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i-CABLE COMMUNICATIONS LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 1097

2010 Final Results Announcement

RESULTS HIGHLIGHTS

- The Group's investment in content and high definition (HD) TV, notably 2010 FIFA World Cup and Barclays Premier League (BPL) with the best HD picture quality in town, has boosted TV services market share and revenue.
- The Group is also investing in network infrastructure upgrade to enhance the competitiveness of its broadband service.
- Participation in a Free TV service through an affiliated company, if the application for a licence succeeds, will enable the Group to tap new revenue from its well-regarded content capabilities.
- Consolidated turnover increased by 14% to HK\$2,002 million (2009: HK\$1,754 million).
- However, major non-recurrent programming expenses relating to 2010 FIFA World Cup, 2010 Asian Games and 2010 Winter Olympics contributed to a 30% increase in operating costs to HK\$1,997 million (2009: HK\$1,541 million).
- Net loss increased to HK\$267 million (2009: HK\$40 million).
- Net cash of HK\$447 million as at December 31, 2010 (2009: HK\$531 million).

TELEVISION

- Total TV services subscribers increased by 10% in the period to exceed 1,100,000 (2009: 1,000,000).
- Turnover increased by 27% to HK\$1,561 million (2009: HK\$1,228 million).
- Operating loss was HK\$222 million (2009: HK\$45 million).

INTERNET & MULTIMEDIA

- Total Broadband services subscribers decreased by 8% in the period to 228,000 (2009: 249,000).
- Turnover decreased by 17% to HK\$433 million (2009: HK\$522 million).
- Operating profit decreased by 41% to HK\$96 million (2009: HK\$163 million).

GROUP RESULTS

Turnover for the year ended December 31, 2010 increased by 14% to HK\$2,002 million (2009: HK\$1,754 million). Group loss attributable to Shareholders amounted to HK\$267 million (2009: HK\$41 million). Basic and diluted loss per share were both HK\$0.13 (2009: HK\$0.02).

DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended December 31, 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

A. Review of 2010 Results

Consolidated turnover was 14% higher year-on-year at HK\$2,002 million.

Operating costs before depreciation increased by 30% to HK\$1,997 million. Programming costs increased by 56% to HK\$1,274 million due primarily to BPL, as well as the non-recurrent 2010 FIFA World Cup, 2010 Guangzhou Asian Games and 2010 Winter Olympics. Cost of sales increased by 6% to HK\$55 million. Selling, general and administrative and other operating expenses increased by 2% to HK\$435 million, against lower network expenses of HK\$233 million.

Depreciation decreased by 2% to HK\$254 million due to ending of depreciation cycles for information system equipment and network assets, partly offset by higher charges for HD/SD set top boxes and capacity related equipment.

Loss after tax increased to HK\$267 million as compared to HK\$40 million in 2009. Basic and diluted loss per share was HK\$0.13 as compared to loss per share of HK\$0.02 in 2009.

B. Segmental Information

Television

TV services subscribers were 10% higher year-on-year to exceed 1,100,000. Turnover increased by 27% to HK\$1,561 million. Operating costs after depreciation increased by 40% to HK\$1,783 million. Operating loss was HK\$222 million (2009: HK\$45 million).

Internet & Multimedia

Broadband services subscribers were 8% lower year-on-year at 228,000 and the Voice conveyance service was 6% lower at 143,000 lines. Turnover decreased by 17% to HK\$433 million. Operating costs after depreciation decreased by 6% to HK\$336 million. Operating profit decreased by 41% to HK\$96 million (2009: HK\$163 million).

C. Liquidity and Financial Resources

As of December 31, 2010, the Group had net cash of HK\$447 million, as compared to HK\$531 million a year ago.

The consolidated net asset value of the Group as at December 31, 2010 was HK\$1,747 million (2009: HK\$2,010 million), or HK\$0.9 per share (2009: HK\$1.0 per share).

The Group's assets, liabilities, revenues and expenses were mainly denominated in Hong Kong dollars or U.S. dollars and the exchange rate between these two currencies has remained pegged.

