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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 2011

HIGHLIGHTS

	For the year ended 31 December		
	2011	2010	Change
Beer sales volume, in tonne	**934,000**	925,000	+1.0%
Gross profit, in thousand HK$	**314,894**	355,468	-11.4%
Profit for the year, in thousand HK$	**34,765**	36,272	-4.2%
Basic earnings per share, in HK cent	**2.0**	2.1	-4.8%
EBITDA, in thousand HK$	**215,013**	218,321	-1.5%

	As at 31 December		
	2011	2010	Change
Current ratio	**1.14 times**	0.97 times	+17.5%
Total assets, in million HK$	**3,709**	3,574	+3.8%
Net asset value per share, in HK$	**1.83**	1.75	+4.6%
Year-end number of employees	**2,864**	2,817	+1.7%

* *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 2011 together with comparative figures for 2010 as follows:

Consolidated Income Statement

Year ended 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
REVENUE	3	**1,758,087**	1,631,886
Cost of sales		**(1,443,193)**	(1,276,418)
Gross profit		**314,894**	355,468
Other income and gains		**108,489**	75,656
Selling and distribution expenses		**(229,599)**	(253,351)
Administrative expenses		**(150,501)**	(134,777)
Finance costs		**(1,006)**	(607)
PROFIT BEFORE TAX	4	**42,277**	42,389
Income tax expense	5	**(7,512)**	(6,117)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**34,765**	36,272
EARNINGS PER SHARE	6		
Basic		**2.0 HK cents**	2.1 HK cents
Diluted		**N/A**	N/A

Details of the dividends proposed for the year are disclosed in note 7.

Consolidated Statement of Comprehensive Income
Year ended 31 December 2011

	2011	2010
	HK$'000	HK$'000
PROFIT FOR THE YEAR	**34,765**	36,272
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**117,062**	87,019
Other comprehensive income for the year	**117,062**	87,019
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**151,827**	123,291

Consolidated Balance Sheet

31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,751,334**	2,718,645
Investment properties		**39,965**	37,371
Prepaid land lease payments		**254,899**	249,151
Goodwill		**9,384**	9,384
Reusable packaging materials		**7,630**	9,061
Deferred tax assets		**5,209**	5,130
Total non-current assets		**3,068,421**	3,028,742
CURRENT ASSETS			
Inventories		**297,282**	305,789
Trade and bills receivables	*8*	**16,279**	14,676
Prepayments, deposits and other receivables		**28,143**	32,553
Tax recoverable		**-**	1,469
Pledged bank balances		**7,401**	7,051
Cash and cash equivalents		**291,889**	183,733
Total current assets		**640,994**	545,271
CURRENT LIABILITIES			
Trade and bills payables	*9*	**(117,725)**	(98,767)
Deferred revenue		**(75,930)**	(84,930)
Tax payable		**(2,653)**	(1,144)
Other payables and accruals		**(329,076)**	(329,852)
VAT payable		**(4,766)**	(901)
Due to the immediate holding company		**(239)**	(209)
Due to fellow subsidiaries		**(32,851)**	(46,659)
Total current liabilities		**(563,240)**	(562,462)
NET CURRENT ASSETS/(LIABILITIES)		**77,754**	(17,191)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,146,175**	3,011,551
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**(7,725)**	(7,813)
Net assets		**3,138,450**	3,003,738
EQUITY			
Issued capital		**171,154**	171,154
Reserves		**2,950,181**	2,815,469
Proposed final dividend		**17,115**	17,115
Total equity		**3,138,450**	3,003,738

Notes:

(1) 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 (the "HKICPA"), 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 and all values are rounded to the nearest thousand except when otherwise indicated.

(2) 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 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards - Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation - Classification of Rights Issues*
HK(IFRIC)-lnt 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

(2) Changes in Accounting Policy and Disclosures (cont'd)

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

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group.

(3) 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 overseas and Hong Kong; 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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit 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 tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment transactions mainly represent the sales of beer by the Mainland China segment to the Overseas and Hong Kong segment which were made on the bases determined within the Group.

