POKFULAM DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 225)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

The Board of Directors announces that the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 30 September 2010 together with comparative figures for the corresponding period in 2009 are as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2010

	NOTES	**2010** **HK$'000**	2009 *HK$'000*
Turnover	*3*	**118,350**	123,103
Cost of sales		**(16,713)**	(13,906)
Cost of rental and other operations		**(26,273)**	(24,680)
		75,364	84,517
Other income		**9,478**	3,035
Increase in fair value of investments held for trading		**6,426**	11,070
Gain on fair value change of investment properties		**401,732**	450,300
Selling and marketing expenses		**(1,724)**	(1,533)
Administrative expenses		**(8,610)**	(9,434)
Finance costs	*4*	**(1,075)**	(2,161)
Share of loss of a jointly controlled entity		**(3,816)**	(914)
Profit before taxation	*5*	**477,775**	534,880
Income tax expense	*6*	**(71,599)**	(77,951)
Profit for the year		**406,176**	456,929

	NOTES	**2010**	2009
		HK$'000	*HK$'000*
Other comprehensive income			
Exchange difference arising on translation of a foreign operation		**577**	–
Exchange gain (loss) arising from long term advances to a jointly controlled entity		**1,060**	(2)
Other comprehensive income for the year		**1,637**	(2)
Total comprehensive income for the year		**407,813**	456,927
Profit for the year attributable to:			
Owners of the Company		**405,455**	456,684
Non-controlling interests		**721**	245
		406,176	456,929
Total comprehensive income for the year attributable to:			
Owners of the Company		**407,092**	456,682
Non-controlling interests		**721**	245
		407,813	456,927
		HK$	HK$
Earnings per share-basic	*8*	**3.68**	4.14
Proposed final dividend per share	*7*	**0.16**	0.16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	NOTES	2010 HK$'000	2009 HK$'000
Non-current Assets			
Investment properties		**2,895,050**	2,490,200
Property, plant and equipment		**5,500**	4,469
Prepaid lease payments		**906**	914
Interest in a jointly controlled entity		**11,955**	5,951
Amount due from a jointly controlled entity		**69,728**	73,784
Available-for-sale investments		**8,000**	8,000
		2,991,139	2,583,318
Current Assets			
Inventories		**9,921**	6,678
Investments held for trading		**38,516**	33,836
Trade and other receivables	*10*	**3,595**	3,768
Deposits and prepayments		**1,999**	2,384
Prepaid lease payments		**8**	8
Bank balances and cash		**3,330**	1,645
		57,369	48,319
Current Liabilities			
Trade and other payables	*11*	**14,199**	8,648
Rental and management fee deposits		**18,938**	20,120
Provision for taxation		**10,644**	12,111
Bank loan, secured		**–**	92,000
Bank overdrafts, secured		**–**	2,798
		43,781	135,677
Net Current Assets (Liabilities)		**13,588**	(87,358)
Total Assets less Current Liabilities		**3,004,727**	2,495,960
Capital and Reserves			
Share capital		**110,179**	110,179
Reserves		**2,440,530**	2,055,474
Equity attributable to owners of the Company		**2,550,709**	2,165,653
Non-controlling interests		**6,089**	5,368
Total Equity		**2,556,798**	2,171,021
Non-current Liabilities			
Bank loans, secured		**61,000**	–
Deferred taxation		**386,929**	324,939
		447,929	324,939
		3,004,727	2,495,960

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendments to HKFRS 2, paragraph 36 and 37 of HKAS 38, paragraph 80 of HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 October 2009. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 October 2009.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the financial statements and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 *Segment Reporting*, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3).

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Company has not provided comparative information for the expanded disclosures in respect of liquidity risk in accordance with the transitional provision set out in the amendments.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2009[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[2]
HKAS 24 (Revised)	Related Party Disclosure[3]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[5]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[7]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction[5]
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets[8]
HKFRS 9	Financial Instruments[6]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[7]

1 Amendments that are effective for annual periods beginning on or after 1 January 2010
2 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2010
6 Effective for annual periods beginning on or after 1 January 2013
7 Effective for annual periods beginning on or after 1 July 2010
8 Effective for annual periods beginning on or after 1 July 2011

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from annual periods beginning on or after 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment to HKAS17 has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

An analysis of the Group's turnover is as follows:

	2010	2009
	HK$'000	*HK$'000*
Property rentals and building management fees	**86,951**	93,632
Sale of goods	**28,464**	24,214
Dividend income	**2,935**	5,257
	118,350	123,103

