investment properties of HK$1.9 million (net of deferred tax) (2009: HK$0.8 million). The profit for the last year also included surplus on revaluation of land and buildings of HK$10.2 million (net of deferred tax) as a result of reversal of revaluation losses to the extent of amount charged to the consolidated income statement in prior years and gains on disposal of equity investments of HK$0.3 million. The surplus arising from revaluation of the Group's land and buildings for the current year amounted to HK$24.8 million (net of deferred tax) was credited to reserve as other comprehensive income (2009: HK$12.7 million). The profit contributed from the Group's business operation, which was arrived by excluding the effect of fair value changes of the equity investments and property interests and the effect on disposal of equity investments from the profit for the year, was HK$28.1 million (2009: HK$51.0 million).

PROPOSED FINAL DIVIDEND

The Board recommend the payment of a final dividend of HK3.0 cents per share for the year ended 31 December 2010 (2009: HK3.0 cents) to the shareholders whose names appear on the Company's register of members on 2 June 2011. It is expected that the final dividend cheques will be despatched to the shareholders on or before 21 June 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 31 May 2011 to 2 June 2011 (both days inclusive), during which period no share transfers will be registered. In order to qualify for the final dividend, all transfers accompanied by relevant share certificates must be lodged with Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 30 May 2011.

BUSINESS REVIEW AND PROSPECTS

Trading of plastics and chemical products

The plastic trading division, which consists of Jacobson van den Berg (Hong Kong) Limited ("Jacobson") and other companies, contributed a turnover of HK$519 million (2009: HK$446 million) with operating profit of HK$17.8 million (2009: HK$8.0 million). With the recovery of global economy and the rise of crude oil prices in 2010, both sales and profit margin increased. Jacobson continues to improve her operation efficiency by optimising the supply chain and keeping close monitoring on trade debt. The growth of the global economy is expected to continue in 2011. However, the growth momentum of Asia, particularly the Mainland China, will remain robust while the pace of the US and Europe would be rather moderate due to the weak fundamentals. The National 12th Five-Year Plan affirms the policy of expanding domestic demand. Jacobson will continue to expand the Mainland China market and to find products and solution to her customers so as to enhance the quality of earnings.

Building related contracting services

Shun Cheong Investments Limited and its subsidiaries ("Shun Cheong") contributed turnover of HK$314 million (2009: HK$417 million) and an operating profit of HK$13.4 million (2009: loss of HK$3.9 million). While the loss of the subsidiary engaged in building alminium eroded the profitability of the division last year, the situation is under control. Although turnover decreased, the additional profit contributed from variation orders approved for the division's projects in Macau improve the profit margin. As at 31 December 2010, the division had outstanding contracts on hand of HK$909 million. Subsequent to the year end, the division was awarded new contracts amounted to HK$99 million. With more contracts awarded, the performance of the division for the coming year is expected to improve.

Building construction

The division recorded a turnover of HK$361 million (2009: HK$415 million) with an operating profit of HK$13.9 million (2009: HK$13.2 million) which was mainly contributed from its principal subsidiary, Chinney Construction Company, Limited ("Chinney Construction"). The profit for the year was mainly contributed from school projects. The division was awarded a residential project and hotel project from private developers. As at 31 December 2010, the division had outstanding contracts on hand of HK$673 million.

Foundation piling and ground investigation

The principal subsidiaries of the division include Kin Wing Engineering Company Limited, Kin Wing Foundations Limited and DrilTech Ground Engineering Limited (collectively, "Kin Wing Group"). Turnover for the year was HK$746 million (2009: HK$781 million) and operating profit was HK$0.3 million (2009: HK$51.8 million). The decrease was mainly due to additional costs as a result of unexpected difficult ground condition of three foundation piling projects although the West Rail station project and other projects recorded satisfactory profit. The outstanding contracts on hand was HK$380 million as at 31 December 2010 with additional HK$317 million worth projects awarded after year end.

Other businesses

The distribution and installation of building supplies, electrical and mechanical products carried out by Chinney Alliance Engineering Limited ("CAE") and its subsidiaries contributed turnover of HK$50 million (2009: HK$48 million) and an operating loss of HK$0.4 million (2009: HK$0.5 million). CAE is awarded two large tenders from Hong Kong International Airport during the last two months and is expected to show improvement in 2011.

The Group's share of the profits and losses of an associate represented share of the results of Jiangxi Kaitong New Materials Company Limited operated in China.

FINANCIAL REVIEW

Liquidity and financial resources

Total interest-bearing debts of the Group amounted to HK$227.0 million as at 31 December 2010 (2009: HK$197.6 million), of which HK$198.3 million or 87% (2009: HK$171.6 million or 87%) classified as current liabilities. The adoption of Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* requires that term loans and other borrowings where the lender has unconditional right to call the loan at any time shall be classified as current liabilities. Bank loans and obligations under finance leases of HK$59.1 million (2009: HK$29.3 million were reclassified as current liabilities accordingly. The current portion of the interest-bearing debts would be HK$139.2 million or 61% (2009: HK$142.3 million or 72%) based on lenders' repayment schedules. During the year, the Group repaid the promissory note of HK$40 million. To cope with the increase in sale of plastics and chemical products, the inventory level rose and thus the trust receipt loans increased to HK$85.5 million (2009: HK$70.3 million). The Group raised fund by bank loans and finance leases arrangement of HK$80 million to finance the acquisition of property, plant and equipment for the Group's operation. Current ratio of the Group as at 31 December 2010, measured by total current assets over total current liabilities, was 1.2 (2009: 1.4). Total unpledged cash and bank balances as at 31 December 2010 was HK$218.6 million (2009: HK$240.4 million).