Capital expenditure during the year amounted to HK\$251 million as compared to HK\$261 million in 2009. Major items included network upgrade and expansion, HD/SD set top boxes, TV production facilities as well as capacity related equipment.

The Group is comfortable with its present financial and liquidity position. Capital expenditure and new business development will be funded by cash generated from operations and, if needed, bank borrowings or other external sources of funds.

D. Contingent Liabilities

At December 31, 2010, there were contingent liabilities in respect of guarantees, indemnities and letters of awareness given by the Company on behalf of subsidiaries relating to overdraft and guarantee facilities provided by banks up to HK\$12 million (2009: HK\$19 million), of which HK\$2 million (2009: HK\$6 million) had been utilised by the subsidiaries.

E. Human Resources

Under the Group's well-established pay-for-performance policy, our dedicated and talented professional teams put in their best to further the Group's business objectives and turned in another year of impressive performance, enabling the Group to capture opportunities in an improving economy.

The Group had 2,634 employees at the end of 2010 (2009: 2,822). Total gross amount of salaries and related costs incurred in the corresponding period amounted to HK\$712 million (2009: HK\$704 million).

F. Competition and Operating Environment

The Group achieved sustained growth in its TV business in a challenging environment during 2010. However, operating margin came under severe pressure, partly due to significant non-recurrent costs.

Exclusive premier programming and the sharpest HD service in the market combined to stimulate a significant increase in TV services subscribers - by over 100,000 during the year. Together with strong growth in airtime sales, that helped to more than overcome weakness in the Broadband business to increase Group turnover by 14% to HK\$2,002 million (2009: HK\$1,754 million).

However, substantial content expenses - attributable primarily to BPL, as well as the non-recurrent 2010 FIFA World Cup, 2010 Guangzhou Asian Games and 2010 Winter Olympics, increased operating costs by 30% to HK\$1,997 million.

A small full year EBITDA gain therefore resulted, and net loss rose to HK\$267 million (2009: HK\$40 million).

Nevertheless, the financial position of the Group remains sound. Net cash as at the end of the year was HK\$447 million (2009: HK\$531 million).

G. Outlook

The Group's decision to reinvest in programming, service and system upgrades despite adverse conditions spurred record growth in customer base and boosted recurrent revenue in 2010.

Armed with an unrivalled arsenal of premier contents and an expanding HD service offering the best viewing experiences in the market, the Group is in a strong position to step up its drive to further push forward this growth momentum.

While expenses relating to premier programming will continue to exert considerable pressure on the Group's operating cost in the medium term, these investments are key for the Group to maintain a leading position in the market where competitive pressure is unrelenting.

Affiliate Fantastic Television Limited has submitted an application for a free TV licence in Hong Kong. Licensing authorities are expecting a decision in the first half of 2011. The new service is expected to leverage the Group's content and distribution advantage to improve the Group's operating performance.

We are confident that the solid competitive advantages we have built up will enable us to more effectively capture opportunities in an improving market, and be fully reflected in the Group's financial performance in due course.

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2010

	Note	2010 HK\$'000	2009 HK\$'000
Turnover	(3,4)	2,002,055	1,754,374
Programming costs		(1,273,649)	(818,884)
Network expenses		(233,314)	(244,480)
Selling, general and administrative and other operating expenses		(434,981)	(425,133)
Cost of sales		<u>(55,206)</u>	<u>(52,199)</u>
Profit from operations before depreciation		4,905	213,678
Depreciation	(5)	<u>(253,778)</u>	<u>(257,954)</u>
Loss from operations		(248,873)	(44,276)
Interest income		309	217
Finance costs, net		319	(1)
Impairment losses on investment		(1,649)	(1,693)
Non-operating income/(expenses)		670	(1,400)
Share of loss of associate		<u>(41,078)</u>	<u>(30)</u>
Loss before taxation	(5)	(290,302)	(47,183)
Income tax	(6)	<u>23,414</u>	<u>7,152</u>
Loss for the year		<u>(266,888)</u>	<u>(40,031)</u>
Attributable to:			
Equity shareholders of the Company		(267,366)	(40,902)
Non-controlling interests		<u>478</u>	<u>871</u>
Loss for the year		<u>(266,888)</u>	<u>(40,031)</u>
Loss per share	(8)		
Basic		<u>(13.3) cents</u>	<u>(2.0) cents</u>
Diluted		<u>(13.3) cents</u>	<u>(2.0) cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2010

