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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2010

Financial Performance Highlights

Group revenue and share of revenue of jointly controlled entities	HK\$927 million
Profit attributable to owners of the Company	HK\$206 million
Basic earnings per share	HK25.92 cents
Final dividend per share	HK5 cents
Equity attributable to owners of the Company per share	HK\$5.13

RESULTS

The board of directors (the “Board”) of Wai Kee Holdings Limited (the “Company”) announces the audited results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2010

	Notes	2010 HK\$'000	2009 HK\$'000
Continuing operations			
Group revenue	2	734,273	844,313
Cost of sales		<u>(673,764)</u>	<u>(756,649)</u>
Gross profit		60,509	87,664
Other income	4	23,852	13,198
Investment income, gains and losses	5	5,641	27,375
Selling and distribution costs		(2,083)	(654)
Administrative expenses		(163,108)	(109,484)
Change in fair value of structured borrowing		304	15,196
Finance costs	6	(3,760)	(7,976)
Share of results of associates		241,019	280,586
Share of results of jointly controlled entities		30,039	37,869
Other gains and losses	7	<u>16,889</u>	<u>2,035</u>
Profit before tax	8	209,302	345,809
Income tax expense	9	<u>(322)</u>	<u>(4,182)</u>
Profit for the year from continuing operations		208,980	341,627
Discontinued operation			
Profit for the period from discontinued operation		-	5,293
Profit for the year		<u>208,980</u>	<u>346,920</u>
Profit for the year attributable to:			
Owners of the Company		205,588	315,821
Non-controlling interests		<u>3,392</u>	<u>31,099</u>
		<u>208,980</u>	<u>346,920</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share			
<i>From continuing and discontinued operations</i>			
- Basic	11	<u>25.92</u>	<u>39.82</u>
- Diluted		<u>25.92</u>	<u>39.82</u>
<i>From continuing operations</i>			
- Basic		<u>25.92</u>	<u>39.15</u>
- Diluted		<u>25.92</u>	<u>39.15</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2010

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit for the year	<u>208,980</u>	<u>346,920</u>
Other comprehensive income		
Exchange difference arising on translation of foreign operations	2,300	(563)
Reclassification adjustment for translation reserve upon disposal of interest in an associate	(8,300)	-
Reclassification adjustment for translation reserve upon disposal of interests in subsidiaries	3,439	(7,380)
Reclassification adjustment for translation reserve upon disposal of interest in a jointly controlled entity	(4,156)	-
Share of other comprehensive income of associates	<u>57,107</u>	<u>24,131</u>
Other comprehensive income for the year	<u>50,390</u>	<u>16,188</u>
Total comprehensive income for the year	<u><u>259,370</u></u>	<u><u>363,108</u></u>
Total comprehensive income for the year attributable to:		
Owners of the Company	254,937	332,267
Non-controlling interests	<u>4,433</u>	<u>30,841</u>
	<u><u>259,370</u></u>	<u><u>363,108</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2010

		31st December,		1st January,
		2010	2009	2009
	Notes	HK\$'000	HK\$'000	HK\$'000
			(restated)	(restated)
Non-current assets				
Property, plant and equipment		76,093	27,074	35,133
Prepaid lease payments on land use rights		-	-	5,761
Intangible assets		65,826	32,858	32,858
Goodwill		29,838	29,838	29,838
Interests in associates		3,936,343	3,869,244	3,677,758
Interests in jointly controlled entities		59,465	87,479	62,946
Available-for-sale investments		-	-	-
Prepaid royalties		-	142	979
Loan and other receivables		-	1,017	3,408
Other financial assets		52,381	51,520	47,505
		<u>4,219,946</u>	<u>4,099,172</u>	<u>3,896,186</u>
Current assets				
Prepaid lease payments on land use rights		-	-	134
Prepaid royalties		1,274	1,567	2,337
Inventories		3,055	5,513	18,563
Amounts due from customers for contract work		66,493	99,057	151,821
Debtors, deposits and prepayments	12	305,449	218,823	254,810
Amounts due from associates		7,180	6,766	7,182
Amounts due from jointly controlled entities		17,456	5,211	21,889
Tax recoverable		-	-	1,239
Held-for-trading investments		36,618	43,975	28,566
Pledged bank deposits		19	1,815	1,013
Bank balances and cash		58,623	33,107	61,707
		<u>496,167</u>	<u>415,834</u>	<u>549,261</u>
Current liabilities				
Amounts due to customers for contract work		30,373	35,358	75,867
Creditors and accrued charges	13	298,262	280,136	323,368
Amounts due to jointly controlled entities		2,782	16,745	14,270
Amount due to an associate		8,842	7,738	6,632
Amount due to a related company		611	611	546
Amounts due to non-controlling shareholders		3,359	3,359	3,359
Tax liabilities		193	2,304	1,179
Loans from a director		-	10,000	10,000
Other borrowings		44	41	11,005
Bank loans		126,600	104,048	276,523
Structured borrowing		12,561	12,480	12,480
Bank overdrafts, secured		-	-	4,749
		<u>483,627</u>	<u>472,820</u>	<u>739,978</u>
Net current assets (liabilities)		<u>12,540</u>	<u>(56,986)</u>	<u>(190,717)</u>
Total assets less current liabilities		<u>4,232,486</u>	<u>4,042,186</u>	<u>3,705,469</u>