(3) Operating Segment Information (cont'd)

Group

	2011				
	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	**1,673,475**	**84,612**	**-**	**-**	**1,758,087**
Intersegment sales	**53,873**	**-**	**-**	**(53,873)**	**-**
Other income and gains	**71,292**	**337**	**29,881**	**-**	**101,510**
Total	**1,798,640**	**84,949**	**29,881**	**(53,873)**	**1,859,597**
Segment results	**2,864**	**17,382**	**16,058**	**-**	**36,304**
Interest income					**6,979**
Finance costs					**(1,006)**
Profit before tax					**42,277**
Income tax expense					**(7,512)**
Profit for the year					**34,765**

	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	58,389	1	13,187	-	71,577
Total	1,660,103	71,721	13,187	(41,548)	1,703,463
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

(3) Operating Segment Information (cont'd)

Group

	Mainland China		Overseas and Hong Kong		Corporate		Eliminations		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	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	**3,396,730**	3,369,965	**8,035**	7,984	**151**	150	**-**	-	**3,404,916**	3,378,099
Unallocated assets									**304,499**	195,914
Total assets									**3,709,415**	3,574,013
Segment liabilities	**548,148**	540,487	**5,171**	8,254	**7,268**	12,577	**-**	-	**560,587**	561,318
Unallocated liabilities									**10,378**	8,957
Total liabilities									**570,965**	570,275
Other segment information:										
Depreciation and amortisation	**171,707**	175,300	**23**	25	**-**	-	**-**	-	**171,730**	175,325
Changes in fair value of investment properties	**(1,369)**	(1,421)	**-**	-	**-**	-	**-**	-	**(1,369)**	(1,421)
Capital expenditure *	**67,371**	36,774	**10**	22	**-**	-	**-**	-	**67,381**	36,796
Non-current assets **	**3,053,789**	3,014,176	**39**	52	**9,384**	9,384	**-**	-	**3,063,212**	3,023,612

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

** The non-current asset information above is based on the location of assets and excluded deferred tax assets.

(4) Profit Before Tax

This is arrived at after charging/(crediting):

	2011	2010
	HK$'000	HK$'000
Cost of inventories sold	**1,443,193**	1,276,418
Depreciation	**159,882**	154,714
Recognition of prepaid land lease payments	**6,378**	6,123
Amortisation of reusable packaging materials	**5,470**	14,488
Bank interest income	**(6,979)**	(4,079)
Foreign exchange gains, net	**(29,881)**	(13,185)
Fair value gains on investment properties	**(1,369)**	(1,421)

(5) Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the local jurisdictions in which the Group operates.

Kingway Brewery (Shan Tou) Co., Ltd. and Kingway Brewery (Foshan) Co., Ltd. were entitled to a 50% tax relief for the years ended 31 December 2010 and 2011.

Kingway Brewery (Dongguan) Co., Ltd. ("Kingway Dongguan") did not generate any assessable profits for the year ended 31 December 2011 and was not subject to PRC corporate income tax ("CIT"). For the year ended 31 December 2010, Kingway Dongguan was entitled to a 50% tax relief.

Kingway Brewery Group (Chengdu) Co., Ltd. ("Kingway Chengdu") was entitled to a 50% tax relief for the year ended 31 December 2011. For the year ended 31 December 2010, Kingway Chengdu was exempted from CIT.

Kingway Brewery (Tianjin) Co., Ltd. and Kingway Brewery (Xian) 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.

	2011	2010
	HK$'000	HK$'000
Group:		
Current:		
Hong Kong:		
Charge for the year	**1,562**	1,389
Under provision in prior years	**266**	-
Mainland China:		
Charge for the year	**5,735**	4,732
Under provision in prior years	**80**	148
Deferred	**(131)**	(152)
Total tax charge for the year	**7,512**	6,117

(6) 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$34,765,000 (2010: HK$36,272,000), and the weighted average number of ordinary shares in issue of 1,711,536,850 (2010: 1,711,536,850) during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2011 and 2010.

(7) Dividend

	2011	2010
	HK$'000	HK$'000
Proposed final – HK1 cent (2010: HK1 cent) per ordinary share	**17,115**	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.

(8) 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 120 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

(8) 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	
	2011	2010
	HK$'000	HK$'000
Within 3 months	**15,901**	12,600
3 to 6 months	**366**	994
6 months to 1 year	**8**	469
Over 1 year	**592**	456
	16,867	14,519
Less: Impairment	**(588)**	(592)
Trade receivables	**16,279**	13,927
Bills receivable	**-**	749
	16,279	14,676

(9) 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	
	2011	2010
	HK$'000	HK$'000
Within 3 months	**114,960**	76,770
3 to 6 months	**2,265**	17,731
6 months to 1 year	**244**	3,539
Over 1 year	**256**	657
Trade payables	**117,725**	98,697
Bills payable	**-**	70
	117,725	98,767

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

CHAIRMAN'S STATEMENT

Results

In 2011, the Group sold 934,000 tonnes of beer, representing an increase of 1.0% over 2010. The Group recorded a net profit of HK$34.77 million for the year ended 31 December 2011, representing a decrease of 4.2% from 2010. The decrease in net profit was mainly attributable to the increase in the cost of sales of approximately HK$150 million in aggregate and the newly imposed city construction tax and education surcharge with an aggregated amount of approximately HK$40 million.

