Tomson Group

TOMSON GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 258)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2011

The Board of Directors (the "Board") of Tomson Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (altogether the "Group") for the year ended 31st December, 2011 together with comparative figures for the corresponding year of 2010 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**Year ended 31st December** **2011** **HK$'000**	2010 HK$'000
Gross proceeds from operations	4&5	**2,020,048**	3,718,737
Revenue	4	**1,919,605**	3,533,110
Cost of sales		**(522,926)**	(977,084)
Gross profit		**1,396,679**	2,556,026
Net (loss) gain in investments held for trading		**(247,726)**	158,433
Other income	6	**53,167**	81,888
Other gains and losses		**19,015**	(3,854)
Selling expenses		**(250,489)**	(343,088)
Administrative expenses		**(200,968)**	(180,757)
Net gain on disposal and fair value changes of investment properties		**104,746**	184,167
Finance costs	7	**(159,680)**	(56,070)
		714,744	2,396,745
Share of results of associates		**(1,384)**	1,451
Share of results of jointly controlled entities		**4,192**	11,917
Profit before taxation	8	**717,552**	2,410,113
Taxation	9	**(638,137)**	(1,435,583)
Profit for the year		**79,415**	974,530
Profit for the year attributable to:			
Owners of the Company		**15,210**	860,018
Non-controlling interests		**64,205**	114,512
		79,415	974,530
Earnings per share (HK cents)	11		
- Basic		**1.08**	62.71
- Diluted		**1.08**	62.57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31st December	
	2011	2010
	HK$'000	HK$'000
Profit for the year	**79,415**	974,530
Other comprehensive income (expenses)		
Exchange difference arising from translation of:		
- jointly controlled entities	**47,653**	16,281
- other foreign operations	**446,175**	337,204
(Loss) gain on changes in fair value of available-for-sale investments	**(30,425)**	5,113
Share of other comprehensive (expense) income of associates	**(105)**	639
Reclassification adjustment:		
- Release from reserve on acquisition upon sale of properties held for sale	**3,365**	10,084
Other comprehensive income for the year	**466,663**	369,321
Total comprehensive income for the year	**546,078**	1,343,851
Total comprehensive income attributable to:		
Owners of the Company	**435,665**	1,214,844
Non-controlling interests	**110,413**	129,007
	546,078	1,343,851

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31st December **2011** HK$'000	2010 HK$'000
Non-Current Assets			
Fixed assets			
- Investment properties		**6,230,313**	5,853,656
- Property, plant and equipment		**691,030**	363,294
Lease premium for land		**69,642**	72,489
Film distribution rights		**5,741**	-
Prepayment for film distribution rights		**6,488**	-
Goodwill		**33,288**	33,288
Deferred tax assets		**3,526**	3,054
Interests in associates		**33,952**	34,210
Interests in jointly controlled entities		**1,063,199**	1,023,246
Available-for-sale investments		**107,320**	137,745
Pledged bank deposits		**54,624**	47,583
		8,299,123	7,568,565
Current Assets			
Lease premium for land		**7,032**	6,720
Properties under development		**4,156,741**	2,412,965
Deposits paid for land use rights		**872,724**	2,157,192
Properties held for sale		**2,811,320**	3,147,792
Trade and other receivables and prepayments	12	**268,314**	249,169
Investments held for trading		**429,897**	498,103
Inventories		**27,034**	26,217
Prepaid income tax		**497,247**	201,138
Pledged bank deposits		**814,628**	-
Cash and bank balances		**2,980,449**	3,201,637
		12,865,386	11,900,933
Current Liabilities			
Trade and other payables and accruals	13	**755,016**	718,867
Receipts in advance		**92,262**	669,612
Tax payables		**3,190,783**	2,607,325
Borrowings		**1,123,794**	129,717
		5,161,855	4,125,521
Net Current Assets		**7,703,531**	7,775,412
Total Assets Less Current Liabilities		**16,002,654**	15,343,977

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	As at 31st December	
	2011	2010
	HK$'000	HK$'000
Capital and Reserves		
Share capital	**708,180**	695,790
Share premium and reserves	**10,135,425**	9,730,648
Equity attributable to owners of the Company	**10,843,605**	10,426,438
Non-controlling interests	**1,068,517**	1,050,674
Total Equity	**11,912,122**	11,477,112
Non-Current Liabilities		
Borrowings	**2,221,789**	1,923,349
Deferred tax liabilities	**1,868,743**	1,943,516
	4,090,532	3,866,865
	16,002,654	15,343,977

Notes:

1. The Audit Committee of the Board of the Company has reviewed the consolidated financial statements of the Group for the year ended 31st December, 2011.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). 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 and by the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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:

