POKFULAM DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 225)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

The Board of Directors announces that the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 30 September 2011 together with comparative figures for the corresponding period in 2010 are as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2011

	NOTES	**2011** ***HK$'000***	2010 *HK$'000*
Turnover	*3*	**120,798**	118,350
Cost of goods sold		**(17,966)**	(16,713)
Cost of rental and other operations		**(29,039)**	(26,273)
		73,793	75,364
Other income		**10,616**	9,478
(Decrease) increase in fair value of investments held for trading		**(3,261)**	6,426
Gain on fair value change of investment properties		**500,290**	401,732
Selling and marketing expenses		**(1,460)**	(1,724)
Administrative expenses		**(8,218)**	(8,610)
Finance costs	*4*	**(780)**	(1,075)
Share of loss of a jointly controlled entity		**(6,392)**	(3,816)
Profit before taxation	*5*	**564,588**	477,775
Income tax expense	*6*	**(92,766)**	(71,599)
Profit for the year		**471,822**	406,176

	NOTES	**2011**	2010
		HK$'000	*HK$'000*
Other comprehensive income			
Exchange difference arising on translation of foreign operations		**1,285**	577
Exchange gain arising from long term advance to a jointly controlled entity		**2,348**	1,060
Other comprehensive income for the year		**3,633**	1,637
Total comprehensive income for the year		**475,455**	407,813
Profit for the year attributable to:			
Owners of the Company		**471,409**	405,455
Non-controlling interests		**413**	721
		471,822	406,176
Total comprehensive income for the year attributable to:			
Owners of the Company		**475,042**	407,092
Non-controlling interests		**413**	721
		475,455	407,813
		HK$	*HK$*
Earnings per share – basic	*8*	**4.28**	3.68
Proposed final dividend per share	*7*	**0.16**	0.16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2011

	NOTES	**30.09.2011** **HK$'000**	30.09.2010 *HK$'000* (restated)	01.10.2009 *HK$'000* (restated)
Non-current Assets				
Investment properties		**3,395,340**	2,895,050	2,490,200
Property, plant and equipment		**6,515**	6,414	5,391
Interest in a jointly controlled entity		**13,318**	11,955	5,951
Amount due from a jointly controlled entity		**70,403**	69,728	73,784
Available-for-sale investments		**8,000**	8,000	8,000
		3,493,576	2,991,147	2,583,326
Current Assets				
Inventories		**5,921**	9,921	6,678
Investments held for trading		**35,227**	38,516	33,836
Trade and other receivables	*9*	**3,538**	3,595	3,768
Deposits and prepayments		**1,703**	1,999	2,384
Bank balances and cash		**23,082**	3,330	1,645
		69,471	57,361	48,311
Current Liabilities				
Trade and other payables	*10*	**9,971**	14,199	8,648
Rental and management fee deposits		**21,129**	18,938	20,120
Provision for taxation		**9,539**	10,644	12,111
Bank loan, secured		**42,000**	61,000	92,000
Bank overdrafts, secured		**–**	–	2,798
		82,639	104,781	135,677
Net Current Liabilities		**(13,168)**	(47,420)	(87,366)
Total Assets less Current Liabilities		**3,480,408**	2,943,727	2,495,960
Capital and Reserves				
Share capital		**110,179**	110,179	110,179
Reserves		**2,893,536**	2,440,530	2,055,474
Equity attributable to owners of the Company		**3,003,715**	2,550,709	2,165,653
Non-controlling interests		**6,502**	6,089	5,368
Total Equity		**3,010,217**	2,556,798	2,171,021
Non-current Liability				
Deferred taxation		**470,191**	386,929	324,939
		3,480,408	2,943,727	2,495,960

1. BASIS OF PREPARATION

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.

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to the amendments to HKFRS 3 and transition requirements for amendments arising as a result of HKAS 27
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendments)	Classification of Rights Issues
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
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 these new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group and the Company were required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated and Company's statements of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require 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.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group and the Company reassessed the classification of unexpired leasehold land as at 1 October 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payment to property, plant, and equipment retrospectively. This resulted in prepaid lease payments of the Group with carrying amounts of HK$922,000 and HK$914,000 as at 1 October 2009 and 30 September 2010 respectively, and prepaid lease payments of the Company with carrying amounts of HK$356,000 and HK$353,000 as at 1 October 2009 and 30 September 2010 respectively, being reclassified to property, plant and equipment.