	Note	2010 HK\$'000	2009 HK\$'000
Loss for the year		<u>(266,888)</u>	<u>(40,031)</u>
Other comprehensive income for the year (after reclassification adjustment)	(7)		
Exchange difference on translation of foreign subsidiaries' financial statements		560	79
Available-for-sale securities: net movement in the fair value reserve		-	-
Share of post-acquisition reserve of associate		<u>2,932</u>	<u>(936)</u>
		<u>3,492</u>	<u>(857)</u>
Total comprehensive income for the year		<u>(263,396)</u>	<u>(40,888)</u>
Attributable to:			
Equity shareholders of the Company		(263,937)	(41,775)
Non-controlling interests		<u>541</u>	<u>887</u>
Total comprehensive income for the year		<u>(263,396)</u>	<u>(40,888)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2010

	Note	2010 HK\$'000	2009 HK\$'000
Non-current assets			
Property, plant and equipment		1,146,422	1,153,257
Programming library		113,587	113,794
Other intangible assets		4,006	4,006
Interest in associate		-	38,145
Deferred tax assets		343,145	330,305
Other non-current assets		110,989	81,511
		<u>1,718,149</u>	<u>1,721,018</u>
Current assets			
Inventories		5,641	4,542
Accounts receivable from trade debtors	(9)	67,383	55,742
Deposits, prepayments and other receivables		78,670	319,827
Amounts due from fellow subsidiaries		4,164	2,814
Cash and cash equivalents		446,682	530,852
		<u>602,540</u>	<u>913,777</u>
Current liabilities			
Amounts due to trade creditors	(10)	85,426	91,058
Accrued expenses and other payables		210,215	243,324
Receipts in advance and customers' deposits		174,844	155,595
Current taxation		1,791	2,132
Amounts due to fellow subsidiaries		28,234	48,110
Amount due to immediate holding company		1,816	1,872
		<u>502,326</u>	<u>542,091</u>
Net current assets		<u>100,214</u>	<u>371,686</u>
Total assets less current liabilities		<u>1,818,363</u>	<u>2,092,704</u>
Non-current liabilities			
Deferred tax liabilities		63,076	74,118
Other non-current liabilities		8,398	8,301
		<u>71,474</u>	<u>82,419</u>
NET ASSETS		<u>1,746,889</u>	<u>2,010,285</u>
Capital and reserves			
Share capital		2,011,512	2,011,512
Reserves		(267,862)	(3,925)
Total equity attributable to equity shareholders of the Company		<u>1,743,650</u>	<u>2,007,587</u>
Non-controlling interests		<u>3,239</u>	<u>2,698</u>
TOTAL EQUITY		<u>1,746,889</u>	<u>2,010,285</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended December 31, 2010