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The application of the new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1]Effective for annual periods beginning on or after 1st July, 2011
[2]Effective for annual periods beginning on or after 1st January, 2013
[3]Effective for annual periods beginning on or after 1st January, 2015
[4]Effective for annual periods beginning on or after 1st January, 2012
[5]Effective for annual periods beginning on or after 1st July, 2012
[6]Effective for annual periods beginning on or after 1st January, 2014

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 addition, under HKFRS 9, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held-for-trading) in other comprehensive income, with only dividend income generally recognised in the consolidated income statement.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, with earlier application permitted. The Directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2015 and that the application of HKFRS 9 might have impact on amounts reported in respect of the Group's available-for-sale investments but no impact on amounts reported in respect of the Group's financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011). Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK (SIC) – Int 12 "Consolidated – Special Purpose Entities". 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) the 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.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures" and HK (SIC)-Int 13 "Jointly Controlled Entities-Non-Monetary Contributions by Venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11 joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three 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.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1st January, 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time. The Directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2013. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)**

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad, it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual period beginning on or after 1st January, 2013 with earlier application permitted. The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2013 and that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

The amendments to HKAS 1 retain the option to present consolidated income statement and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to consolidated income statement, and (b) items that may be reclassified subsequently to consolidated income statement when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1st January, 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

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. If the presumption is not rebutted, 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. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The Directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

4. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

Revenue represents the aggregate of revenue under the following headings:

(i) Property investment
- represents revenue from property management and rental income

(ii) Property development and trading
- represents gross revenue received and receivable from sales of properties

(iii) Industrial operations
- represents the gross revenue from sale of manufactured PVC pipes

(iv) Leisure
- represents the income from golf club operations and its related services

(v) Media and entertainment
- during the year, the Group participated in media and entertainment business and revenue represents the gross revenue received and receivable from investment in concerts

Gross proceeds from operations include the gross proceeds received and receivable from investments held for trading under the business of securities trading, in addition to the above aggregated revenue.

Revenue and gross proceeds from each type of business for the year ended 31st December, 2011 consist of the followings:

	2011	2010
	HK$'000	HK$'000
Revenue from sale of properties	**1,584,876**	3,267,793
Revenue from sale of goods	**41,636**	49,329
Revenue from rendering of services from golf club operations	**100,575**	79,428
Revenue from property rental and management fee	**182,881**	136,560
Revenue from media and entertainment	**9,637**	-
Revenue	**1,919,605**	3,533,110
Gross proceeds from sale of securities	**100,443**	185,627
Gross proceeds from operations	**2,020,048**	3,718,737

5. SEGMENT INFORMATION

The Group's operating and reportable segments are based on information reported to the chief operating decision makers, the Executive Directors of the Company, for the purposes of resource allocation and performance assessment. In addition to those set out in Note 4(i) to (v), the Group's operating segments under HKFRS 8 include securities trading segment which is dealing in investments held for trading.

2011

	Property Investment HK$'000	**Property Development and Trading HK$'000**	**Industrial Operations HK$'000**	**Leisure HK$'000**	**Media and Entertainment HK$'000**	**Securities Trading HK$'000**	**Total HK$'000**
GROSS PROCEEDS FROM OPERATIONS - SEGMENT REVENUE	**182,881**	**1,584,876**	**41,636**	**100,575**	**9,637**	**100,443**	**2,020,048**
RESULTS							
Segment profit (loss)	**192,819**	**915,836**	**(4,131)**	**2,249**	**(3,651)**	**(248,187)**	**854,935**
Other unallocated income							**71,953**
Unallocated expenses							**(52,464)**
Finance costs							**(159,680)**
							714,744
Share of results of associates							**(1,384)**
Share of results of jointly controlled entities							**4,192**
Profit before taxation							**717,552**

2010

	Property Investment HK$'000	Property Development and Trading HK$'000	Industrial Operations HK$'000	Leisure HK$'000	Media and Entertainment HK$'000	Securities Trading HK$'000	Total HK$'000
GROSS PROCEEDS FROM OPERATIONS – SEGMENT REVENUE	136,560	3,267,793	49,329	79,428	-	185,627	3,718,737
RESULTS							
Segment profit (loss)	258,795	2,014,600	(2,518)	(5,026)	-	158,245	2,424,096
Other unallocated income							79,399
Unallocated expenses							(50,680)
Finance costs							(56,070)
							2,396,745
Share of results of associates							1,451
Share of results of jointly controlled entities							11,917
Profit before taxation							2,410,113

5. SEGMENT INFORMATION (continued)

Except for the presentation of segment revenue which is different from the reported revenue in the consolidated income statement, the accounting policies of the operating segments are the same as the Group's accounting policies. For the details of revenue from each type of business and reconciliation of segment revenue to the Group's revenue of HK$1,919,605,000 (2010: HK$3,533,110,000), please refer to Note 4.