As at 30 September 2011, leasehold land of the Group and the Company that qualify for finance lease classification with the carrying amounts of HK$906,000 and HK$350,000 respectively have been included in property, plant and equipment. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior periods.

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 past, 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, a bank loan that contains a repayment on demand clause with the carrying amount of HK$61,000,000 has been reclassified from non-current liability to current liability as at 30 September 2010. As at 30 September 2011, a bank loan (that is repayable more than one year after the end of the reporting period but contains a repayment on demand clause) with the carrying amount of HK$42,000,000 has been classified as current liability. The application of HK-Int 5 has had no impact on the reported profit or loss for the current and prior years. Such term loan has been presented in the earliest time band in the maturity analysis for financial liabilities.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to amendments to HKFRS 7, HKAS 1, HKAS 34 and HK (IFRIC) – Int 13[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[5]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[3]
HKAS 24 (Revised 2009)	Related Party Disclosures[1]
HKAS 27 (Revised 2011)	Separate Financial Statements[3]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[3]
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[3]

1 Effective for annual periods beginning on or after 1 January 2011
2 Effective for annual periods beginning on or after 1 July 2011
3 Effective for annual periods beginning on or after 1 January 2013
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 July 2012

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

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 may have an impact on amounts reported in respect of the Group's financial assets in the Group's consolidated financial statements but not on financial liabilities.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The application of HKFRS 10 might result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The application of HKFRS 11 might result in changes in the classification of the Group's joint arrangements and their accounting treatments.

The directors of the Company considered that it is not practicable to provide a reasonable estimate of the effect of HKFRS 10 and HKFRS 11 until a detailed review has been completed.

The amendments to HKAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model.

Other than as described above, the directors of the Company anticipate that the application of other new and revised Standards, Amendments and 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:

	2011	2010
	HK$'000	*HK$'000*
Property rentals and building management fees	**88,808**	86,951
Sale of goods	**29,071**	28,464
Dividend income from listed securities	**2,919**	2,935
	120,798	118,350

The Group's operating segments based on information reported to the chief operating decision maker (managing director) for the purpose of resource allocation and performance assessment are as follows:

Property investment and management	–	letting and management of commercial and residential properties
Trading of goods	–	trading of visual and sound equipment
Securities investment	–	dealings in listed securities

The following is an analysis of the Group's revenue and results by operating and reportable segment for the period under review:

Year ended 30 September 2011

	Property investment and management	Trading of goods	Securities investment	Total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External	**88,808**	**29,071**	**2,919**	**120,798**	**–**	**120,798**
Inter-segment	**1,541**	**–**	**–**	**1,541**	**(1,541)**	**–**
	90,349	**29,071**	**2,919**	**122,339**	**(1,541)**	**120,798**
Segment profit (loss)	**569,899** (note)	**1,042**	**(342)**	**570,599**	**–**	**570,599**
Other income						**9,501**
Central administrative costs						**(8,340)**
Finance costs						**(780)**
Share of loss of a jointly controlled entity						**(6,392)**
Profit before taxation						**564,588**

Note: Segment profit of property investment and management division included gain on fair value change of investment properties of HK$500,290,000.

Year ended 30 September 2010

	Property investment and management	Trading of goods	Securities investment	Total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External	86,951	28,464	2,935	118,350	–	118,350
Inter-segment	1,551	–	–	1,551	(1,551)	–
	88,502	28,464	2,935	119,901	(1,551)	118,350
Segment profit	472,446 (note)	1,705	9,362	483,513	–	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 included gain on fair value change of investment properties of HK$401,732,000.

Inter-segment revenue is charged at mutually agreed terms.

Segment profit (loss) represents the profit (loss) of each segment without allocation of certain 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 and liabilities are presented as the information is not reported to the chief operating decision maker in the resource allocation and assessment of performance processes.