	31st December,	2009	1st January,
<i>Notes</i>	2010	2009	2009
	HK\$'000	HK\$'000	HK\$'000
		(restated)	(restated)
Non-current liabilities			
Deferred tax liabilities	5,750	5,750	5,750
Obligations in excess of interests in associates	18,932	18,744	20,453
Loans from non-controlling shareholders	-	3,185	1,460
Amount due to an associate	8,172	8,961	9,800
Amount due to a jointly controlled entity	4,067	4,067	4,067
Other borrowings	30	74	115
Bank loans	26,345	54	230
Structured borrowing	-	12,865	40,541
	63,296	53,700	82,416
Net assets	4,169,190	3,988,486	3,623,053
Capital and reserves			
Share capital	79,312	79,312	79,312
Share premium and reserves	3,986,548	3,841,356	3,506,764
Equity attributable to owners of the Company	4,065,860	3,920,668	3,586,076
Non-controlling interests	103,330	67,818	36,977
Total equity	4,169,190	3,988,486	3,623,053

Notes:

1. Application of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied the following Hong Kong Accounting Standards (“HKAS(s)”), Hong Kong Financial Reporting Standards (“HKFRS(s)”), amendments and interpretations (“HK(IFRIC) – Int”) (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants:

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised 2008)	Business Combinations
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK - Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in the Group’s consolidated financial statements and/or disclosures set out in the Group’s consolidated financial statements.

HKFRS 3 (Revised 2008) Business Combinations

The Group applies HKFRS 3 (Revised 2008) “Business Combinations” prospectively to business combinations for which the acquisition date is on or after 1st January, 2010.

As there was no significant transaction during the year in which HKFRS 3 (Revised 2008) is applicable, the application of HKFRS 3 (Revised 2008) and the consequential amendments to the other HKFRSs had no effect on the consolidated financial statements of the Group for the current and prior years.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised 2008) and the consequential amendments to the other HKFRSs is applicable.

HKAS 27 (Revised 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (Revised 2008) has resulted in changes in the Group’s accounting policies for changes in ownership interests in subsidiaries of the Group.

Specifically, the revised standard has affected the Group’s accounting policies regarding changes in the Group’s ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not result in a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (Revised 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstances, the revised standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from 1st January, 2010 in accordance with the relevant transitional provisions.

In respect of the increases in the Group’s ownership interests in subsidiaries during the year, the impact of the change in accounting policy has been that the change in share of net assets attributable to the Group of HK\$8,336,000 (being the difference between the subscription monies paid for additional shares subscribed and the Group’s share of the carrying amount of the additional net assets of the subsidiaries acquired) has been recognised directly in equity. Had the previous accounting policy been applied, the goodwill at 31st December, 2010 would have been increased by HK\$8,336,000.

In addition, under HKAS 27 (Revised 2008), the definition of non-controlling interest has been changed. Specifically, under the revised standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 “Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” (“HK - Int 5”) clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time (“repayment on demand clause”) should be classified by the borrower as current liabilities. The Group has applied HK - Int 5 for the first time in the current year. HK - Int 5 requires retrospective application.

In order to comply with the requirements set out in HK - Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the prior years, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK - Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$45,250,000 and HK\$36,250,000 have been reclassified from non-current liabilities to current liabilities at 31st December, 2009 and 1st January, 2009 respectively. At 31st December, 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK\$56,956,000 have been classified as current liabilities. The application of HK - Int 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities as disclosed in the Group's consolidated financial statements.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ³
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets ³
HKFRS 9	Financial Instruments ⁴
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 24 (Revised 2009)	Related Party Disclosures ⁶
HKAS 32 (Amendments)	Classification of Rights Issues ⁷
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate.

² Effective for annual periods beginning on or after 1st July, 2010.

³ Effective for annual periods beginning on or after 1st July, 2011.

⁴ Effective for annual periods beginning on or after 1st January, 2013.

⁵ Effective for annual periods beginning on or after 1st January, 2012.

⁶ Effective for annual periods beginning on or after 1st January, 2011.

⁷ Effective for annual periods beginning on or after 1st February, 2010.

HKFRS 9 "Financial Instruments" (issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (revised in November 2010) adds requirements for financial liabilities and for derecognition.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the year ending 31st December, 2013 and that the application of HKFRS 9 may have impact on the amounts of the Group's financial assets and financial liabilities.

The directors of the Company anticipate that the application of other new and revised standards, amendments and interpretations will not have material impact on the Group's consolidated financial statements.

2. Group Revenue

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations		
Group revenue	734,273	844,313
Share of revenue of jointly controlled entities	192,572	213,071
Group revenue and share of revenue of jointly controlled entities	<u>926,845</u>	<u>1,057,384</u>
Group revenue analysed by revenue from:		
Construction	722,396	822,072
Quarrying	9,651	22,241
Construction materials	2,226	-
	<u>734,273</u>	<u>844,313</u>

3. Segment Information

Commencing on 16th March, 2010, the Group has leased a land in the Hong Kong Special Administration Region (“HKSAR”) for the purpose of concrete production. Since then, information related to concrete production has been separated from unallocated items as “construction materials” operating segment in the internal reports and are regularly reviewed by the chief operating decision maker for the purposes of resource allocation and performance assessment. The segment information for the year ended 31st December, 2009 has been restated to conform to current year presentation.