The Board of Directors recommended the payment of a final dividend of HK$0.01 per share for the year ended 31 December 2011 (2010: HK$0.01 per share).

Business Review

During the year, the Group's brewery plants in Guangdong Province experienced a slight improvement in terms of sales volume, but were still subject to intense competition in the beer industry as well as the burden of the newly imposed city construction tax and education surcharge. The aggregate sales volume of the Group's brewery plants in Guangdong Province represented approximately 59% of its total beer sales volume for the year, representing an increase of 2% year-on-year.

The Group's management has been proactively developing markets and consolidating sales channels through devising sales and distribution strategies adaptable to the unique market characteristic of different regions, and implementing various cost and expense control measures. As a result, the average selling and distribution expenses per tonne of beer sold recorded a year-on-year decrease of 10.2%. The Group's management made appropriate upward adjustment to the price of beer products according to market condition, improved the product mix and implemented stringent cost control measures to alleviate the aforementioned adverse factors.

Outlook

Although the Group returned to profitability since 2009, the Group's business continues to face various significant challenges, especially after the 2008 financial crisis. In view of the aforesaid, the uncertainty in the global and regional economical environment and the intense competition in the local beer markets in the PRC in which the Group operates, the Board has established a committee to conduct a strategic review of the Group. The scope of the strategic review encompasses, among other things, assessing the environment in which the Group operates, looking at ways to improve profitability and create new income streams as well as evaluating the utilization and potential of the Group's assets with a view to formulating the Group's long term business objectives.

As part of the strategic review process, the Company is considering the efficiency and potential of the Group's business and, to this end, assets and is undergoing discussions with certain independent third parties principally engaged in the manufacture and distribution of beer products, and it is expected that such third parties will be invited to submit proposals and offers for possible acquisition of certain of the Group's brewery business and assets, as well as proposals for production facility leasing arrangements with the Group, with a view to enabling the Company to evaluate such business and assets.

As the strategic review has several facets, it is only in the event that all of the following conditions are fulfilled that the Company will pursue the abovementioned course of actions:

(1) the above discussions result in the Company being presented with an offer with a valuation commensurate with the said business and assets;

(2) the result of the strategic review is that the operation and development of the remaining assets and business will present attractive prospects and opportunities to the Company; and

(3) it is in the interest of the Company and its shareholders as a whole to do so.

There is however no assurance that any transaction may materialize as a result of the above discussions.

Lastly, for and on behalf of the Board, I would like to acknowledge the efforts made by the management and our staff during the past year. Under the leadership of the Board, the Group will formulate suitable strategies for creating better return to the shareholders.

HUANG Xiaofeng
Chairman

Hong Kong, 8 March 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

In 2011, the core business operations of the Group remained to be the production, distribution and sale of Kingway beer.

The consolidated revenue of the Group for the year amounted to HK$1,758 million (2010: HK$1,632 million), representing an increase of 7.7% over 2010. The Group's average selling price per tonne of beer increased by 6.7% over 2010. The Group's sales in Mainland China accounted for 95.2% of its consolidated revenue, representing an increase of 7.3% over 2010 in terms of revenue, whereas the Group's sales in overseas and Hong Kong market accounted for 4.8% of its consolidated revenue, which also increased by 18.0% over 2010 in terms of revenue. The Group's consolidated profit after tax for the year was HK$34.77 million (2010: HK$36.27 million), decreased by 4.2% from the 2010.

The Group's average costs per tonne of beer for the year increased by 12.0% over that of 2010, which was primarily attributable to the increase in procurement costs of various raw materials, consumables and packaging materials. Since the increase in the average selling price per tonne of beer could not cover the increase in average costs, the Group's gross profit margin decreased from 21.8% recorded in 2010 to 17.9% recorded in 2011.

Operating Expenses and Finance Costs

The Group's selling and distribution expenses for the year amounted to HK$230 million (2010: HK$253 million), representing a decrease of 9.1% over 2010. The Group's average selling and distribution expenses per tonne of beer for the year was HK$246 (2010: HK$274), representing a decrease of 10.2% over 2010, which was primarily attributable to the Group's proper control and utilisation of its selling and distribution expenses and regular formulation and review of expense budgets and their effectiveness.