As summarised in note 2, the Group has adopted HKFRS 8 Operating Segments which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (managing director) in order to allocate resources to segments and to assess their performance. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Group's operating segments under HKFRS 8 and the revenue derived from the segments are as follows:

Property investment and management	–	property rentals and building management fees from letting and management of commercial and residential properties
Trading of goods	–	sales of good from trading of visual and sound equipment
Securities investment	–	dividend income from dealings in listed securities
Investment holding	–	dividend income from investment in unlisted equity securities for long term strategic purposes

Segment revenues and results

The following is an analysis of the Group's revenue and result by operating segment:

Year ended 30 September 2010

	Property investment and management	Trading of goods	Securities investment	Investment holding	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External	**86,951**	**28,464**	**2,935**	–	–	**118,350**
Inter–segment	**1,551**	–	–	–	**(1,551)**	–
	88,502	**28,464**	**2,935**	–	**(1,551)**	**118,350**
Segment profit (note)	**472,446**	**1,705**	**9,362**	–	–	**483,513**
Other income						**8,143**
Central administrative costs						**(8,990)**
Finance costs						**(1,075)**
Share of loss of a jointly controlled entity						**(3,816)**
Profit before taxation						**477,775**

Note: Segment profit of property investment and management division include gain on fair value change of investment properties of HK$401,732,000.

Year ended 30 September 2009

	Property investment and management	Trading of goods	Securities investment	Investment holding	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External	93,632	24,214	2,057	3,200	–	123,103
Inter–segment	1,567	–	–	–	(1,567)	–
	95,199	24,214	2,057	3,200	(1,567)	123,103
Segment profit (note)	527,937	589	13,127	3,200	–	544,853
Other income						2,023
Central administrative costs						(8,921)
Finance costs						(2,161)
Share of loss of a jointly controlled entity						(914)
Profit before taxation						534,880

Note: Segment profit of property investment and management division include gain on fair value change of investment properties of HK$450,300,000.

Segment profit represents the profit earned/loss incurred by each segment without allocation of other income (mainly including interest income and management service income), central administrative costs, share of loss of a jointly controlled entity, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

No segment assets, liabilities and other segment information in the measure of Group's segment result and segment assets are presented as the information is not provided to the chief operating decision maker in the resource allocation and assessment of performance.

Other segment information

Amounts included in the measure of segment profit:

Year ended 30 September 2010

	Property investment and management *HK$'000*	**Trading of goods** *HK$'000*
Depreciation and amortisation	**763**	**75**
Gain on disposal and write-off of property, plant and equipment	**(164)**	**(27)**

Year ended 30 September 2009

	Property investment and management *HK$'000*	Trading of goods *HK$'000*
Depreciation and amortisation	758	57
Loss on disposal and write-off of property, plant and equipment	21	–

Geographical information

More than 90% of the Group's non-current assets and revenue attributable to customers are located in Hong Kong and, therefore, no geographical segments are presented.

Information about major customers

There are no major customers contributing over 10% of the Group's revenue in both years.

4. FINANCE COSTS

	2010 *HK$'000*	2009 *HK$'000*
Interest on:		
Bank loans and overdrafts	**1,075**	2,117
Loan from a related company wholly repayable within five years	**–**	44
	1,075	2,161

5. PROFIT BEFORE TAXATION

	2010	2009
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**744**	725
Release of prepaid lease payments	**8**	8
(Gain) loss on disposal and write–off of property, plant and equipment	**(191)**	21
Depreciation on property, plant and equipment	**958**	1,189
Staff costs (including directors' emoluments)	**16,429**	17,072
Imputed interest income on amount due from a jointly controlled entity	**(4,143)**	(1,866)
Bank interest income	**(1)**	(157)
Dividends from listed securities	**(2,935)**	(2,057)
Foreign exchange gain, net	**(38)**	(24)
Management service income from an investee company classified as an available-for-sale investment	**4,000**	–
Direct operating expenses arising from investment properties that generated rental income during the year	**10,012**	8,875

Rental income from investment properties less outgoings amounts to HK$72,035,000 (2009: HK$79,338,000).

6. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
The income tax expense comprises Hong Kong Profits Tax:		
Company and subsidiaries		
Current tax	**9,355**	10,034
Under (over)-provision in prior years	**254**	(13)
Deferred tax charge	**61,990**	67,930
	71,599	77,951

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

7. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
Dividend recognised as distributions during the year:		
Interim dividend		
HK4 cents (2009: HK4 cents) per ordinary share	**4,407**	4,407
Final dividend in respect of financial year ended 30 September 2009		
of HK16 cents per ordinary share	**17,629**	–
Final dividend in respect of financial year ended 30 September 2008		
of HK13 cents per ordinary share	**–**	14,323
	22,036	18,730
Dividend proposed:		
Final dividend		
HK16 cents (2009: HK16 cents) per ordinary share	**17,629**	17,629

The final dividend of HK16 cents (2009: HK16 cents) per share has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the year of HK$405,455,000 (2009: HK$456,684,000) and on 110,179,385 (2009: 110,179,385) ordinary shares in issue during the year.

There are no potential ordinary shares in issue during both years and at the end of the reporting periods.

9. TRADE AND OTHER RECEIVABLES

For sales of goods, the Group allows an average credit period of 30 days to its trade customers. Rentals receivable from tenants are payable on presentation of invoices.

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**3,336**	3,713
Less: accumulated impairment	**(10)**	(10)
	3,326	3,703
Other receivables	**269**	65
Total trade and other receivables	**3,595**	3,768

The following is an aged analysis of trade receivables at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
0–30 days	**2,212**	2,682
31–60 days	**709**	313
61–90 days	**339**	244
Over 90 days	**66**	464
	3,326	3,703

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
0–30 days	**1,686**	750
31–60 days	**162**	115
61–90 days	**3**	–
Over 90 days	**60**	193
	1,911	1,058
Other payables	**8,202**	7,590
Deposit received for sale of goods	**4,086**	–
	14,199	8,648

CHAIRMAN'S STATEMENT

PROFIT FOR THE YEAR

The consolidated net profit of the Group after taxation and minority interests for the year ended 30 September 2010 was HK$405.5 million, as compared to HK$456.7 million for the previous year.

If the revaluation surplus on investment properties (net of deferred tax) of HK$334.8 million were to be excluded (2009 – HK$380.5 million), the underlying net profit for the year would have been HK$70.7 million (2009 – HK$76.2 million), representing a decrease of approximately 7% from the comparable figure of last year. This decrease in profit as adjusted was mainly attributable to a decline in rental income from the Group's investment properties in Hong Kong.

DIVIDEND

The Board has recommended the payment of a final dividend of 16 cents per share to shareholders whose names appear on the Register of Members of the Company on 30 December 2010. This, together with the interim dividend of 4 cents per share paid on 28 July 2010, will give a total dividend of 20 cents per share for the whole year. Upon approval at the Annual General Meeting, the final dividend will be paid to shareholders on 6 January 2011.

BUSINESS REVIEW

A. Hong Kong

The major portion of the Group's operation profit for the financial year under review was derived from rental income from the Group's investment properties in Hong Kong, which had shown a 7% decrease from that of the same period last year. Even though there had been a general increase in rental rates for the Group's newly leased residential properties, this was offset by the decrease in the occupancy levels of the Group's industrial and office properties in the financial year under review.

Elephant Holdings Limited (EHL), a subsidiary of the Group, had recorded an improvement in sales revenue in the past financial year, and continued to contribute profit to the Group.

B. Property Projects in Mainland China

Silver Gain Plaza in Guangzhou (in which the Group has a one-third interest) – Construction for the superstructure of the two 27-storey residential towers of Phase III of this project was completed in late 2009, and work on the external wall finish had been completed recently. Due to the three-month work stoppage for all construction work imposed by the Guangzhou government because of the city's hosting of the 2010 Asian Game, progress of the internal fitting-out work for the two residential towers has been affected inevitably. All work for these residential towers is expected to be completed before the end of 2011. More than 85 percent of the residential units in Phase III has been pre-sold since pre-saling began in February 2010. The pre-sale activity has slowed down after the central government had implemented policy to restrict financing on home purchase in mid-year in order to cool-off the overheated property market in major cities. There is still sales activity for this project because of its convenient location and the overall strong demand in residential market in Guangzhou.

Residential units in Vivaldi Court of Manhattan Garden, Chao Yang District, Beijing – the occupancy rate of the Group's properties in this project continues to improve in the past six months, but it is still below the pre-financial tsunami level.