Information reported to the Board of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group’s reportable segments under HKFRS 8 are summarised as follows:

Construction

- construction of civil engineering and building projects

Quarrying

- production and sale of quarry products

Construction materials

- production and sale of concrete

Highway and expressway operations and property development

- strategic investment in Road King Infrastructure Limited (“Road King”), an associate of the Group
- strategic investment in Sunco Property Holdings Company Limited (“Sunco”), an associate of the Group (*note a*)

North American ginseng

- strategic investment in Chai-Na-Ta Corp., an associate of the Group

Bio-technology (*note b*)

- research, development, production and sale of bio-technology products

Notes:

- The direct investment in Sunco was disposed of to Road King during the year.
- The bio-technology operation was disposed of and discontinued during the year ended 31st December, 2009.

Segment revenue and results

The following is an analysis of the segment revenue and results:

	<u>Segment revenue</u>		<u>Segment profit (loss)</u>	
	2010	2009	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations				
Construction	914,968	1,035,143	13,413	34,403
Quarrying	10,546	22,241	(8,464)	1,939
Construction materials	2,228	-	(30,813)	(5,193)
Highway and expressway operations and property development				
Share of results of Road King and Sunco	-	-	239,020	277,149
Gain on disposal of interest in Sunco	-	-	8,300	-
North American ginseng	-	-	2,213	1,756
Elimination of inter-segment revenue	(897)	-	-	-
Total for continuing operations	926,845	1,057,384	223,669	310,054
Discontinued operation				
Bio-technology	-	-	-	5,293
Total	926,845	1,057,384	223,669	315,347

Segment revenue includes share of revenue of jointly controlled entities. Reconciliation between the total of such revenue from continuing operations and the Group's revenue is disclosed in note 2.

Segment profit (loss) represents profit (loss) after tax and non-controlling interests for each reportable segment and includes certain investment income, gains and losses, share of results of certain associates, share of results of jointly controlled entities and gain on disposal of interest in an associate, a jointly controlled entity and a subsidiary, but excluding corporate income and expenses (including staff costs, other administrative expenses and finance costs), change in fair value of structured borrowing, share of loss of an associate, loss on deemed disposal of partial interest in an associate and discount on acquisition of additional interest in an associate which are not attributable to any of the reportable segments. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

Reconciliation of total segment profit from continuing and discontinued operations to profit attributable to owners of the Company

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Total segment profit from continuing and discontinued operations	223,669	315,347
Unallocated items		
Other income	4,671	3,932
Investment income, gains and losses	(2,806)	8,712
Administrative expenses	(18,046)	(22,616)
Change in fair value of structured borrowing	304	15,196
Finance costs	(1,602)	(4,202)
Share of loss of an associate	(26)	(28)
Discount on acquisition of additional interest in an associate	3,837	-
Loss on deemed disposal of partial interest in an associate	(7,808)	(520)
Non-controlling interests	3,395	-
Profit attributable to owners of the Company	<u>205,588</u>	<u>315,821</u>

Segment assets and liabilities

As the Group's chief operating decision maker reviews the Group's assets and liabilities on a consolidation basis, no assets or liabilities are allocated to the reportable segments. Therefore, no analysis of segment assets and liabilities is presented.

Other segment information

Segment profit or loss has been arrived at after charging (crediting):

Year ended 31st December, 2010

	Continuing operations						Adjustments HK\$'000	Total HK\$'000
	Construction	Quarrying	Construction	Highway and	North	Segment total		
	HK\$'000	HK\$'000	materials	expressway	American	HK\$'000		
		HK\$'000	operations	ginseng				
			and property					
			development					
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	9,311	415	1,166	-	-	10,892	1,085	11,977
(Gain) loss on disposal of property, plant and equipment, net	(3,600)	-	5	-	-	(3,595)	-	(3,595)
Interest income	(1,494)	(13)	(6)	-	-	(1,513)	(1)	(1,514)
Finance costs	1,710	-	448	-	-	2,158	1,602	3,760
Share of results of associates	188	-	-	(239,020)	(2,213)	(241,045)	26	(241,019)
Share of results of jointly controlled entities	(30,039)	-	-	-	-	(30,039)	-	(30,039)
Income tax expense	322	-	-	-	-	322	-	322
Non-controlling interests	12,798	-	(6,011)	-	-	6,787	(3,395)	3,392

Year ended 31st December, 2009

	Continuing operations						Adjustments HK\$'000	Total HK\$'000	Discontinued operation Bio- technology HK\$'000
	Construction	Quarrying	Construction	Highway and	North	Segment total			
	HK\$'000	HK\$'000	materials	expressway	American	HK\$'000			
		HK\$'000	operations	ginseng					
			and property						
			development						
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Depreciation of property, plant and equipment	14,233	441	574	-	-	15,248	1,026	16,274	285
Gain on disposal of property, plant and equipment, net	-	(345)	-	-	-	(345)	(2,210)	(2,555)	-
Interest income	(1,483)	(13)	(1)	-	-	(1,497)	-	(1,497)	-
Finance costs	3,774	-	-	-	-	3,774	4,202	7,976	671
Share of results of associates	(1,709)	-	-	(277,149)	(1,756)	(280,614)	28	(280,586)	-
Share of results of jointly controlled entities	(37,869)	-	-	-	-	(37,869)	-	(37,869)	-
Income tax expense	4,053	129	-	-	-	4,182	-	4,182	-
Non-controlling interests	29,857	2,973	(1,731)	-	-	31,099	-	31,099	-

Note: Adjustments represent unallocated amounts related to head office and other minor operations.