Segment profit (loss) represents the results by each segment without allocation of central administration costs, directors' salaries, share of results of associates and jointly controlled entities, other non-recurring income and expenses and finance costs. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

Geographical Information

The Group's operations, assets and revenue are substantially situated in or derived from the mainland China. The Group's revenue of property investment and property development and trading from external customers is based on location of properties sold and leased out. Revenue of industrial operations from external customers is based on the location of customers. Revenue of leisure from external customers is based on the location of services provided.

Revenue from media and entertainment business is based on the location of the concerts or films exhibited, which are substantially derived from Hong Kong.

Analysis of Group's revenue by each type of business is set out in Note 4.

6. OTHER INCOME

	2011	2010
	HK$'000	HK$'000
Other income included:		
Interest income	**40,908**	48,520
Dividends from available-for-sale investments - listed	**3,835**	5,114
Dividends from available-for-sale investments - unlisted	**-**	19,837

7. FINANCE COSTS

	2011	2010
	HK$'000	HK$'000
Interest on bank loans wholly repayable		
- within five years	**149,793**	58,269
- over five years	**11,077**	-
	160,870	58,269
Less: interest capitalised	**(1,190)**	(2,199)
	159,680	56,070

8. PROFIT BEFORE TAXATION

	2011 **HK$'000**	2010 HK$'000
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**31,772**	24,992
Amortisation of lease premium for land (included in administrative expenses)	**7,099**	6,716
Net loss on disposal/ write off of property, plant and equipment	**287**	11,698
Dividend from investment held for trading (included in net (loss) gain in investments held for trading)	**(1,770)**	(3,262)
(Recovery) allowance for bad and doubtful debts, net of bad debts written off/recovery	**(229)**	1,365
Net realised (gain) loss on disposal of investment properties (included in net gain on disposal and fair value changes of investment properties)	**(266)**	7,886

9. TAXATION

	2011 **HK$'000**	2010 HK$'000
The charge comprises:		
Hong Kong Profits Tax	**-**	23,587
People's Republic of China (the "PRC") (other than Hong Kong) Enterprise Income Tax calculated at tax rates prevailing in the respective jurisdictions where the relevant individual group companies operate	**159,138**	285,768
PRC Land Appreciation Tax	**566,215**	1,193,464
Dividend withholding tax	**621**	80
(Overprovision) underprovision in prior years		
- PRC (other than Hong Kong) Enterprise Income Tax	**(7,246)**	7,485
- Hong Kong Profits Tax	**-**	5,307
	718,728	1,515,691
Deferred tax credit	**(80,591)**	(80,108)
Total tax charges for the year	**638,137**	1,435,583

The Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%). No tax is payable on the profit arising in Hong Kong in 2011 since there is no assessable profit for the year.

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

9. TAXATION (continued)

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations changed the tax rate from 15% to 25% with effect from 1st January, 2008. There will be a transitional period for enterprises that currently receive preferential tax treatments granted by relevant tax authorities. Enterprises that are subject to a PRC income tax rate lower than 25% may continue to enjoy the lower PRC income tax rate and gradually transfer to the new PRC income tax rate within five years after the effective date of the New Law.

The major subsidiaries have their operations located in Pudong New Area, Shanghai, the PRC, according to the New Law which was effective on 1st January, 2008, the income tax rate was 18% with effect from 1st January, 2008 and will be gradually increased to 25% in 5 years. The income tax rate for the year ended 31st December, 2011 is 24% (2010: 22%).

10. DIVIDEND

The Directors declared payment of an interim dividend of 4 HK cents per share (2010: final dividend of 6 HK cents per share) amounting to approximately HK$56,581,000 (2010: HK$83,840,000) for the year ended 31st December, 2011.

Of the dividend paid during the year, approximately HK$49,072,000 was settled in shares under the Company's scrip dividend scheme approved by the Company on 2nd June, 2011 in respect of the final dividend for the year ended 31st December, 2010.

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:

	2011 **HK$'000**	2010 HK$'000
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share and diluted earnings per share	**15,210**	860,018
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,406,107,408**	1,371,386,209
Effect of dilutive potential ordinary shares - share options	**527,427**	3,173,822
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,406,634,835**	1,374,560,031

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The general credit terms of the Group given to trade customers are within 60 days. A longer credit period may be granted to customers with long business relationship.