The Group had a total of HK$321 million undrawn banking facilities at year-end available for its working capital purpose and issue of performance/surety bonds. The gearing ratio of the Group, measured by total interest-bearing borrowings of HK$227.0 million over the equity attributable to owners of the Company of HK$488.4 million, was 46.5% as at 31 December 2010 (2009: 43.1%).

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with leading banks. Borrowings are mainly denominated in Hong Kong dollars and bear interest at floating rates. Forward contracts of non-speculative nature are entered to hedge the foreign currency trade purchase commitments of the Group when desirable.

Pledge of assets

Certain properties and plant and machinery having aggregate book value of HK$140.6 million and HK$58.8 million respectively as at 31 December 2010 were pledged to banks to secure certain bank loans, obligations under finance leases and general banking facilities extended to the Group. In addition, time deposits of HK$12.4 million were pledged to banks to secure the performance bonds issued in favour of the Group's clients on contracting works.

Contingent liability

The Group provides corporate guarantees and indemnities to certain banks and a financial institution for an aggregate amount of HK$68.5 million for the performance bonds issued in favour of the Group's clients on contracting works.

Save as disclosed above, the Group has no other material contingent liabilities as at 31 December 2010.

Employees and remuneration policies

The Group employed approximately 950 staff in Hong Kong and other parts of the People's Republic of China as at 31 December 2010. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and year-end discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

OUTLOOK

Global economy continues to recover from the 2008 financial crisis with the Asian markets outperformed the US and Europe markets. Hong Kong recorded an increase in GDP in the fourth quarter of 2010 of 6.2% in real terms over last year. Local employment market had notable improvement during 2010 with unemployment rate dropped to 4% in the fourth quarter of 2010, and continued to decrease to 3.6% in the period from December 2010 to February 2011. On the other hand, the political unrest in the Middle East and wars between the Libyan government and rebellion affect the supplies of crude oil and thus the price. While Hong Kong is heavily relying on import, the higher imported inflation from soaring food and commodity, the appreciation of Renminbi and increase in money supply will certainly stimulate inflation. The recent earthquake and tsunami and subsequent nuclear leak in Japan cause disruption to global supply chain which will slowdown manufacturing. Moreover, the prices of steel and other building materials will surge due to the demand called for rebuild. The Group is monitoring closely the construction projects awarded to maintain their profit margin. Nevertheless, with the launch of large-scale infrastructure projects and the Government's intention to increase land supply for residential properties, the construction business will be benefited for more tender opportunities with better prices. The continuing expansion of the global economy, especially in China, will enhance the export prospects and thus benefit our plastic trading business. The Board is cautiously optimistic about the business performance of the Group in the coming year.

APPRECIATION

I would like to thank my fellow directors for their advice and support and all staffs for their dedication and contribution for the success during the past year.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2010.

Compliance with the Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2010, except that:

1. Board meetings of the Company were held twice during the year on a regular basis, which deviated from code provision A.1.1 which stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. In view of the simplicity of the Group's businesses, regular board meetings have not been held quarterly during the year. The interim and annual results together with all corporate transactions happened during the year have been reviewed and discussed amongst the directors at the full board meetings held in the year.

2. Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

   The Company has not appointed a chief executive officer. Each division of the Group's business namely Jacobson, CAE, Kin Wing Group, Chinney Construction and Shun Cheong is managed by its divisional managing directors. Dr. James Sai-Wing Wong, Chairman of the Company, is responsible for the management of the Board.

3. Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election and that code provision A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The existing non-executive directors of the Company do not have a specific term of appointment but are subject to retirement by rotation and re-election at the Company's annual general meeting under the Bye-laws of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

According to the provisions of the Company's Bye-laws, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation save that the Chairman and/or the Managing Director of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year.

Dr. James Sai-Wing Wong, the beneficial owner of Chinney Investments, Limited, Enhancement Investments Limited and Chinney Capital Limited, which collectively holds approximately 72.85% interest in the Company, is the Chairman of the Board to safeguard their investments in the Company. As a result, the Board concurred that the Chairman of the Board need not be subject to retirement by rotation.

4. Code provision B.1.3 stipulates that the terms of reference of the Remuneration Committee should include, as a minimum, those specific duties as set out in the CG Code provisions. The terms of reference of the Remuneration Committee adopted by the Company on 20 September 2005 has certain deviations from the CG Code provisions that the Remuneration Committee should "review" as opposed to "determine" the specific remuneration packages of "all executive directors" as opposed to "directors and senior management".

   The Chairman of the Board receives no remuneration and determines the remuneration of all other executive directors, taking reference to market pay, individual performance and a bonus scheme, which has been in place prior to the establishment of the Remuneration Committee. A Remuneration Committee meeting was held once during the year, during which the remuneration packages of all executive directors for the year have been reviewed individually.

The above deviations from the code provisions were discussed in the corporate governance report included in the Company's 2010 annual report.

Audit Committee

Regular meetings have been held by the Audit Committee since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with management and the external auditors the financial reporting matters of the Group for the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

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

By Order of the Board
James Sai-Wing Wong
Chairman

Hong Kong, 29 March 2011

At the date of this announcement, the Board comprises of eleven directors, of which five are executive directors, namely Dr. James Sai-Wing Wong, Mr. Yuen-Keung Chan, Mr. Sek-Kee Yu, Mr. Wai-Hong Ling and Mr. James Sing-Wai Wong; and two are non-executive directors, namely Mr. Herman Man-Hei Fung and Mr. Frank Kwok-Kit Chu; and four are independent non-executive directors, namely Mr. David Chung-Shing Wu, Mr. Sou-Tung Chan, Mr. Anthony Ren-Da Fan and Mr. Anthony Siu-Wing Lau.

** For identification purpose only*