Geographical information

The Group's operations are located in HKSAR (country of domicile), other regions in the People's Republic of China ("PRC") and Middle East.

The Group's revenue from external customers by geographical markets and information about its non-current assets by geographical location of the assets are detailed below:

	<u>Revenue from external customers</u>		<u>Non-current assets</u> (note)	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	31st December, 2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations				
HKSAR	660,377	803,441	4,044,898	3,845,224
PRC	55,663	10,656	47,296	126,225
Middle East	18,233	30,216	61,517	69,965
Others	-	-	13,854	5,221
	<u>734,273</u>	<u>844,313</u>	<u>4,167,565</u>	<u>4,046,635</u>

Note: Non-current assets include all non-current assets except available-for-sale investments, loan and other receivables and other financial assets.

Information about customers

Two customers of the construction segment located in HKSAR individually contributing over 10% of the Group's revenue in each of the current and prior years.

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Customer A	305,517	457,632
Customer B	203,053	- ¹
Customer C	- ¹	86,479
	<u>508,570</u>	<u>544,111</u>

¹ The corresponding revenue did not contribute over 10% of the Group's revenue.

4. Other Income

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations		
Other income includes:		
Interest on bank deposits	65	25
Interest on loan and other receivables	-	36
Interest on other financial assets	1,449	1,436
Reversal of allowance for doubtful debts	-	3,659
Operation fee income	8,811	-
Service income from an associate	493	771
Service income from a jointly controlled entity	6,684	-
	<u>6,684</u>	<u>-</u>

5. Investment Income, Gains and Losses	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Net gain on change in fair value and disposal of held-for-trading investments	3,599	25,742
Dividend income from held-for-trading investments	2,042	1,633
	<u>5,641</u>	<u>27,375</u>
6. Finance Costs	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Interest on:		
bank and other borrowings wholly repayable within five years	3,447	7,142
amount due to an associate	-	141
amount due to a related company	-	65
loans from a director	-	361
	<u>3,447</u>	<u>7,709</u>
Imputed interest on non-current interest-free amount due to an associate	313	267
	<u>3,760</u>	<u>7,976</u>
7. Other Gains and Losses	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Gain on disposal of property, plant and equipment, net	3,595	2,555
Gain on disposal of interest in an associate	8,300	-
Discount on acquisition of additional interest in an associate	3,837	-
Loss on deemed disposal of partial interest in an associate	(7,808)	(520)
Gain on disposal of interest in a jointly controlled entity	3,042	-
Gain on disposal of a subsidiary	5,923	-
	<u>16,889</u>	<u>2,035</u>

8. Profit before Tax

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit before tax has been arrived at after charging (crediting):		
Continuing operations		
Auditor's remuneration	2,404	2,519
Allowance for amounts due from jointly controlled entities	-	2,000
Amortisation of intangible assets	599	-
Write-down of inventories	1,430	-
Bad debts written off	373	147
Construction contract costs recognised for sewage treatment plant	31,371	-
Depreciation of property, plant and equipment:		
Owned assets	11,946	16,249
Assets held under finance lease arrangement	45	45
	<u>11,991</u>	<u>16,294</u>
Less: Amount attributable to construction contracts	(14)	(20)
	<u>11,977</u>	<u>16,274</u>
Exchange loss, net	653	1,147
Hire charges for plant and machinery	12,822	13,611
Less: Amount attributable to construction contracts	(12,694)	(13,611)
	<u>128</u>	<u>-</u>
Operating lease rentals in respect of land and buildings	35,022	9,607
Less: Amount attributable to construction contracts	(550)	(1,160)
	<u>34,472</u>	<u>8,447</u>
Share of income tax expense of associates (included in share of results of associates)	371,542	122,231
Share of income tax expense of jointly controlled entities (included in share of results of jointly controlled entities)	22	499
Staff costs	201,020	182,588
Less: Amount attributable to construction contracts	(103,875)	(104,136)
	<u><u>97,145</u></u>	<u><u>78,452</u></u>

9. Income Tax Expense

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations		
Income tax for the year		
Hong Kong	193	1,921
Other jurisdictions	183	129
	<u>376</u>	<u>2,050</u>
(Over)underprovision in prior years		
Hong Kong	231	2,132
Other jurisdictions	(285)	-
	<u>(54)</u>	<u>2,132</u>
	<u>322</u>	<u><u>4,182</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of PRC on Enterprise Income Tax (the "EIT Law" and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries had been changed to 25% from 1st January, 2008 onwards.