Included in trade and other receivables and prepayments are trade receivables, net of impairment losses, of HK$39,388,000 (2010: HK$32,105,000) and their aged analysis as at the end of the reporting period is as follows:

	2011	2010
	HK$'000	HK$'000
0 – 3 months	**24,211**	20,502
4 – 6 months	**7,476**	5,948
7 – 12 months	**7,701**	5,655
	39,388	32,105

13. TRADE AND OTHER PAYABLES AND ACCRUALS

Included in trade and other payables and accruals are trade payables of HK$222,763,000 (2010: HK$235,521,000) and their aged analysis as at the end of the reporting period is as follows:

	2011	2010
	HK$'000	HK$'000
0 – 3 months	**59,708**	93,610
4 – 6 months	**488**	1,025
7 – 12 months	**1,308**	93
over 1 year	**161,259**	140,793
	222,763	235,521

INTERIM DIVIDEND FOR THE YEAR ENDED 31ST DECEMBER, 2011

To expedite the dividend payment to shareholders of the Company, the Board of the Company has declared an interim dividend (instead of recommending a final dividend) of 4 HK cents per share for the year ended 31st December, 2011 (2010: final dividend of 6 HK cents per share) to shareholders whose names appear on the register of members of the Company on Friday, 18th May, 2012 (the “Record Date”). The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of all or part of the interim dividend (the “Scrip Dividend Scheme”).

The Scrip Dividend Scheme is conditional upon The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the new shares of the Company to be allotted thereunder. For the purpose of determining the number of new shares of the Company to be allotted under the Scrip Dividend Scheme, the market value of a new share will be calculated as the average of the closing prices per share of the Company traded on the Stock Exchange for the five consecutive trading days up to and including the Record Date. A circular giving full details of the Scrip Dividend Scheme, together with a form of election, will be sent to the shareholders of the Company in due course. Dividend warrants and/or share certificates for the scrip dividend are expected to be despatched on Monday, 18th June, 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(a) For the purpose of determining shareholders who qualify for the interim dividend, the register of members of the Company will be closed from Wednesday, 16th May, 2012 to Friday, 18th May, 2012, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 15th May, 2012 for registration; and

(b) The annual general meeting of the Company is scheduled to be held on Friday, 1st June, 2012 (the "2012 AGM"). For the purpose of determining the shareholders who are entitled to attend and vote at the 2012 AGM, the register of members of the Company will be closed from Wednesday, 30th May, 2012 to Friday, 1st June, 2012, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the 2012 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 29th May, 2012 for registration.

GENERAL OVERVIEW

In respect of the consolidated results of the Group for the year ended 31st December, 2011, there was a consolidated profit after taxation attributable to the shareholders of the Company of approximately HK$15.21 million (2010: HK$860.02 million) and basic earnings per share was 1.08 Hong Kong cents (2010: 62.71 Hong Kong cents). If the changes in fair value of the investment properties were disregarded, the Group's profit before taxation for the year ended 31st December, 2011 would amount to approximately HK$613.07 million (2010: HK$2,218.06 million).

The decline in the profit for the year of 2011 was principally attributable to a decrease in the Group's revenue resulted from a reduction in the amount of sale proceeds of properties in Shanghai, the People's Republic of China (the "PRC") that could be recognized during the year under review. For the year ended 31st December, 2011, gross proceeds from operations and gross profit of the Group amounted to approximately HK$2,020.05 million (2010: HK$3,718.74 million) and HK$1,396.68 million (2010: HK$2,556.03 million) respectively.

The results of the Group for the year under review were further adversely affected by an unrealized loss on changes in fair value of the Group's securities investments held for trading owing to fluctuations in global financial market which also affected the market of Hong Kong Special Administrative Region ("Hong Kong") of the PRC, that should be recorded in the consolidated financial statements of the Group for the year under review according to accounting standards adopted. A net loss in securities investments held for trading of approximately HK$247.73 million (2010: gain of approximately HK$158.43 million) was recorded in the consolidated financial statements of the Group for the year of 2011.

OPERATIONS REVIEW

The Group's major operations are based in the mainland of the PRC and property development and investment are the Group's most significant operating segments. Since the property projects in Tianjin and Macau Special Administrative Region ("Macau") of the PRC are in their development stage, property development and investment in Shanghai remained the core business and the principal source of profit of the Group for the year ended 31st December, 2011.