Other segment information

Amounts included in the measure of segment profit (loss):

Year ended 30 September 2011

	Property investment and management	**Trading of goods**
	HK$'000	***HK$'000***
Depreciation	**850**	**86**
Loss on disposal of property, plant and equipment	**18**	**–**

Year ended 30 September 2010

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

Geographical information

Substantially all of the Group's non-current assets and revenue attributable to customers (based on the location of goods delivered and services provided) are located in Hong Kong in both years 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

	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans	**780**	1,075

5. PROFIT BEFORE TAXATION

	2011	2010
	HK$'000	*HK$'000*
		(restated)
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**774**	744
Loss (gain) on disposal of property, plant and equipment	**18**	(191)
Depreciation on property, plant and equipment	**1,496**	966
Staff costs (including directors' emoluments)	**16,385**	16,429
Imputed interest income on amount due from a jointly controlled entity	**(4,143)**	(4,143)
Bank interest income	**(25)**	(1)
Foreign exchange gain, net	**(24)**	(38)
Management service income from an investee company classified as an available-for-sale investment	**(5,333)**	(4,000)
Gross rental income	**(84,240)**	(82,047)
Less: Direct operating expenses arising from investment properties that generated rental income during the year	**11,933**	10,012
	(72,307)	(72,035)

6. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
The income tax expense comprises Hong Kong Profits Tax:		
Company and subsidiaries		
Current tax	**9,504**	9,355
Under-provision in prior years	**–**	254
Deferred tax charge	**83,262**	61,990
	92,766	71,599

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

7. DIVIDENDS

	2011	2010
	HK$'000	*HK$'000*
Dividend recognised as distributions during the year:		
Interim dividend		
HK4 cents (2010: HK4 cents) per ordinary share	**4,407**	4,407
Final dividend in respect of financial year ended 30 September 2010		
of HK16 cents per ordinary share	**17,629**	–
Final dividend in respect of financial year ended 30 September 2009		
of HK16 cents per ordinary share	**–**	17,629
	22,036	22,036
Dividend proposed:		
Final dividend		
HK16 cents (2010: HK16 cents) per ordinary share	**17,629**	17,629

The final dividend of HK16 cents (2010: HK16 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to the owners of the Company of HK$471,409,000 (2010: HK$405,455,000) and on 110,179,385 (2010: 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 a credit period of 30 days to its trade customers. Rentals receivable from tenants are payable on presentation of invoices.

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**2,414**	3,336
Less: accumulated impairment	**(10)**	(10)
	2,404	3,326
Other receivables	**1,134**	269
Total trade and other receivables	**3,538**	3,595

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

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**1,951**	2,212
31-60 days	**59**	709
61-90 days	**36**	339
Over 90 days	**358**	66
	2,404	3,326

10. TRADE AND OTHER PAYABLES

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

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**574**	1,686
31-60 days	**189**	162
61-90 days	**–**	3
Over 90 days	**78**	60
	841	1,911
Other payables	**8,830**	8,202
Deposit received for sale of goods	**300**	4,086
	9,971	14,199

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 2011 was HK$471.4 million, as compared to HK$405.5 million for the previous year.

If the revaluation surplus on investment properties (net of deferred tax) of HK$417.3 million were to be excluded (2010 – HK$334.8 million), the underlying net profit for the year would have been HK$54.1 million (2010 – HK$70.7 million), representing a decrease of approximately 23.5% from the comparable figure of last year. Such decrease was mainly attributable to the unrealized loss from the listed securities held by the Group at balance sheet date (2010 – unrealized gain) and increase in deferred tax. The Group's operation profit, which mainly came from property rental income, was stable in comparison to that of last year.

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 10 January 2012. This, together with the interim dividend of 4 cents per share paid on 6 July 2011, would give a total dividend of 20 cents per share for the whole year. Upon approval at the Annual General Meeting to be held on 30 December 2011, the final dividend would expect to be paid to shareholders on 13 January 2012.

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 of the Group's investment properties in Hong Kong, which had shown a moderate increase from that of the same period last year. The increase was due to higher occupancy level and rise in rental rates for new leases and lease renewals for all of the Group's properties in the financial year under review.

Elephant Holdings Limited had recorded an improvement in sales revenue in the past financial year, and this subsidiary 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 and internal fitting-out work for the two residential towers in Phase III had been completed recently. The process of getting various relevant government departments to issue the necessary Certificates of Compliance and approval is in progress. Occupation Permit can only be issued after obtaining the afore-mentioned certificates. Over 95 percent of the residential units in Phase III had been pre-sold. The tight money supply in China, coupled with the Central Government's policy to cool down the residential property sector, had slowed down the pre-sale of the remaining Phase III residential units of this project.