Tax arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. Dividends

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Dividends paid and recognised as distributions during the year:		
2009 final dividend - HK8 cents per share (2009: 2008 final dividend - Nil)	63,450	-
2010 interim dividend - HK5 cents per share (2009: 2009 interim dividend - Nil)	39,656	-
	<u>103,106</u>	<u><u>-</u></u>

A final dividend for the year ended 31st December, 2010 of HK5 cents (2009: HK8 cents) per ordinary share has been proposed by the Board of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting. This final dividend has not been included as a liability in the consolidated financial statements.

11. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

From continuing and discontinued operations

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
<u>Earnings</u>		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	205,588	315,821
Effect of dilutive potential ordinary shares: Decrease in share of profit of an associate arising from exercise of share options issued by that associate (<i>note</i>)	<u>(44)</u>	<u>-</u>
Earnings for the purpose of diluted earnings per share	<u>205,544</u>	<u>315,821</u>
	Number of shares	
	2010	2009
Number of ordinary shares for the purposes of basic and diluted earnings per share	<u>793,124,034</u>	<u>793,124,034</u>

The exercise prices of the Company's outstanding share options are higher than the average market prices of the shares of the Company for the year ended 31st December, 2010 and 2009. Accordingly, no dilutive effect has been accounted for.

From continuing operations

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
<u>Earnings</u>		
Profit for the year attributable to owners of the Company	205,588	315,821
Less: Profit for the period from discontinued operation	<u>-</u>	<u>(5,293)</u>
Earnings for the purpose of basic earnings per share from continuing operations	205,588	310,528
Effect of dilutive potential ordinary shares: Decrease in share of profit of an associate arising from exercise of share options issued by that associate (<i>note</i>)	<u>(44)</u>	<u>-</u>
Earnings for the purpose of diluted earnings per share from continuing operations	<u>205,544</u>	<u>310,528</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operation

For the year ended 31st December, 2009, both basic and diluted earnings per share from discontinued operation were HK0.67 cents, based on the profit for the period from the discontinued operation of HK\$5,293,000 and the denominators detailed above for both basic and diluted earnings per share.

Note: The outstanding share options of Road King at 31st December, 2009 had an anti-dilutive effect on the basic earnings per share because the exercise prices of the share options were higher than the average market price of the shares of Road King for the year ended 31st December, 2009. Accordingly, no dilutive effect had been accounted for.

12. Debtors, Deposits and Prepayments

	31st December,		1st January,
	2010	2009	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade debtors	166,261	135,788	160,906
Less: Allowance for doubtful debts	(1,732)	(2,353)	(11,040)
	164,529	133,435	149,866
Retention receivables	52,193	41,091	43,388
Other debtors, deposits and prepayments	88,727	44,297	61,556
	305,449	218,823	254,810

The Group's other debtors included a carrying amount of HK\$35,000 (31st December, 2009: HK\$11,000) which is denominated in Renminbi that is the currency other than the functional currencies of the respective group entities.

The Group allows an average credit period of 60 days to its trade customers. For retention receivables in respect of construction contracts, the due dates are usually one year after the completion of the construction works. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date:

	31st December,	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	163,433	128,811
Over 90 days	1,096	4,624
	164,529	133,435
Retention receivables		
Due within one year	26,079	21,194
Due after one year	26,114	19,897
	52,193	41,091

Retention receivables are interest-free and recoverable at the end of the retention period of individual construction contracts.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limit by customer. Limits and scores attributed to customers are reviewed periodically.

13. Creditors and Accrued Charges

	31st December,		1st January,
	2010	2009	2009
	HK\$'000	HK\$'000	HK\$'000
Trade creditors (aged analysis):			
0 to 60 days	55,662	37,948	67,989
61 to 90 days	2,785	2,092	6,410
Over 90 days	5,436	14,964	24,505
	<u>63,883</u>	<u>55,004</u>	<u>98,904</u>
Retention payables	43,435	41,947	39,122
Accrued project costs	113,023	129,538	112,189
Other creditors and accrued charges	77,921	53,647	73,153
	<u>298,262</u>	<u>280,136</u>	<u>323,368</u>
Retention payables			
Due within one year	38,835	26,440	19,584
Due after one year	4,600	15,507	19,538
	<u>43,435</u>	<u>41,947</u>	<u>39,122</u>

The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe. For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction works.

DIVIDENDS

The Board recommends the payment of a final dividend of HK5 cents (2009: HK8 cents) per share payable to shareholders whose names appear in the Register of Members of the Company on 25th May, 2011. This dividend together with the interim dividend of HK5 cents (2009: Nil) per share paid during the year represent total dividend distributions of HK10 cents (2009: HK8 cents) per share for the year ended 31st December, 2010.

Subject to the approval of shareholders at the forthcoming annual general meeting, final dividend warrants are expected to be despatched to the shareholders on or before 18th June, 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 23rd May, 2011 to Wednesday, 25th May, 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 20th May, 2011.

BUSINESS REVIEW

The Group's audited revenue for the year ended 31st December, 2010 was HK\$734 million (2009: HK\$844 million) and HK\$927 million (2009: HK\$1,057 million) if including revenue of jointly controlled entities shared by the Group, generating an audited consolidated profit attributable to owners of the Company of HK\$206 million (2009: HK\$316 million), a decrease of 35% as compared with that of year 2009.

Highway and Expressway Operations and Property Development

For the year ended 31st December, 2010, the Group shared a total profit of HK\$239 million (2009: HK\$277 million) from Road King Infrastructure Limited ("Road King"), an associate of the Group, and Sunco Property Holdings Company Limited ("Sunco"), a subsidiary of Road King.