	Attributable to equity shareholders of the Company									Non-controlling interests HK\$'000	Total equity HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Special capital reserve HK\$'000	Exchange reserve HK\$'000	Capital redemption reserve HK\$'000	Fair value reserve HK\$'000	Revenue reserve HK\$'000	Other reserve HK\$'000	Total reserves HK\$'000			Total HK\$'000
Balance at January 1, 2009*	2,012,340	4,838,365	13,881	4,095	6,894	-	(4,823,737)	(1,996)	37,502	2,049,842	4,674	2,054,516
Loss for the year	-	-	-	-	-	-	(40,902)	-	(40,902)	(40,902)	871	(40,031)
Other comprehensive income for the year	-	-	-	63	-	-	-	(936)	(873)	(873)	16	(857)
Total comprehensive income for the year	-	-	-	63	-	-	(40,902)	(936)	(41,775)	(41,775)	887	(40,888)
Share repurchased and cancelled	(828)	-	-	-	828	-	(474)	-	354	(474)	-	(474)
Share repurchase expenses	-	-	-	-	-	-	(6)	-	(6)	(6)	-	(6)
Dividend payment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,863)	(2,863)
Transfer to special capital reserve	-	-	63	-	-	-	(63)	-	-	-	-	-
Balance at December 31, 2009*	<u>2,011,512</u>	<u>4,838,365</u>	<u>13,944</u>	<u>4,158</u>	<u>7,722</u>	<u>-</u>	<u>(4,865,182)</u>	<u>(2,932)</u>	<u>(3,925)</u>	<u>2,007,587</u>	<u>2,698</u>	<u>2,010,285</u>

* Included in the Group's revenue reserve is positive goodwill written off against reserves in prior years amounting to HK\$197,785,000.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
For the year ended December 31, 2010

	Attributable to equity shareholders of the Company									Non-controlling interests HK\$'000	Total equity HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Special capital reserve HK\$'000	Exchange reserve HK\$'000	Capital redemption reserve HK\$'000	Fair value reserve HK\$'000	Revenue reserve HK\$'000	Other reserve HK\$'000	Total reserves HK\$'000			Total HK\$'000
Balance at January 1, 2010*	2,011,512	4,838,365	13,944	4,158	7,722	-	(4,865,182)	(2,932)	(3,925)	2,007,587	2,698	2,010,285
Loss for the year	-	-	-	-	-	-	(267,366)	-	(267,366)	(267,366)	478	(266,888)
Other comprehensive income for the year	-	-	-	497	-	-	-	2,932	3,429	3,429	63	3,492
Total comprehensive income for the year	-	-	-	497	-	-	(267,366)	2,932	(263,937)	(263,937)	541	(263,396)
Transfer to special capital reserve	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2010*	<u>2,011,512</u>	<u>4,838,365</u>	<u>13,944</u>	<u>4,655</u>	<u>7,722</u>	<u>-</u>	<u>(5,132,548)</u>	<u>-</u>	<u>(267,862)</u>	<u>1,743,650</u>	<u>3,239</u>	<u>1,746,889</u>

* Included in the Group's revenue reserve is positive goodwill written off against reserves in prior years amounting to HK\$197,785,000.

NOTES TO THE FINANCIAL STATEMENTS

(1) Basis of preparation

The financial statements for the year ended December 31, 2010 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. They comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(2) Impact of new and revised Hong Kong Financial Reporting Standards

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and two new Interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Amendments to HKAS 39, *Financial instruments: Recognition and measurement – eligible hedged items*
- HK(IFRIC) 17, *Distributions of non-cash assets to owners*
- Improvements to HKFRSs (2009)

The amendment to HKAS 39 has had no material impact on the Group’s financial statements as the amendments were consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

The impact of the majority of the revisions to HKFRS 3, HKAS 27 and HK(IFRIC) 17 have not yet had a material effect on the Group’s financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree’s deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets arose in the current period. Any losses incurred by a non-wholly owned subsidiary will be allocated between controlling and non-controlling interests in proportion to their interests in that equity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests in the current period.

The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS 17, Leases, had no material impact on the Group’s financial statements as the amendment’s conclusions were consistent with policies already adopted by the Group.

(3) Turnover

Turnover comprises principally subscription, service and related fees for Television and Internet services and Internet Protocol Point wholesale services. It includes advertising income net of agency deductions, channel service and distribution fees, programme licensing income, film exhibition and distribution income, network maintenance income and other related income.

(4) Segment information

The Group managed its businesses according to the nature of services provided. Management has determined two reportable operating segments for measuring performance and allocating resources. The segments are Television and Internet and multimedia.