During the year of 2011, property development and trading was the primary profit maker of the Group and a contribution of approximately HK$915.84 million (2010: HK$2,014.60 million) was recorded while property investment was the second important profit contributor to the Group and delivered a profit of approximately HK$192.82 million (2010: HK$258.80 million) to the Group's annual results. Leisure activities of the Group ranked third in terms of profit contribution amongst the operating segments of the Group during the year under review and recorded a profit of approximately HK$2.25 million (2010: loss of approximately HK$5.03 million). In addition, the Group shared a profit of approximately HK$8.67 million (2010: HK$12.78 million) from its hotel operation for 2011. The Group also received dividends from its long-term equity investments of approximately HK$3.84 million (2010: HK$24.95 million) during the year of 2011.

On the other hand, securities trading activities of the Group reported a loss of approximately HK$248.19 million for the year under review (2010: profit of approximately HK$158.25 million). The Group's industrial operations recorded a loss of approximately HK$4.13 million (2010: HK$2.52 million) in the Group's annual results for 2011. In addition, the Group's investment in media and entertainment business, being a new operating segment of the Group in 2011, reported a loss of approximately HK$3.65 million for the year under review.

Property Development and Investment

The Group's property development and investment in Pudong of Shanghai, the PRC, being the principal activities of the Group, generated total revenue of approximately HK$1,767.76 million and accounted for approximately 87.5% of the gross proceeds from operations of the Group for the year ended 31st December, 2011. In addition, a net gain on disposal and fair value changes of the investment properties of the Group of approximately HK$104.75 million was recorded during the year under review. Tomson Riviera and Tomson Riviera Garden were the prime revenue generators and sources of profit of the Group in 2011.

Tomson Riviera, Shanghai

Tomson Riviera is notably a supreme residential development along the riverfront of Lujiazui of Pudong and right opposite the Bund. The four residential towers provide a total residential gross floor area of approximately 117,400 square meters. According to the business strategy of the Group, Towers A and C are earmarked for sale while leasing is concentrated in Towers B and D.

Satisfactory progress had been made in both sales and leases during 2011. As at 31st December, 2011, approximately 57% of the residential gross floor area of Towers A and C were sold and approximately 58% of the residential gross floor area of Towers B and D were leased.

For the year ended 31st December, 2011, recognized revenue from sale and leasing generated from the project amounted to approximately HK$1,055.56 million and accounted for approximately 52.2% of the gross proceeds from operations of the Group. In addition, a gain on fair value change of Tomson Riviera of approximately HK$96.27 million was recorded during the year under review according to applicable accounting standards in respect of investment properties. Besides, a sales deposit of the project of approximately HK$50.36 million was credited at the year-end date of 2011 and is expected to be recognized in the results of the Group in 2012.

The management will focus on leasing of the project in 2012 in view of current market sentiment.

Tomson Riviera Garden, Shanghai

Tomson Riviera Garden is a low-rise residential project of the Group adjacent to Tomson Shanghai Pudong Golf Club in Sanba River District of Pudong and the Group holds a 70% interest in the project. Construction of Phases 1 and 2 of the residential development was completed in 2008 and 2010 respectively.

As at 31st December, 2011, only 4 units of detached houses of Phase 2 with aggregate saleable gross floor area of approximately 1,759 square meters remained unsold. For the year of 2011, total recognized revenue generated from both of the residential units and a commercial property with ancillary car park of the project amounted to approximately HK$617.05 million and accounted for approximately 30.5% of the gross proceeds from operations of the Group.

As at the end of the year under review, a sum of receipts in advance in respect of sale of residential units of approximately HK$28.50 million was credited to the Group and is expected to be recognized in the results of the Group for the year of 2012.

As reported in the interim report of the Company for 2011, the Group entered into a conditional agreement on 5th August, 2011, pursuant to which the Group agreed to acquire the land use rights of a plot of land with a site area of approximately 18,818.1 square meters (the "Acquired Site") in Sanba River District, Pudong where Tomson Riviera Garden is located, at a consideration of approximately RMB255.26 million, by returning another plot of land with a site area of approximately 17,531.7 square meters in the same district registered in the Group's name and paying a shortfall in consideration of approximately RMB17.45 million in cash. The transactions constituted a connected transaction for the Company under Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and were approved by the independent shareholders at the extraordinary general meeting of the Company held on 14th September, 2011. The Acquired Site was delivered to the Group and the development plan is being formulated. It is intended to develop the Acquired Site into a low-density residential development with a saleable gross floor area of approximately 8,650 square meters as Phase 3 of Tomson Riviera Garden. Taking account of the time for applying for government approval and construction permit, construction works are expected to commence around September 2012 and are scheduled for completion in 2014.