During the year, Road King issued 2,818,000 (2009: 190,000) ordinary shares upon exercise of share options granted to the directors and employees of Road King under the share option scheme of Road King. As the shares were issued at exercise prices lower than the net asset value per share of Road King, the Group recorded an aggregate loss of HK\$8 million (2009: HK\$0.5 million) on deemed disposal of partial interest in Road King. As of the date of this announcement, the Group holds 38.19% interest in Road King.

On 1st December, 2009, the Group entered into a sale and purchase agreement with Road King to dispose of the equity interest of 5.28% in Sunco which was directly held by the Group to Road King at a cash consideration of HK\$88 million. The transaction was completed on 27th January, 2010 and the Group recorded a gain on disposal of HK\$8 million during the year. After the disposal, the Group does not hold any direct interest in Sunco and Road King's interest in Sunco increased from 89.46% to 94.74%.

For the year ended 31st December, 2010, Road King reported an audited profit attributable to owners of the Company of HK\$625 million (2009: HK\$728 million).

In 2010, total traffic volume and toll revenue of Road King's existing toll road projects were 90 million vehicles and RMB1,959 million, representing an increase of 11% and 4% respectively over 2009.

Due to the fact that two major expressway projects in Hebei are at the stage where Road King's joint venture partners are receiving a larger portion of the returns to recover their investment costs, the performance of Road King's toll road business in 2010 was tarnished to a certain extent.

In order to optimise the value of its toll road portfolio, in 2010, Road King via the joint ventures disposed of Handan Highway located in Hebei Province and a portion of Heye Highway located in Hefei, Anhui Province. Road King has put in additional effort in securing new expressway projects in 2010.

In 2010, Road King's property business improved significantly. Contracted sales in 2010 amounted to HK\$7,573 million, representing an increase of 20% over 2009. Revenue generated from the delivery of properties was HK\$4,942 million, representing an increase of 7% over 2009, and a net profit of HK\$482 million (2009: a net loss of HK\$10 million) was realised.

In 2010, Road King, through public tenders and auctions, successfully acquired four pieces of residential and commercial land with a total GFA of 610,000 sqm. In addition, it also completed the acquisition of a project located in Shijiazhuang, Hebei in June 2010, adding another 200,000 sqm to its total GFA. The land reserve of Road King was about 5,200,000 sqm at 31st December, 2010.

In August 2010, with the coordination of the Tianjin Municipal Government, Road King withdrew the lawsuit against the former major shareholders of Sunco Real Estate Investment Limited in Hong Kong. The relevant claims will be resolved through mediation by the Tianjin Municipal Government. The information of relevant claims is currently under review.

The rapid economic growth and increase in personal disposable income in the PRC will continue to benefit Road King's business in 2011.

For toll road business, Road King will continue to identify and invest in appropriate expressway projects in the next few years, in order to optimise and improve its portfolio and the return thereof.

For the property business, Road King is committed to, through further improvement of the quality of the products, the competence of the staff teams and the recognition of the brand, realise the hidden value as well as the profitability of the existing projects. Meanwhile, Road King will continue to identify suitable land to make the property business much strong.

Construction

For the year ended 31st December, 2010, the Group shared a profit of HK\$13 million (2009: HK\$34 million) from Build King Holdings Limited ("Build King"), construction arm of the Group. As of the date of this announcement, the Group holds 51.17% interest in Build King.

For the year ended 31st December, 2010, Build King recorded revenue and share of revenue of jointly controlled entities of HK\$915 million (2009: HK\$1,035 million) and an audited profit attributable to owners of the Company of HK\$29 million (2009: HK\$64 million) which comprises HK\$21 million (2009: HK\$45 million) from construction operation and HK\$8 million (2009: HK\$19 million) from the investments in marketable securities.

The decrease in both turnover and profit was mainly due to the temporary reduction of marine operation available in the United Arab Emirates ("UAE") as well as low profit level during the early transitional stage of several construction projects in Hong Kong.

Despite the flourishing civil engineering market in Hong Kong and the award of several new major projects, the turnover in Hong Kong for 2010 was similar to that for 2009. The new projects secured were generally of high contract value with longer contract periods but were still at an early stage of construction during the year and therefore did not contribute meaningful profits. However, the overall gross profit contribution of these new projects is expected to be quite reasonable in the long term. Further, during the year, Build King employed substantial overhead resources for tendering activities and in developing future business.

As a result of the financial turmoil, the general economy of region including UAE has been adversely affected and the civil engineering construction industry has slowed down. Build King has concentrated its efforts in Abu Dhabi where the market is not as bad as elsewhere in UAE. During 2010, with its partner in UAE, Build King managed to win two new projects in Abu Dhabi with a total value of HK\$183 million. The margins of these new projects are still reasonable though lower than in the past. The outstanding value of contracts on hand in UAE is now HK\$188 million, most of which will be substantially completed in 2011. It is expected that the results will significantly improve next year.

Given the financial strength of Abu Dhabi and the continually high global demand for oil, Build King believes the adverse financial impact is temporary. In the medium term, the planned infrastructure works will eventually be pushed forward.