The Television segment includes operations related to the TV subscription business, advertising, channel carriage, TV relay service, programme licensing, network maintenance, and miscellaneous TV related businesses.

The Internet and multimedia segment includes operations related to Broadband and dial-up Internet access services, portal subscription, mobile content licensing, Voice Over Internet Protocol interconnection as well as other Internet access related businesses.

Management evaluates performance primarily based on earnings before interest and taxation ("EBIT"). Inter-segment pricing is generally determined at arm's length basis.

Segment assets principally comprise all tangible assets, intangible assets and current assets with the exception of interest in associate, investments in equity securities and deferred tax assets. Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of current taxation and deferred tax liabilities.

In addition to receiving segment information concerning EBIT, management is provided with segment information concerning revenue (including inter-segment revenue).

(4) Segment information (continued)

Information regarding the Group's reportable segments as provided to the Group's senior management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2010 and 2009 is set out below:

	Television		Internet and multimedia		Unallocated		Total	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Revenue from external customers	1,550,230	1,205,728	415,686	509,033	36,139	39,613	2,002,055	1,754,374
Inter-segment revenue	10,904	21,976	16,933	13,013	2,266	4,838	30,103	39,827
Reportable segment revenue	1,561,134	1,227,704	432,619	522,046	38,405	44,451	2,032,158	1,794,201
Reportable segment results ("EBIT")	(221,840)	(45,159)	96,375	162,813	(122,703)	(158,698)	(248,168)	(41,044)
Inter-segment elimination							(705)	(3,232)
Loss from operations							(248,873)	(44,276)
Interest income							309	217
Finance costs, net							319	(1)
Impairment losses on investment							(1,649)	(1,693)
Non-operating income/ (expenses)							670	(1,400)
Share of loss of associate							(41,078)	(30)
Income tax							23,414	7,152
Loss for the year							(266,888)	(40,031)

(4) Segment information (continued)

	Segment assets	
	2010	2009
	HK\$'000	HK\$'000
Television	1,051,955	1,202,345
Internet and multimedia	420,502	461,813
Unallocated assets	504,004	599,455
	1,976,461	2,263,613
Interest in associate	-	38,145
Deferred tax assets	343,145	330,305
Investments in equity securities	1,083	2,732
	2,320,689	2,634,795
	Segment liabilities	
	2010	2009
	HK\$'000	HK\$'000
Television	341,842	343,989
Internet and multimedia	87,237	98,891
Unallocated liabilities	79,854	105,380
	508,933	548,260
Current taxation	1,791	2,132
Deferred tax liabilities	63,076	74,118
	573,800	624,510

Geographical segments

No geographical segment information is shown as, during the periods presented, less than 10% of the Group's segment revenue, segment result and segment assets are derived from activities conducted outside Hong Kong.

(5) Loss before taxation

Loss before taxation is stated after charging/(crediting):

	2010	2009
	HK\$'000	HK\$'000
Depreciation		
- assets held for use under operating leases	20,261	16,159
- other assets	233,517	241,795
	253,778	257,954
Amortisation of programming library*	88,724	101,828
Impairment losses		
- trade and other receivables	5,924	3,665
- property, plant and equipment	1,221	620
- programming library	4,465	4,401
- investments in equity securities	1,649	1,693
Reversal of impairment losses on trade and other receivables	(1,429)	(5,543)
Salaries, wages and other benefits	679,160	641,293
Contributions to defined contribution retirement plans	32,636	31,183
Cost of inventories	12,923	15,435
Auditors' remuneration – audit service		
- charge for the year	2,488	2,554
- under/(over)-provision in respect of prior years	52	(1,742)
Net gain on forward exchange contract	(319)	-
Net (gain)/loss on disposal of property, plant and equipment	(670)	1,400

* Amortisation of programming library is under programming costs in the consolidated results of the Group.