Residential units in Vivaldi Court of Manhattan Garden, Chao Yang District, Beijing – there had been an increase in occupancy rate of the Group's properties in this project during the past year, thus resulting in improvement in rental income.

PROSPECTS

The sovereign debt crisis in Europe in the recent months had caused uncertainty and financial turmoil on a worldwide basis. This, coupled with the lack of improvement of the US economy, will inevitably affect China's economic growth and thus Hong Kong's economy. The adverse effect is partially reflected in the drop in exports of China and Hong Kong. The Hong Kong Government, which had long held an optimistic view on the local economy, had changed its stance recently and now forecasts a grim view on the economic outlook for the coming year.

A major renovation program for one of the Group's residential properties on Headland Road will commence soon, and for which purpose the property had been vacated recently. The renovation work is expected to last one year, during which there will be no rental income from this property. It is anticipated that the Group's overall rental revenue will decrease in the coming year.

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

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 continue to maintain its conservative approach to financial management, funding and treasury policies. Shareholders' funds as at 30 September 2011 were HK$3,003.7 million (30.9.2010: HK$2,550.7 million). The increase was mainly due to the upward revaluation of the Group's investment properties.

At 30 September 2011, the Group's total borrowings, which were all denominated in Hong Kong dollars, were HK$42 million (30.9.2010: HK$61 million). The decrease was due to repayment of borrowings out of cash flow from operating activities.

The maturity profile of the Group's total borrowings, which is based on the scheduled repayment dates set out in the loan agreements, is set out as follows:

	30.9.2011	30.9.2010
	HK$ Million	*HK$ Million*
Repayable:		
After one year but not exceeding two years	**42**	–
After two years but within five years	**–**	61
Total borrowings	**42**	61
Classified under:		
Current liabilities	**42**	61

The new classification of Group's borrowings reflected above is due to the application of Hong Kong Interpretation 5 Presentation of Financial Statements in the current year. As a result, a bank term loan that contained a repayment on demand clause and had a carrying amount of HK$61 million as at 30 September 2010 has been reclassified from non-current liability to a current liability. A bank term loan (that is repayable more than one year after the end of the reporting period but contains a repayment on demand clause) with carrying amount of HK$42 million as at 30 September 2011 has been classified as a current liability.

The Group's bank term loan carries interest at HIBOR plus a margin. At 30 September 2011, the debt to equity ratio, based on the Group's total borrowings of HK$42 million and the shareholders' funds of HK$3,003.7 million, was 1.4%, as compared with 2.4% on 30 September 2010. 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 2011, investment properties and properties for own use of the Group with an aggregate carrying value of HK$3,246.5 million and HK$3.2 million respectively were pledged to banks to secure the general banking facilities granted to the Group.

At 30 September 2011, 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

On 30 September 2011, the Group had 110 employees. The staff remuneration including directors' emoluments and other employee expenses for the year ended 30 September 2011 amounted to approximately HK$16.4 million (2010: HK$16.4 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 FOR ANNUAL GENERAL MEETING

The Annual General Meeting of the Company is scheduled to be held on 30 December 2011. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members will be closed from Wednesday, 28 December 2011 to Friday, 30 December 2011 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, 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 Friday, 23 December 2011.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 30 September 2011 is subject to the approval by the shareholders at the Annual General Meeting. For determining the entitlement to the proposed final dividend, the register of members will be closed from Friday, 6 January 2012 to Tuesday, 10 January 2012 (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 Thursday, 5 January 2012.

CORPORATE GOVERNANCE

Throughout the year ended 30 September 2011, 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.2.1. stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Starting from 1 December 2010, Mr. Wong Tat Chang, Abraham holds both the positions of the Chairman and Managing Director of the Company following the resignation of the former Chairman, Mr. Wong Bing Lai.

The Board considers that vesting the roles of both Chairman and Managing Director in the same person will provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also considers that the current corporate structure will not impair the balance of power and authority between the Board and the management of the Company.

The Board will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of roles of Chairman and Managing Director, are necessary.

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.

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 2011.

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 2011 with the executive directors.

Wong Tat Chang, Abraham
Chairman and Managing Director

Hong Kong, 17 November 2011

As at the date of this announcement, the Board of Directors of the Company comprises, Mr. Wong Tat Chang, Abraham (Chairman and 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.