Land at Jinqiao-Zhangjiang District, Shanghai

As reported in the interim report of the Company for 2011, the Company acquired through a wholly-owned subsidiary the land use rights of a plot of land located at Jinqiao-Zhangjiang District, Pudong with a site area of approximately 300,700 square meters at a consideration of RMB1,829.25 million. Vacant possession of over 60% of the site area of the land was delivered in phases according to the agreement while the remaining area will be delivered in two phases at the end of 2012 and 2013 as scheduled. The Group intends to develop the land into a low-density residential development in seven phases with a total gross floor area of approximately 213,230 square meters, which will be in harmony with the Group's existing residential development adjacent to Tomson Shanghai Pudong Golf Club. Owing to progress in detailed design of the development plan, construction of the first phase of the land was delayed and is now expected to commence in the third quarter of 2012 and is to be completed in 2014.

Miscellaneous Residential Development in Shanghai

Tomson Golf Villas and Garden have been developed in phases around the periphery of Tomson Shanghai Pudong Golf Club in Pudong since 1996 and there are now less than 10 units available for sale. No sale was concluded during the year ended 31st December, 2011.

Xingguo Garden is the sole residential development of the Group in Puxi. Apart from holding less than 10 car parking space for sale, all the residential gross floor area of the project has already been sold out.

Commercial and Industrial Buildings, Shanghai

Rental income and management fee from the Group's commercial and industrial property portfolio in Pudong, comprising Tomson Commercial Building, Tomson International Trade Building, Tomson Waigaoqiao Industrial Park and the commercial podium of Tomson Business Centre, provided a steady recurrent revenue to the Group and accounted for approximately 4.8% of the gross proceeds from operations of the Group for the year under review.

In January 2011, the Group acquired office premises situated at 72nd Floor of Shanghai World Financial Centre in Pudong at a consideration of approximately RMB267.42 million. The Board considers that the acquisition is an attractive opportunity for the Group to secure long-term office space in a prestigious property situated in a prime location in the financial district of Pudong and which should offer good potential in enhancing shareholders' value. The premises were classified as fixed assets of the Group at the end of the year under review. To optimize the use of the Group's resources, the management has been exploring various feasible plans of leasing the premises.

Phase 2 of Jinwan Plaza, Tianjin

The Group formed two joint ventures with a state-owned enterprise in June 2010 for development of phase 2 of Jinwan Plaza which is situated in the central area of Heping District, Tianjin, the PRC.

The Group holds a 75% equity interest in Tianjin Jinwan Real Estate Development Co., Limited which plans to develop two high-rise buildings of 25 and 57 stories respectively for residential apartments, commerce and other commercial services. The total gross floor area of these two buildings amounts to approximately 296,900 square meters with a gross floor area of 207,700 square meters above ground. Construction works commenced on 31st August, 2011 and piling and foundation works were completed in February 2012. It is scheduled to complete the entire project in 2015.

In addition, the Group holds a 51% equity interest in Tianjin Jinwan Property Co., Limited which plans to develop a high-rise building of 70 stories for commerce, hotel, offices, serviced apartments and other commercial services with a gross floor area of not more than 159,000 square meters above ground. Architectural design of the building is at the final stage. Construction works are scheduled for commencement in the third quarter of 2012 and it is expected that the construction will take around 4 years.

Penha Hill project, Macau

In November 2010, the Group completed the subscription of a 70% interest in a project company which is the owner and developer of a plot of land with a site area of approximately 2,569 square meters located at Penha Hill, within a designated World Heritage zone of Macau. A luxury residential condominium consisting of 4 towers of 7 to 12 stories of residential units, a club house and car parks with an estimated total gross floor area of approximately 23,600 square meters is being developed. The site formation work was completed in 2011. The piling and foundation works are in progress and targeted for completion in early April 2012. The project company is in the process of tender review in respect of the superstructure of the development. The major construction works are tentatively scheduled to be completed in 2013.

Hospitality and Leisure Industry

Tomson Shanghai Pudong Golf Club, Shanghai

Tomson Shanghai Pudong Golf Club is situated in Pudong, Shanghai and generated revenue of approximately HK$100.58 million, being approximately 5% of the gross proceeds from operations of the Group, for the year ended 31st December, 2011. There was an increase in revenue during the year under review which was mainly attributable to progress in both sale of membership debentures and revenue from golfing activities. As a whole, the operation reported an operating gain of approximately HK$2.25 million for the year of 2011.

The InterContinental Shanghai Pudong hotel, Shanghai

The InterContinental Shanghai Pudong hotel, situated in Lujiazui of Pudong, Shanghai, reported a slight drop in its average occupancy rate to 71% in 2011, in the absence of an additional inflow of tourists to Shanghai for the World Expo in 2010. In addition, the earthquake in Japan and financial crisis of the Euro zone caused a reduction of visitors to Shanghai. The newly opened hotels in Shanghai further intensify competition in the hospitality industry. Nevertheless, the Group, having a 50% interest in the hotel, shared a profit of approximately HK$8.67 million from the hotel operation for the year of 2011.

