Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

POKFULAM DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 225)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2012

The Board of Directors announces that the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 31 March 2012 together with comparative figures for the corresponding period in 2011 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2012

		Six months ended	
	NOTES	**31.3.2012 (unaudited) *HK$'000***	31.3.2011 (unaudited) *HK$'000*
Turnover	*2*	**64,164**	62,191
Cost of goods sold		**(8,830)**	(9,983)
Cost of rental and other operations		**(13,652)**	(13,317)
		41,682	38,891
Other income		**11,403**	8,457
Increase in fair value of investments held for trading		**12,857**	4,260
Gain on fair value change of investment properties		**8,375**	308,247
Selling and marketing expenses		**(979)**	(725)
Administrative expenses		**(4,770)**	(4,464)
Finance costs	*3*	**(317)**	(458)
Share of loss of a jointly controlled entity		**(3,981)**	(2,318)
Profit before taxation	*4*	**64,270**	351,890
Income tax expense	*5*	**(9,178)**	(57,837)
Profit for the period		**55,092**	294,053

	NOTES	Six months ended 31.3.2012 (unaudited) HK$'000	31.3.2011 (unaudited) HK$'000
Other comprehensive income			
Exchange difference arising on translation of foreign operations		**193**	591
Exchange gain arising from long term advances to a jointly controlled entity		**341**	1,098
Other comprehensive income for the period		**534**	1,689
Total comprehensive income for the period		**55,626**	295,742
Profit attributable to:			
Owners of the Company		**54,542**	292,883
Non-controlling interests		**550**	1,170
		55,092	294,053
Total comprehensive income attributable to:			
Owners of the Company		**55,076**	294,572
Non-controlling interests		**550**	1,170
		55,626	295,742
		HK cents	*HK cents*
Earnings per share – basic	*7*	**49.5**	265.8
Interim dividend per share	*6*	**4.0**	4.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2012

	NOTES	**31.3.2012 (unaudited) *HK$'000***	30.9.2011 (audited) *HK$'000*
Non-current Assets			
Investment properties		**3,403,715**	3,395,340
Property, plant and equipment		**6,441**	6,515
Interest in a jointly controlled entity		**9,863**	13,318
Amount due from a jointly controlled entity		**71,831**	70,403
Available-for-sale investments		**8,000**	8,000
		3,499,850	3,493,576
Current Assets			
Inventories		**6,675**	5,921
Investments held for trading		**48,154**	35,227
Trade and other receivables	*8*	**4,672**	3,538
Deposits and prepayments		**3,338**	1,703
Bank balances and cash		**39,170**	23,082
		102,009	69,471
Current Liabilities			
Trade and other payables	*9*	**9,132**	9,971
Rental and management fee deposits		**22,109**	21,129
Provision for taxation		**5,568**	9,539
Bank loan, secured		**42,000**	42,000
Bank overdrafts, secured		**211**	–
		79,020	82,639
Net Current Assets (Liabilities)		**22,989**	(13,168)
Total Assets less Current Liabilities		**3,522,839**	3,480,408
Capital and Reserves			
Share capital		**110,179**	110,179
Reserves		**2,930,983**	2,893,536
Equity attributable to owners of the Company		**3,041,162**	3,003,715
Non-controlling interests		**7,052**	6,502
Total equity		**3,048,214**	3,010,217
Non-current Liability			
Deferred taxation		**474,625**	470,191
		3,522,839	3,480,408

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

The condensed 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 accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2011 except as described below.

In the current interim period, the Group has applied, for the first time, the following revised standard and amendments ("revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to amendments to HKFRS 7, HKAS 1, HKAS 34 and HK (IFRIC) – Int 13
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 24 (Revised 2009)	Related Party Disclosures
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement

The application of the above revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

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

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

Except for HKFRS 9, HKFRS 10, HKFRS 11 and HKAS 12 (Amendments), in which the possible impact on application have been described in the Group's annual financial statements for the year ended 30 September 2011, the directors of the Company anticipate that the application of other new and revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

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

	Six months ended	
	31.3.2012	31.3.2011
	HK$'000	*HK$'000*
Property rentals and management fees	**48,196**	43,772
Sale of goods	**15,362**	17,815
Others	**606**	604
	64,164	62,191

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 segment for the period under review:

Six months ended 31 March 2012

	Property investment and management	**Trading of goods**	**Securities investment**	**Eliminations**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
REVENUE					
External	**48,196**	**15,362**	**606**	**–**	**64,164**
Inter-segment	**765**	**–**	**–**	**(765)**	**–**
	48,961	**15,362**	**606**	**(765)**	**64,164**
Segment profit	**45,688** *(note)*	**2,132**	**13,457**	**–**	**61,277**
Other income					**10,676**
Central administrative costs					**(3,385)**
Finance costs					**(317)**
Share of loss of a jointly controlled entity					**(3,981)**
Profit before taxation					**64,270**

Note: Segment profit of property investment and management division included gain on fair value change of investment properties of HK$8,375,000.