In PRC, the first stage extension of the sewage treatment plant in Wuxi City was completed in 2010. With the expanded capacity of 35,000 tonnes per day, the plant is treating an average of 25,000 tonnes per day but with steadily increasing volumes. It is expected the fee of domestic sewage will also soon be increased in line with inflation in PRC.

As at the date of this announcement, the aggregate outstanding value of contract is HK\$3.9 billion.

Construction Materials

For the year ended 31st December, 2010, the Group shared a loss of HK\$31 million (2009: HK\$5 million) from Mega Yield International Holdings Limited (“Mega Yield”), the construction materials division of the Group. As of the date of this announcement, the Group owns 94.05% interest in Mega Yield.

The substantial loss recorded was mainly due to the pre-operating expenses incurred for the establishment of the concrete batching plant at Aberdeen site. The construction of concrete batching facilities was completed in the first quarter of 2011. The division is fully geared up for operation and the plant is supervised by a team with extensive industrial expertise.

The division targets its market on Hong Kong Island and the nearby Kowloon areas. The inquiries for concrete supply to various projects including the South Island Line extension indicate a large future demand for ready mixed concrete. With the large infrastructure expansion in Hong Kong, the market for the ready mixed concrete is expected to show substantial growth in the foreseeable future.

As the division is a new entrant in the concrete supply business, severe competition from existing operators is anticipated. The division’s main focus for 2011 is to fill its order book and maintain its prudent cost control. As the construction market is expected to thrive in coming years, the Group holds positive view on its construction materials business.

Quarrying

For the year ended 31st December, 2010, the revenue of the quarrying division further dropped to HK\$11 million (2009: HK\$22 million) which was below the breakeven level, hence a net loss of HK\$8 million (2009: profit of HK\$2 million) was recorded.

The revenue has been diminished significantly as only minimal quantities of aggregates have been sold in 2010. The management is in close discussion with local authority to extend the license for operation in Niu Tou Island. It is anticipated that the extension of license will be completed before the second quarter of 2011.

With the Group’s concrete batching facilities were fully geared up for operation, the demand of aggregates is anticipated to be improved in the future.

North American Ginseng

For the year ended 31st December, 2010, Chai-Na-Ta Corp. (“CNT”), an associate of the Group in Canada, reported revenue of C\$9.0 million (2009: C\$6.9 million) and a net profit of C\$0.8 million (2009: C\$0.7 million). For the year ended 31st December, 2010, the Group shared CNT’s profit of HK\$2 million (2009: HK\$2 million).

During the year, the Group purchased 2,811,000 shares in CNT at an aggregate consideration of HK\$1 million which was below the net assets acquired. As a result, the Group’s interest in CNT increased in aggregate by 8.10% resulting an aggregate gain of HK\$4 million. As of the date of this announcement, the Group holds 46.19% interest in CNT.

CNT harvested 125 acres (2009: 127 acres) of ginseng in Ontario for a yield of 545,000 pounds of root in 2010, an increase of 22% from 446,000 pounds in 2009. The increase in yield is a result of enhanced crop management techniques and because virtually all of the crops harvested in 2010 were five years old. CNT has committed 83% of its 2010 harvest to the customers and achieved a significant increase in the average selling price due to decrease in overall supply in the industry and its production of better quality roots in 2010.

CNT continues its plan of not planting new crops and will cease its operations after completing the harvest in 2011 and sale of the inventory in 2012. In the coming year, CNT will focus its attention on maximizing the yield and quality of the crops from its final harvest in Ontario.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the year, total borrowings increased from HK\$139 million to HK\$165 million with the maturity profile summarised as follows:

	At 31st December,	
	2010	2009
	HK\$'million	HK\$'million (restated)
Within one year	82	73
In the second year	42	42
In the third to fifth year inclusive	41	24
	<u>165</u>	<u>139</u>
Classified under:		
Current liabilities ((a) and (b))	139	126
Non-current liabilities	26	13
	<u>165</u>	<u>139</u>

- (a) At 31st December, 2009, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$45 million have been reclassified from non-current liabilities to current liabilities as a result of the Group's application of the new HK - Int 5. At 31st December, 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK\$57 million have been classified as current liabilities.
- (b) At 31st December, 2009, the non-current portion of the bank loans amounting to HK\$8 million had been classified as current liabilities since Build King had breached certain terms of the bank loans, which are primarily related to its debt-equity ratio.
- (c) At 31st December, 2010, total borrowings included a contract of structured borrowing of HK\$13 million (2009: HK\$25 million) that was designated as derivative financial instruments at fair value through profit or loss upon initial recognition and was measured at fair value based on the valuation provided by the counterparty. At 31st December, 2010, the difference between the fair value of the structured borrowing and the net amount of the upfront payment received less the repayment made was HK\$0.1 million (2009: HK\$0.4 million). Decrease in fair value of HK\$0.3 million during the year (2009: HK\$15 million) has been credited to profit or loss. The structured borrowing is denominated in United States dollars.

At 31st December, 2010, bank loans included HK\$0.07 million (2009: HK\$0.2 million) fixed-rate borrowings which carry interest ranging from 8.52% to 9.39% (2009: 8.52% to 9.39%) per annum and also included a carrying amount of HK\$8 million (2009: HK\$12 million) which is denominated in United States dollars.

