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田 生 集 團 有 限 公 司
RICHFIELD GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 183)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

FINAL RESULTS

The board of directors (the “Board”) of Richfield Group Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2011, together with the comparative figures for the year ended 30 June 2010:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2011

	Notes	2011 HK\$'000	2010 HK\$'000 (Re-presented)
Continuing operations			
Revenue	4	485,304	308,851
Cost of sales		(203,677)	(104,608)
Gross profit			
		281,627	204,243
Other income	5	8,073	2,048
Selling and distribution expenses		(9,050)	(5,091)
Administrative expenses		(77,597)	(34,208)
Operating profit			
		203,053	166,992
Finance costs	7	(1)	(5)
Share of profit of associates	12	-	1
Profit before income tax			
	6	203,052	166,988
Income tax expense	8	(35,142)	(25,868)
Profit for the year from continuing operations			
		167,910	141,120
Discontinued operations			
Loss for the year from discontinued operations	10	(7)	(683)
Profit for the year attributable to owners of the Company			
		167,903	140,437
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company during the year			
	11		
Basic			
- from continuing operations		HK 5.18 cents	HK 4.82 cents
- from discontinued operations		-	(HK 0.02 cents)
- from continuing and discontinued operations		HK 5.18 cents	HK 4.80 cents
Diluted			
- from continuing operations		HK 5.17 cents	N/A
- from discontinued operations		-	N/A
- from continuing and discontinued operations		HK 5.17 cents	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	2011 HK\$'000	2010 HK\$'000 (Re-presented)
Profit for the year	167,903	140,437
Other comprehensive income		
Net fair value (loss)/gain on available-for-sale financial assets	(42,367)	80,780
Other comprehensive income for the year, net of tax	(42,367)	80,780
Total comprehensive income for the year attributable to owners of the Company	125,536	221,217

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Notes	2011 HK\$'000	2010 HK\$'000 (Re-stated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		62,741	28,150
Interests in associates	12	–	–
Goodwill	13	474,000	474,000
Available-for-sale financial assets	14	106,918	116,304
Deposits		2,000	58
		645,659	618,512
Current assets			
Properties held for trading	15	70,437	37,450
Properties under development		381,150	14,334
Trade receivables	16	163,126	102,445
Prepayments, deposits and other receivables		34,943	18,438
Financial assets at fair value through profit or loss	17	3,480	3,696
Amount due from an associate	12	61,414	42,867
Cash and cash equivalents		756,248	231,842
Restricted bank deposits	18	58,115	64,247
		1,528,913	515,319
Current liabilities			
Bank overdrafts		–	389
Trade payables	19	39,740	–
Accrued expenses and other payables		143,715	97,346
Finance lease liabilities		203	97
Provision for income tax		57,420	37,267
		241,078	135,099
Net current assets		1,287,835	380,220
Total assets less current liabilities		1,933,494	998,732
Non-current liabilities			
Borrowings		215,983	–
Finance lease liabilities		709	356
		216,692	356
Net assets		1,716,802	998,376
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	34,785	29,285
Reserves		1,682,017	969,091
Total equity		1,716,802	998,376

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Equity attributable to the owners of the Company						
	Share capital HK\$'000	Share premium account HK\$'000	Proposed final dividend HK\$'000	Share- based payment reserve HK\$'000	Revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 July 2009	29,285	726,772	-	-	3,444	28,376	787,877
Dividends paid	-	(10,718)	-	-	-	-	(10,718)
Transactions with owners	-	(10,718)	-	-	-	-	(10,718)
Profit for the year	-	-	-	-	-	140,437	140,437
Other comprehensive income: Fair value gain on available-for-sale financial assets	-	-	-	-	80,780	-	80,780
Total comprehensive income for the year	-	-	-	-	80,780	140,437	221,217
At 30 June 2010 and 1 July 2010	29,285	716,054	-	-	84,224	168,813	998,376
Issue of shares (note 20)	5,500	599,500	-	-	-	-	605,000
Share issued expenses	-	(20,829)	-	-	-	-	(20,829)
Equity-settled share-based payments	-	-	-	8,719	-	-	8,719
Transactions with owners	5,500	578,671	-	8,719	-	-	592,890
Profit for the year	-	-	-	-	-	167,903	167,903
Other comprehensive income: Fair value loss on available-for-sale financial assets	-	-	-	-	(42,367)	-	(42,367)
Total comprehensive income for the year	-	-	-	-	(42,367)	167,903	125,536
Proposed final dividend 2011 (note 9)	-	(9,983)	9,983	-	-	-	-
At 30 June 2011	34,785	1,284,742	9,983	8,719	41,857	336,716	1,716,802

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. GENERAL INFORMATION

The Company is an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 1209, 12th Floor, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong.