Six months ended 31 March 2011

	Property investment and management *HK$'000*	Trading of goods *HK$'000*	Securities investment *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE					
External	43,772	17,815	604	–	62,191
Inter-segment	779	–	–	(779)	–
	44,551	17,815	604	(779)	62,191
Segment profit	344,016 *(note)*	2,754	4,864	–	351,634
Other income					7,399
Central administrative costs					(4,367)
Finance costs					(458)
Share of loss of a jointly controlled entity					(2,318)
Profit before taxation					351,890

Note: Segment profit of property investment and management division included gain on fair value change of investment properties of HK$308,247,000.

Inter-segment revenue is charged at mutually agreed terms.

Segment profit represents the profit earned by each segment without allocation of certain other income (mainly including interest income, dividend 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.

3. FINANCE COSTS

The amounts represent interests on bank loan and bank overdrafts wholly repayable within five years.

4. PROFIT BEFORE TAXATION

	Six months ended	
	31.3.2012	31.3.2011
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Depreciation on property, plant and equipment	**720**	713
Gain on disposal of property, plant and equipment	**15**	–
Imputed interest on amount due from a jointly controlled entity	**(2,071)**	(2,066)
Dividend from listed securities	**(606)**	(604)
Management service income from an investee company classified as an available-for-sale investment	**–**	(5,333)
Dividend income from an investee company classified as an available-for-sale investment	**(8,507)**	–

5. INCOME TAX EXPENSE

	Six months ended	
	31.3.2012	31.3.2011
	HK$'000	*HK$'000*
Company and subsidiaries		
Hong Kong Profits Tax	**4,744**	5,482
Deferred tax charge	**4,434**	52,355
	9,178	57,837

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% for the periods under review.

6. DIVIDEND

In January 2012, the final dividend in respect of the financial year ended 30 September 2011 of HK16 cents (2011: HK16 cents in respect of the financial year ended 30.9.2010) per share totalling HK$17,629,000 (2011: HK$17,629,000) was paid to shareholders.

Subsequent to the end of the interim reporting period, the directors have determined that an interim dividend in respect of the financial year ending 30 September 2012 of HK4 cents (2011: HK4 cents) per share totalling HK$4,407,000 (2011: HK$4,407,000) shall be paid to the shareholders of the Company whose names appear in the register of members on 29 June 2012.

7. 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 period of approximately HK$54,542,000 (six months ended 31.3.2011: approximately HK$292,883,000) and on 110,179,385 (six months ended 31.3.2011: 110,179,385) shares in issue during the period.

Diluted earnings per share is not presented as there were no potential ordinary shares in issue for both periods and as at 31 March 2012 and 2011.

8. 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.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of reporting period:

	31.3.2012	30.9.2011
	HK$'000	*HK$'000*
0 – 30 days	**2,569**	1,951
31 – 60 days	**190**	59
61 – 90 days	**29**	36
Over 90 days	**441**	358
	3,229	2,404
Other receivables	**1,443**	1,134
	4,672	3,538

9. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting period:

	31.3.2012	30.9.2011
	HK$'000	*HK$'000*
0 – 30 days	**885**	574
31 – 60 days	**596**	189
61 – 90 days	**–**	–
Over 90 days	**160**	78
	1,641	841
Other payables	**7,022**	8,830
Deposit received for sale of goods	**469**	300
	9,132	9,971

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK4 cents per ordinary share in respect of the financial year ending 30 September 2012 (2011: HK4 cents per ordinary share) payable on 12 July 2012 to shareholders whose names appear on the Register of Members on 29 June 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 26 June 2012 to Friday, 29 June 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 25 June 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Profit

The unaudited consolidated net profit of the Group after taxation and non-controlling interests for the six months ended 31 March 2012 was HK$54.5 million (2011: HK$292.9 million). Had the revaluation surplus net of deferred tax on investment properties been excluded, the underlying net profit for the period would have been HK$48.0 million (2011: HK$35.9 million). The increase is mainly attributable to higher unrealized gain from the listed securities held by the Group at balance sheet date and increase in rental income.

Business Review

Hong Kong

The major portion of the Group's operating profit for the six months ended 31 March 2012 was derived from rental income generated by the Group's investment properties in Hong Kong, which had shown a moderate increase over that of the same period last year. The increase was due to higher rental rates for new leases and lease renewals as well as generally higher occupancy for the Group's properties in Hong Kong during the period under review.

The sales revenue of Elephant Holdings Limited had experienced a slight decline during the six months under review. However, this subsidiary continued to contribute profit to the Group.