The Group's administrative expenses for the year was HK$151 million (2010: HK$135 million), representing an increase of 11.9% over 2010, which was primarily attributable to the increases in salaries and various administration expenses.

The Group's finance costs for the year was HK$1.01 million (2010: HK$0.61 million), representing an increase of 65.6% over 2010. The increase in finance costs was primarily attributable to a new HK$100 million bank loan drawn down in 2011, which was subsequently fully repaid during the year.

Taxation

During the year, some 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 and one brewery plant in Dongguan, the other five 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. During the year, the Group incurred approximately HK$40 million, in aggregate, of such newly imposed city construction tax and education surcharge.

Capital Expenditure

The Group's capital expenditure, on a cash basis, for the year was approximately HK$67 million (2010: HK$44 million), representing an increase of 52.3% over 2010. The capital expenditure spent during the year was mainly used to build staff quarters and for general improvement of the Group's production facilities.

Financial Resources and Liquidity

As at 31 December 2011, the Group's net asset value was HK$3.14 billion (2010: HK$3.00 billion), representing an increase of 4.7% over 2010. Based on the number of ordinary shares in issue as at 31 December 2011, the net asset value per share of the Group was HK$1.83 (2010: HK$1.75), increased by 4.6% from 2010.

As at 31 December 2011, the Group had cash and bank balances amounted to HK$299 million (2010: HK$191 million), representing an increase of 56.5% over last year, of which HK$7.40 million (2010: HK$7.05 million) were pledged bank balances with restricted purposes. Of the Group's bank balances as at 31 December 2011, 66.6% was in RMB, 28.9% in USD and 4.5% in HKD. Cash inflow from operating activities for the year amounted to HK$181 million (2010: HK$102 million). Most of the transactions from the Group's daily operations were denominated in Renminbi and the Group did not perform currency hedge of the transactions actively.

As at the end of 2011, the Group did not have any outstanding bank loans. Given the Group's existing cash balances and available standby credit facilities of approximately HK$345 million in aggregate, the Group will have sufficient financial resources to finance its beer operations.

Apart from the aforementioned pledged bank balances of HK$7.40 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 2,864 (2010: 2,817) employees as at the end of the year, with total remuneration and provident fund contributions for the year of HK$226 million (2010: HK$208 million). Various basic benefits are provided to the Group's staff with an incentive policy which is designed to remunerate staff by reference to the Group's sales volume and results as well as their individual performance.

PROPOSED FINAL DIVIDEND

The board of directors of the Company recommended the payment of a final dividend of HK$0.01 (2010: HK$0.01) per share for the year ended 31 December 2011.

The proposed final dividend, if approved at the forthcoming Annual General Meeting of the Company to be held on Tuesday, 15 May 2012, is expected to be paid on Friday, 13 July 2012 to shareholders whose names appear on register of members of the Company on Wednesday, 23 May 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed (i) from Friday, 11 May 2012 to Tuesday, 15 May 2012, both days inclusive, for determining the shareholders' eligibility to attend and vote at the Annual General Meeting, and (ii) from Monday, 21 May 2012 to Wednesday, 23 May 2012, both days inclusive, for determining the shareholders' entitlement to the proposed final dividend, during such periods no transfer of shares will be effected.

In order to qualify for attending and voting at the forthcoming Annual General Meeting of the Company to be held on Tuesday, 15 May 2012, unregistered holders of shares of the Company should ensure that all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar 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 Thursday, 10 May 2012.

In order to qualify for the proposed final dividend, unregistered holders of shares of the Company should ensure that 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, 18 May 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

Notice of meeting for one of the regular board meetings held in 2011 was less than 14 days in order to accommodate the schedules of the directors so that all the directors could participate in the board meeting. Full board of directors were present at that board meeting as a result.

Save as disclosed above, the Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2011.

REVIEW OF RESULTS

The annual results of the Group for the year ended 31 December 2011 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 2011.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 8 March 2012

As at the date of this announcement, the Board comprises four executive directors, namely Mr. YE Xuquan, Mr. JIANG Guoqiang, Mr. LIANG Jiang and Mr. LI Wai Keung, and five non-executive directors, namely Mr. HUANG Xiaofeng, Ms. XU Wenfang, Mr. HUANG Zhenhai, Mr. LUO Fanyu and Ms. LIANG Jianqin; and three independent non-executive directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.