The Company's issued shares were listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 21 May 2002. On 2 December 2010, the listing of shares of the Company was transferred from the GEM to the Main Board of the Stock Exchange (the "Main Board").

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of property brokerage services, provision of schemes for property consolidation, assembly and redevelopment, property trading and property development in Hong Kong.

On 13 November 2009, the business of trading of bags and accessories carried out by the subsidiaries, namely Multi Merchant Investments Limited ("Multi Merchant") and FX International Limited ("FX International") were disposed of to an independent third party as this business had suffered persistent losses and there will be no improvement in the near future. Details of the disposals of the subsidiaries are set out in note 10. This business segment is also presented as the discontinued operations (the "2010 Discontinued Operations") in accordance with HKFRS 5.

On 4 March 2011, the business of trading of recycled computers carried out by the subsidiaries, namely Maxitech System Company Limited ("Maxitech System") and Trigreat Investment Limited ("Trigreat Investment") were disposed of to an independent third party as this business had suffered persistent losses and there will be no improvement in the near future. Details of the disposals of the subsidiaries are set out in note 10. This business segment is also presented as discontinued operations (the "2011 Discontinued Operations") in accordance with HKFRS 5. Certain comparatives on the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and related notes were re-represented so as to reflect the results for the continuing operations and discontinued operations.

Other than the disposals as described above, there were no significant changes in the Group's operations during the year.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int") issued by the Hong Kong Institutes of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Company Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise stated.

The consolidated financial statements for the year ended 30 June 2011 were approved for issue by the board of directors on 21 September 2011.

2. ADOPTION OF NEW OR AMENDED HKFRSS

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the “New HKFRSSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 July 2010:

HKFRSSs (Amendments)	Improvements to HKFRSSs 2009
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Other than as noted below, the adoption of the New HKFRSSs had no significant impact on how the Group’s financial statements.

HKAS 17 (Amendments) – Leases

HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

The Group has reassessed the classification of unexpired leasehold land as at 1 July 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As interests from “Leasehold land” have been reclassified as “Property, plant and equipment”, the corresponding amortisation has also been reclassified to depreciation. These amendments had no impact on the Group’s retained earnings and current year results. The effect of the above changes is summarised as follows:

	2011 HK\$’000	2010 HK\$’000
Consolidated income statement for the year ended 30 June		
Decrease in amortisation of leasehold land	(388)	(226)
Increase in depreciation of property, plant and equipment	388	226

	2011 HK\$’000	2010 HK\$’000
Consolidated statement of financial position		
Decrease in leasehold land, net	(48,409)	(17,193)
Increase in property, plant and equipment, net	48,409	17,193

At the date of authorisation of these financial statements, the following new and amended HKFRSSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSSs that are expected to have impact on the Group’s accounting policies is provided below. Certain other new and amended HKFRSSs have been issued but are not expected to have a material impact on the Group’s financial statements.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ²
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets ³
HKAS 27 (Revised 2011)	Separate Financial Statements ⁵
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ⁵
HKAS 1 (Revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income ⁴
HKAS 19 (Revised 2011)	Employee Benefits ⁵
HKFRS 9	Financial Instruments ⁵
HKFRS 10	Consolidated Financial Statements ⁵
HKFRS 12	Disclosure of Interests in Other Entities ⁵
HKFRS 13	Fair Value Measurement ⁵

¹ Effective for annual periods beginning on or after 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 July 2011

⁴ Effective for annual periods beginning on or after 1 July 2012

⁵ Effective for annual periods beginning on or after 1 January 2013

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The directors of the Company are in the process of making an assessment of the potential impact of new and amended HKFRSs but are not yet in a position to state whether they could have material financial impact on the Group's results and financial position.

3. SEGMENT INFORMATION

The executive directors have identified the Group's two product and service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

There was no intersegment sale and transfer during the year (2010: Nil).

	Continuing operations					
	Property Assembly and Brokerage Business		Property Development		Total	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Reportable segment revenue:						
From external customers	485,304	308,851	–	–	485,304	308,851
Reportable segment profit	213,987	169,123	732	–	214,719	169,123
Bank interest income	24	59	–	–	24	59
Depreciation	2,665	1,383	–	–	2,665	1,383
Reportable segment assets	949,406	776,235	386,590	14,334	1,335,996	790,569
Additions to non-current segment assets during the year	37,525	27,428	–	–	37,525	27,428
Reportable segment liabilities	241,130	134,902	216,527	–	457,657	134,902