PROSPECTS

The recent QE2 policy implemented by the US and some European governments has caused an inflow of capital into Hong Kong, triggering a rise in activities in the local stock market. Its effect on Hong Kong's overall economy in the coming year remains to be seen.

A major renovation work program is planned for some of the Group's properties in Hong Kong to enhance their competitiveness in the rental market. During the renovation period, rental revenue from the concerned properties will inevitably be adversely affected. It is anticipated that the Group's overall rental income will decrease in the coming year.

It is the Group's policy to upgrade its property holdings on a continuous basis to maintain their competitiveness in the rental market. The Group will continue to seek investment opportunities with a cautious attitude.

I was one of the founders of the Company when it was formed in 1970, and have served as Chairman of the Board of Directors for the past 22 years till present. Due to advancing age, I shall resign from the Board of Directors and step down as Chairman effective 1 December 2010. I take this opportunity to thank my colleagues on the Board and our staff members for their loyal service and contributions, and am also grateful to the shareholders for their continuous support to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Liquidity and financial resources

The Group will maintain its conservative approach to financial management and funding and treasury policies. Shareholders' funds as at 30 September 2010 were HK$2,550.7 million (30.9.2009: HK$2,165.7 million). The increase was mainly due to the upward revaluation of the Group's investment properties.

At 30 September 2010, the Group's total borrowings, which were all denominated in Hong Kong dollars, were HK$61 million (30.9.2009: HK$95 million). The decrease was due to repayment of borrowings out of the income from operating activities.

The maturity profile of the Group's total borrowings is set out as follows:

	30.9.2010	30.9.2009
	HK$ Million	*HK$ Million*
Repayable:		
Within one year	–	95
After two years but within five years	**61**	–
Total borrowings	**61**	95

During the year, the Group had extended the repayment of a bank term loan for three years to the end of 2012 and the outstanding amount at 30 September 2010 was HK$61 million. This results in the decrease in borrowings repayable within one year.

The Group's bank loans and overdraft carry interest at HIBOR/prime rate plus/minus a margin. At 30 September 2010, the debt to equity ratio, based on the Group's total borrowings of HK$61 million and the shareholders' funds of HK$2,550.7 million, was 2.4%, as compared with 4.4% on 30 September 2009. The decrease was mainly due to the reduction of total borrowings and the upward revaluation of the Group's investment properties as mentioned above.

At 30 September 2010, investment properties and properties for own use of the Group with an aggregate carrying value of HK$2,772.1 million and HK$3.3 million respectively were pledged to banks to secure the general banking facilities granted to the Group.

At 30 September 2010, the Group had undrawn banking facilities of HK$320 million which will provide adequate funding for the Group's operational and capital expenditure requirement.

Employees

At 30 September 2010, the Group had 110 employees. The staff remuneration including directors' emoluments and other employee expenses for the year ended 30 September 2010 amounted to approximately HK$16.4 million (2009: HK$17.1 million). There has been no change in employment and remuneration policies of the Group and the Group does not have any share option scheme for employees.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 23 December 2010 to Thursday, 30 December 2010 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Standard Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 22 December 2010.

CORPORATE GOVERNANCE

Throughout the year ended 30 September 2010, the Company had complied with the provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save for the following:

Code A.4.1 stipulates that non–executive directors should be appointed for a specific term, subject to re–election.

Although the independent non–executive directors of the Company are not appointed for a specific term, all directors of the Company are subject to retirement by rotation at least once every three years in accordance with Article 119 of the Company's Articles of Association.

Code E.1.2 stipulates that the Chairman of the Board of Directors should attend the annual general meeting of the Company

Although the Chairman of the Board of Directors did not attend the annual general meeting of the Company held on 29 December 2009 due to other commitments, Mr. Wong Tat Chang, Abraham, the managing director of the Company took the chair in accordance with Article 69 of the Company's Articles of Association.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 30 September 2010.

AUDIT COMMITTEE

The Company's audit committee is composed of all the three independent non–executive directors of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the consolidated financial statements for the year ended 30 September 2010 with the executive directors.

Wong Bing Lai
Chairman

Hong Kong, 17 November 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wong Bing Lai (Chairman), Mr. Wong Tat Chang, Abraham (Managing Director), Mr. Wong Tat Kee, David and Mr. Wong Tat Sum, Samuel as Executive Directors, and Mdm. Lam Hsieh Lee Chin, Linda, Mr. Li Kwok Sing, Aubrey and Mr. Sit Hoi Wah, Kenneth as Independent Non–Executive Directors.