Securities Trading

The Group has invested in various listed securities in Hong Kong to diversify its business portfolio and maximize its return to cash balance. Sale proceeds from disposal of and dividend receipt of trading securities of the Group accounted for approximately 5% of the gross proceeds from operations of the Group for the year under review. Taking into account an unrealized loss on changes in fair value of the trading securities, the Group recorded a net loss in securities investment held for trading of approximately HK$247.73 million for the year ended 31st December, 2011.

Industrial Operations

Originally intended to complement its core business in the property sector, the Group holds a 58% interest in an operation manufacturing PVC pipes and fittings in Shanghai. The manufacturing operation accounted for approximately 2% of the gross proceeds from operations of the Group for the year ended 31st December, 2011. Suffering from a slowdown in property development projects in the mainland of the PRC and a reduction in overseas orders due to the civil war in Libya, the operation recorded a decrease in turnover during the year under review. In addition, the production cost increased owing to the rise in raw materials price. As a result, the operation reported a loss of approximately HK$4.13 million during the year of 2011.

Media and Entertainment Business

In anticipation of the potential increase in demand for leisure activities from mainland visitors and the local population in Hong Kong, the Group has decided to participate in the film distribution business. Two films were released by the Group as distributor in November 2011. However, no revenue was recognized for the year under review as the amount of revenue receivable has not yet been ascertained. The Group invested approximately HK$12.23 million in 2011 and had commitment to pay a further sum of approximately HK$15.29 million as at 31st December, 2011 for acquisition of licensed rights for film distribution. It is scheduled to release around ten films in Hong Kong in 2012.

In addition, the Group has taken part in investments in live entertainment. Being a minority investor in such investments, the revenue generated only accounted for 0.5% of the gross proceeds from operations of the Group for the year ended 31st December, 2011. The Group will continue to participate in investments in various live performances in 2012.

Owing to the cost of setting up a new business, this operating segment incurred a loss of approximately HK$3.65 million for the year of 2011.

Investment Holding

In addition to its own property development projects, the Group holds a 9.8% interest in the issued capital of Rivera (Holdings) Limited ("RHL"), a listed company in Hong Kong, and a 13.5% interest in the registered capital of an associated company of RHL established in the PRC. Both companies are principally engaged in property development and investment in Shanghai, the PRC, mainly in Zhangjiang Hi-Tech Park of Pudong. Dividends of approximately HK$3.84 million were received during the year under review and an unrealized loss on changes in fair value of the long-term securities investments of approximately HK$30.43 million was charged to the investment reserve of the Group as at 31st December, 2011 according to the adopted accounting standards.

FINANCIAL REVIEW

Liquidity and Financing

The Group's capital expenditure and investments for the year ended 31st December, 2011 were mainly funded by cash on hand and bank borrowings.

At the end of the reporting period, the cash and cash equivalents of the Group amounted to approximately HK$2,980.45 million. During the year under review, the Group achieved a net cash inflow of approximately HK$924.37 million from its financing activities. After taking into account the net cash outflow of approximately HK$123.31 million and HK$1,118.03 million from its operation and investing activities respectively, the Group recorded a net cash outflow of approximately HK$316.97 million for the year under review (2010: cash inflow of approximately HK$384.55 million). The net cash outflow was mainly attributable to payment of tax, acquisition of office premises in Shanghai and placement in pledged bank deposits and was partly offset by new bank borrowings raised during the year under review.

The Group's borrowings as at 31st December, 2011 amounted to approximately HK$3,345.58 million (2010: HK$2,053.07 million), equivalent to 30.85% (2010: 19.69%) of the equity attributable to owners of the Company at the same date. Additional borrowings raised in 2011 were mainly to finance the property development projects in Tianjin and Macau and for working capital purpose. The Group did not employ any financial instruments for financing and treasury management. All of the borrowings were bank loans denominated in Renminbi or Hong Kong Dollars under security and were subject to floating interest rates. Of those borrowings, 33.59% were due for repayment within one year from the end of the reporting period, 11.44% were repayable more than one year but not exceeding two years from the end of the reporting period, 51.14% was due for repayment more than two years but within five years from the end of the reporting period, while the remainder was due for repayment more than five years from the end of the reporting period.

At the end of the reporting period, the Group had capital commitments, contracted but not provided for, in relation to expenditure on properties under development of approximately HK$178.68 million (2010: HK$35.11 million). In respect of the licensed rights for film distribution, there were capital commitments of approximately HK$9.80 million (2010: Nil), which was contracted but not provided for, and of approximately HK$5.49 million (2010: Nil), which was authorized but not contracted for. The Group anticipates funding those commitments from its future operating revenue, bank borrowings and other sources of finance where appropriate.