At 31st December, 2010, the Group had no financial instrument for hedging purpose.

At 31st December, 2010, the Group's cash and bank balances amounted to HK\$59 million (2009: HK\$35 million), of which bank deposits amounting to HK\$0.02 million (2009: HK\$2 million) were pledged to a bank to secure certain general banking facilities granted to the Group.

For the year ended 31st December, 2010, the Group recorded finance costs of HK\$4 million (2009: HK\$9 million).

At 31st December, 2010, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK\$37 million (2009: HK\$44 million), majority of which were equity securities listed in Hong Kong. Certain equity securities held by Build King with market value of HK\$21 million (2009: HK\$18 million) were pledged to a bank to secure certain general banking facilities granted to Build King. For the year ended 31st December, 2010, the Group recorded net income (net gain on change in fair value and disposal of investments together with dividend income) from these investments of HK\$6 million (2009: HK\$27 million), of which HK\$8 million (2009: HK\$19 million) was derived from the securities invested by Build King.

The Group's borrowings, investments and bank balances are principally denominated in Hong Kong dollars, Renminbi and United States dollars. Hence, there is no significant exposure to foreign exchange rate fluctuations.

Capital Structure and Gearing Ratio

At 31st December, 2010, the equity attributable to owners of the Company amounted to HK\$4,066 million, representing HK\$5.13 per share (2009: HK\$3,921 million, representing HK\$4.94 per share). Increase in equity attributable to owners of the Company was mainly attributable to the profit generated after deduction of dividends paid during the year.

At 31st December, 2010, the net gearing ratio, being the ratio of net borrowings (total borrowings less cash and bank balances) to equity attributable to owners of the Company, was 2.6% (2009: 2.7%).

Pledge of Assets

At 31st December, 2010, apart from the bank deposits and certain listed equity securities pledged to a bank to secure certain general banking facilities granted to the Group, certain motor vehicles with an aggregate carrying value of HK\$0.05 million (2009: HK\$0.2 million) were pledged to secure certain bank loans granted to the Group. In addition, the share of a Company's subsidiary was pledged to secure certain bank loans granted to the Group.

Tender/Performance/Retention Bonds

At 31st December, 2010, the Group had outstanding tender/performance/retention bonds for construction contracts amounting to HK\$203 million (2009: HK\$155 million).

Capital Commitments

At 31st December, 2010, the Group has committed capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the Group's consolidated financial statements and authorised but not contracted for amounting to HK\$21 million (2009: Nil) and HK\$12 million (2009: Nil) respectively.

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2010, the Group had 949 employees (2009: 811 employees), of which 705 (2009: 541) were located in Hong Kong, 125 (2009: 122) were located in PRC, 119 (2009: 147) was located in UAE and no (2009: 1) employee was located in Taiwan. For the year ended 31st December, 2010, the Group's total staff costs were about HK\$201 million (2009: HK\$183 million).

Competitive remuneration packages are structured to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual.

FUTURE OUTLOOK

The Board has been continuously paying attention to new investment opportunities to enhance the value of the Company's shareholders. When the right opportunity comes along, the Group will not hesitate to make meaningful investment, provided the Board is certain of the long term prospect of the business. When the right time came along in 2010, the Group has delivered its promise by entering into the ready mixed concrete supply business.

With the concrete batching facilities starting operation, the Group will continue to focus on the development of this business. The Board believes this new business will integrate vertically in both directions with the Group's existing businesses and creating a synergy for the Group. As the construction market is expected to thrive in coming years, the Group holds a positive view on its future performance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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 31st December, 2010.

CORPORATE GOVERNANCE

The Company is committed to attaining good standard of corporate governance practices.

The Company has adopted the code provisions of the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code and has complied with the Code throughout the year ended 31st December, 2010, with deviations from code provisions A.2.1 and A.4.1 of the Code in respect of the separate role of chairman and chief executive officer and service term of directors.

Since the role of the Chairman and Vice Chairman are clearly segregated and the Vice Chairman is in practice, the chief executive officer, even though he does not carry that title, the Company does not currently intend to re-designate the Vice Chairman as the chief executive officer of the Company. None of the existing Non-executive Directors (including Independent Non-executive Director) of the Company is appointed for a specific term. However, all the Directors of the Company are subject to the retirement provisions under the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code. Details of corporate governance will be set out in Annual Report 2010.

The Audit Committee has conducted a meeting with the management and external auditors to review the accounting principles and policies adopted by the Group, the financial statements for the year ended 31st December, 2010, the general scope of audit work conducted by the external auditors and assessment of the Group's internal controls.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 25th May, 2011 at 11:00 a.m. and the Notice of the Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website (www.waikee.com) and the Stock Exchange's website (www.hkexnews.hk). The full Annual Report 2010 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange, and despatched to the shareholders in due course.

APPRECIATION

The Board would like to take this opportunity to extend its heartiest thanks to the entire loyal and dedicated staff.

By Order of the Board
William Zen Wei Pao
Chairman

Hong Kong, 17th March, 2011

As at the date of this announcement, the Board comprises three executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Miss Anriena Chiu Wai Yee, three non-executive directors, namely Mr. Patrick Lam Wai Hon, Mr. Chu Tat Chi and Dr. Leslie Cheng Chi Pang and three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.