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 were completed in late 2011. The process of obtaining various Certificates of Compliance from relevant government departments is in progress. Certificates of Property Title for the residential units will be issued after filing of the afore-mentioned Certificates of Compliance and obtaining approval from the responsible government department. Over 96 percent of the residential units in Phase III had been pre-sold. The tight money supply in China, coupled with the Central Government's measures to cool down the residential property market, had slowed down the pre-sale of the remaining residential units of this project. Sale of a pre-sold unit is deemed to be completed upon transfer of Property Title to its purchaser.

Residential units in Vivaldi Court of Manhattan Garden, Chao Yang District, Beijing – there had been some slight improvement in the occupancy rate of the Group's properties in this project during the six months under review, and the rental rates remained steady.

Prospects

The sovereign debt crisis and sluggish economic conditions in Europe, and the slow and uneven recovery of the US economy had affected China's economic growth and also Hong Kong's economy.

A major renovation program for one of the Group's residential properties on Headland Road has commenced, and tenancies there have necessarily been terminated. The renovation work is expected to last for one year, during which there will be no rental income derived from this property. Due to the uncertain economic outlook for the second half of 2012, there might be a decline in occupancy rate of the Group's other properties. In view of the above, the Group's overall rental income will likely decrease for the second half of the financial year.

Financial Review

Liquidity and financial resources

The Group will continue to maintain its conservative approach to financial management, funding and treasury policies. Consolidated equity attributable to owners of the Company as at 31 March 2012 were HK$3,041.2 million (30.9.2011: HK$3,003.7 million). The increase was mainly from the total comprehensive income attributable to the owners of the Company for the period of HK$55.1 million less dividend payment of HK$17.6 million. The Group's profit for the period mainly came from property investment and management.

At 31 March 2012, the Group's total borrowings, which were all denominated in Hong Kong dollars, were HK$42.2 million (30.9.2011: HK$42.0 million).

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:

	31.3.2012 ***HK$ Million***	30.9.2011 *HK$ Million*
Repayable:		
within one year	**42.2**	–
after one year but not exceeding two years	**–**	42.0
	42.2	42.0
Classified under:		
Current liabilities	**42.2**	42.0

The Group's bank term loan carries interest at HIBOR plus a margin and the bank overdrafts carry interest at prime rate minus a margin. At 31 March 2012, the debt to equity ratio, based on the Group's total borrowings of HK$42.2 million and the consolidated equity attributable to owners of the Company of HK$3,041.2 million, was 1.4%, as compared with 1.4% on 30 September 2011.

At 31 March 2012, 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 31 March 2012, the Group had undrawn banking facilities of HK$319.8 million which will provide adequate funding for the Group's operational and capital expenditure requirement.

Employees

At 31 March 2012, the Group had 108 employees. The staff remuneration including directors' emoluments and other employee expenses for the six months ended 31 March 2012 amounted to approximately HK$8.7 million (2011: HK$8.4 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.

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 six months ended 31 March 2012.

CORPORATE GOVERNANCE

Throughout the six months ended 31 March 2012, 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 (the "Listing Rules"), 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.

Although Mr. Wong Tat Chang, Abraham holds both the positions of the Chairman and Managing Director of the Company, the Board considers that vesting the roles of 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.

On 1 April 2012, all the directors of the Company have entered into letters of appointment with the Company for a term of three years commencing from 1 April 2012.

For the purpose of complying with the amendments to the Code and the Listing Rules which have been effect from 1 April 2012, the Board adopted the following on 27 March 2012:

– New terms of reference for the Audit Committee
– New terms of reference for the Remuneration Committee
– Terms of reference for the Board of Directors – Corporate Governance Functions
– Procedures for shareholders to propose a person for election as a director of the Company
– Shareholders' Communication Policy
– Policy for employees to raise concerns about possible improprieties

Nomination Committee

The Nomination Committee was established by the Board on 27 March 2012 with written terms of reference in compliance with the code. The primary functions of the Nomination Committee are to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, based on skills, knowledge and experience, to complement the Company's strategy.

The Nomination Committee comprises one executive director, Mr. Wong Tat Chang, Abraham (Chairman of the Nomination Committee), and two independent non-executive directors, Mr. Li Kwok Sing, Aubrey and Mr. Sit Hoi Wah, Kenneth.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the results (including the unaudited condensed consolidated interim financial statements) of the Group for the six months ended 31 March 2012.

In addition, the unaudited condensed consolidated financial statements of the Group for the six months ended 31 March 2012 have been reviewed by our auditors, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants and an unmodified review report is issued.

By Order of the Board
Wong Tat Chang, Abraham
Chairman and Managing Director

Hong Kong, 30 May 2012

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.