(6) Income tax

The provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year. Taxation for the overseas subsidiaries is charged at the appropriate rate of taxation ruling in the relevant countries. The income tax charge for the year ended December 31 represents:

	2010	2009
	HK\$'000	HK\$'000
Tax for the year – overseas	468	821
Net deferred tax credit	(23,882)	(7,973)
Income tax	(23,414)	(7,152)

(7) **Other comprehensive income**

Reclassification adjustment relating to components of other comprehensive income

	2010 HK\$'000	2009 HK\$'000
Available-for-sale securities:		
Changes in fair value recognised during the year	(1,649)	(674)
Reclassification adjustment for amounts transferred to profit or loss:		
- impairment losses	<u>1,649</u>	<u>674</u>
Net movement in the fair value reserve during the year recognised in other comprehensive income	<u><u>-</u></u>	<u><u>-</u></u>
Share of post-acquisition reserve of associate:		
Share of reserve movement of associate	-	(936)
Reclassification adjustment for amounts transferred to profit or loss:		
- share of loss of associate	<u>2,932</u>	<u>-</u>
Net movement in the share of post-acquisition reserve of associate during the year recognised in other comprehensive income	<u><u>2,932</u></u>	<u><u>(936)</u></u>

(8) **Loss per share**

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK\$267 million (2009: HK\$41 million) and the weighted average number of ordinary shares outstanding during the year of 2,011,512,400 (2009: 2,011,682,932).

Weighted average number of ordinary shares

	2010	2009
Issued ordinary shares at January 1	2,011,512,400	2,012,340,400
Effect of shares repurchased	<u>-</u>	<u>(657,468)</u>
Weighted average number of ordinary shares at December 31	<u>2,011,512,400</u>	<u>2,011,682,932</u>

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the Company of HK\$267 million (2009: HK\$41 million) and the weighted average number of ordinary shares of 2,011,512,400 (2009: 2,011,682,932) after adjusting for the effects of all dilutive potential ordinary shares.

All of the Company's share options had expired at December 31, 2009 and did not have intrinsic value throughout 2009. Accordingly, this has no dilutive effect on the calculation of dilutive loss per share in 2009.

(9) Accounts receivable from trade debtors

An ageing analysis of accounts receivable from trade debtors (net of allowance for doubtful debts) is set out as follows:

	2010	2009
	HK\$'000	HK\$'000
0 to 30 days	17,532	21,394
31 to 60 days	17,966	15,272
61 to 90 days	14,116	10,087
Over 90 days	17,769	8,989
	<u>67,383</u>	<u>55,742</u>

The Group has a defined credit policy. The general credit terms allowed range from 0 to 90 days.

(10) Amounts due to trade creditors

An ageing analysis of amounts due to trade creditors is set out as follows:

	2010	2009
	HK\$'000	HK\$'000
0 to 30 days	9,102	7,314
31 to 60 days	13,842	14,970
61 to 90 days	15,862	17,274
Over 90 days	46,620	51,500
	<u>85,426</u>	<u>91,058</u>

(11) Review of Financial Statements

The financial results for the year ended December 31, 2010 have been reviewed with no disagreement by the Audit Committee of the Company. This preliminary results announcement has been agreed by the Group's Auditor.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended December 31, 2010, all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were met by the Company, except in respect of one provision providing for the roles of chairman and chief executive officer to be performed by different individuals. The deviation is deemed necessary as, given the nature and size of the Company's business, it is at this stage considered more efficient to have one single person to hold both positions. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals, a substantial proportion thereof being Independent Non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year under review.

BOOK CLOSURE

The Register of Members of the Company will be closed from Monday, May 30, 2011 to Wednesday, June 1, 2011, both days inclusive, during which period no share transfers can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the forthcoming Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, May 27, 2011.

By Order of the Board
Wilson W. S. Chan
Company Secretary

Hong Kong, March 15, 2011

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Stephen T. H. Ng, Mr. William J. H. Kwan and Mr. Paul Y. C. Tsui, together with four Independent Non-executive Directors, namely, Mr. T. K. Ho, Mr. Roger K. H. Luk, Mr. Patrick Y. W. Wu and Mr. Anthony K. K. Yeung.