As at 31st December, 2011, the Group recorded a current ratio of 2.49 times (2010: 2.88 times) and a gearing ratio (total liabilities to equity attributable to the owners of the Company) of 85.33% (2010: 76.65%). The slight decline in the current ratio was mainly due to new bank borrowings raised during the year under review and such new bank borrowings also pushed up the gearing ratio.

Charge on Assets

As at 31st December, 2011, assets of the Group with an aggregate carrying value of approximately HK$9,772.09 million (2010: HK$5,939.96 million) were pledged to banks to secure bank loans of the Group.

Foreign Exchange Exposure

The majority of the Group's assets and liabilities are denominated in Renminbi and the liabilities are well covered by the assets, the management therefore expects that the change in value of Renminbi will not have any adverse effect on the Group since Renminbi has generally been perceived as having potential to appreciate in value relative to Hong Kong Dollars. All of the other remaining assets and liabilities of the Group are denominated in either Hong Kong Dollars or United States Dollars; hence, the Group does not anticipate any material foreign exchange exposure.

Contingent Liabilities

As at 31st December, 2011, the Group had a contingent liability of US$3 million (2010: US$3 million) in respect of a provision of a guarantee to indemnify the management company of The InterContinental Shanghai Pudong hotel a pro-rata share of the fund paid for hotel renovation and system upgrading. The Board is of the opinion that it would be unlikely for the Group to suffer any material financial loss as a result of giving the aforesaid guarantee.

PROSPECTS

Confronted by the control measures promulgated by the PRC government on the real estate sector, there will be a great challenge for the Group's property trading business in 2012 and the management desires to focus on the leasing market in the short run. Tomson Riviera will be the principal source of profit for the Group in 2012.

Though there is likely to be an unfavourable impact on market sentiment of the property market arising from the possibility of pronouncement of further measures by the PRC government, the Group determines to keep property development and investment in the PRC as its principal business activities and will carry out its property development as planned. The year 2012 and the next two years will be the major construction period of the Group's property projects and the management will devote its attention to the development of the low-density residential property projects in Pudong, Shanghai, as well as the composite property project in Tianjin and the residential property project in Macau. In line with the Group's strategy, all these projects will be targeted at the mid- to high-end of the market.

The Group will also monitor market trends and developments in the global real estate sector and will explore and evaluate appropriate investment opportunities in the PRC or other major international cities to capture any potential value appreciation.

On the other hand, seizing the opportunity of a rebound of the stock market in Hong Kong, the Group has disposed of part of its securities investments in the first quarter of 2012 to realize profit and shall continue to maintain a cautious stance in management of its securities portfolio in view of the volatility of the global and Hong Kong financial markets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December, 2011, there was no purchase, sale or redemption made by the Company, or any of its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company has reviewed the Company's corporate governance practices and considers that the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules throughout the year ended 31st December, 2011, except that:

(a) Madam Hsu Feng takes up both the posts of Chairman of the Board and Managing Director of the Company. While this is a deviation from the Code, dual role leadership provides the Group with a strong and consistent leadership and allows for more effective operation of the business. The Board is of the view that there is an adequate balance of power. Responsibilities for the Company's daily business management are shared amongst Madam Hsu and other members of the executive committee of the Board. Besides, all major decisions are made in consultation with members of the Board and appropriate committees of the Board in accordance with the provisions of the code on internal control of the Company; and

(b) none of the existing Independent Non-Executive Directors of the Company are appointed for a specific term. Nevertheless, they are subject to retirement and re-election at least once every three years at annual general meetings of the Company according to the Articles of Association of the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR OF 2011

This annual results announcement is published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk and on the Company's website at http://www.tomson.com.hk. The Annual Report 2011 of the Company will be available on both websites and despatched to the shareholders of the Company by the end of April 2012.

On behalf of the Board of
TOMSON GROUP LIMITED
Hsu Feng
Chairman and Managing Director

Hong Kong, 30th March, 2012

As at the date of this announcement, the Board of the Company comprises five Executive Directors, Madam Hsu Feng (Chairman and Managing Director), Mr Tong Albert (Vice-Chairman), Mr Tong Chi Kar Charles (Vice-Chairman), Mr Yeung Kam Hoi and Mr Chuang Hsiao-Chen, and three Independent Non-Executive Directors, Mr Cheung Siu Ping, Oscar, Mr Lee Chan Fai and Mr Sean S J Wang.