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2011 HK\$'000	2010 HK\$'000 (Re-presented)
Reportable segment revenue	485,304	308,851
Consolidated revenue	485,304	308,851
Reportable segment profit	214,719	169,123
Renovation service income	463	37
Net fair value gain on financial assets at fair value through profit or loss	288	251
Dividend income	476	439
Finance costs	(1)	(5)
Share of profit of associates	–	1
Unallocated corporate income	4,824	777
Unallocated corporate expenses	(17,717)	(3,635)
Profit before income tax from continuing operations	203,052	166,988
Reportable segment assets	1,335,996	790,569
Amount due from an associate	61,414	42,867
Available-for-sale financial assets	106,918	116,304
Financial assets at fair value through profit or loss	3,480	3,696
Corporate cash and bank balances and short term deposits	662,347	179,348
Discontinued operations assets	–	32
Other corporate assets	4,417	1,015
Group assets	2,174,572	1,133,831
Reportable segment liabilities	457,657	134,902
Other corporate liabilities	113	553
Group liabilities	457,770	135,455

All revenue from external customers and non-current assets are located in Hong Kong. The geographical location of customers is based on the location at which the services were provided and the goods were delivered. The geographical location of the non-current assets is based on the physical location of the assets.

During the year, there was no revenue from external customers attributable to the Cayman Islands (domicile) (2010: Nil) and no non-current assets were located in the Cayman Islands (2010: Nil). The country of domicile is the country where the Company was incorporated.

During the year, HK\$180,151,000 or 37% of the Group's revenue depended on a single customer in the Property Assembly and Brokerage Business (2010: HK\$141,246,000 or 46%).

4. REVENUE

The Group's principal activities are disclosed in note 1. Turnover of the Group is the revenue from these activities on continuing and discontinued operations.

Revenue from the Group's principal activities recognised during the year is as follows:

	2011 HK\$'000	2010 HK\$'000 (Re-presented)
Continuing operations		
Commission income	357,040	293,851
Sales of properties	128,264	15,000
	485,304	308,851

5. OTHER INCOME

	2011 HK\$'000	2010 HK\$'000 (Re-presented)
Continuing operations		
Interest income	2,810	835
Dividend income	476	439
Rental income	1,854	191
Renovation service income	463	37
Net fair value gain on financial assets at fair value through profit or loss	288	251
Exchange gain, net	1,824	–
Sundry income	358	295
	8,073	2,048

6. PROFIT BEFORE INCOME TAX

	2011 HK\$'000	2010 HK\$'000 (Re-presented)
Continuing operations		
Operating profit is arrived at after charging the following:		
Auditor's remuneration	600	448
Cost of inventories recognised as expense	74,879	13,823
Depreciation	2,939	1,543
Directors' remuneration	6,818	198
Loss on disposals of property, plant and equipment	2	–
Minimum lease payments under operating lease rentals for land and buildings	3,440	2,307

7. FINANCE COSTS

	2011 HK\$'000	2010 HK\$'000
Interest on bank loans wholly repayable within five years	2,758	–
Interest on overdrafts wholly repayable within five years	1	5
Total borrowing costs	2,759	5
Less: interest capitalised in properties under development	(2,758)	–
	1	5

* The borrowing cost have been capitalised at effective interest rate ranged from 1.89% to 1.95% per annum (2010: Nil).

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong for the year.

The amount of current income tax in the consolidated income statement represents:

	2011 HK\$'000	2010 HK\$'000
Hong Kong Current tax for the year	35,142	25,868
Total income tax expense	35,142	25,868

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2011	2010
	HK\$'000	HK\$'000
Profit before income tax	203,045	166,305
Tax calculated at 16.5% (2010: 16.5%)	33,503	27,440
Tax effect of non-deductible expenses	4,237	638
Tax effect of non-taxable revenue	(886)	(197)
Tax effect of temporary difference not recognised	112	37
Tax effect of unused tax losses not recognised	–	310
Tax effect of prior years' unrecognised tax losses utilised this year	(1,824)	(2,360)
Income tax expense	35,142	25,868

9. DIVIDENDS

(a) Dividend attributable to the year:

	2011	2010
	HK\$'000	HK\$'000
Proposed final dividend of HK0.287 cents (2010: Nil) per share	9,983	–

At the meeting held on 21 September 2011, the directors proposed a final dividend of HK0.287 cents (2010: nil) per share for the year to the shareholders whose names appear in the register of members of the Company on 8 November 2011. The proposed final dividend, amounting to HK\$9,983,000, has not yet been recognised as a liability at the reporting date.

(b) Dividend attributable to the previous year approved and paid during the year:

	2011	2010
	HK\$'000	HK\$'000
Final dividend in respect of previous year of HK\$ nil (2010: HK0.366 cents) per share	–	10,718

10. DISCONTINUED OPERATIONS

As mentioned in note 1, the business of trading of bags and accessories and recycled computers which were carried by Multi Merchant and FX International and Maxitech System and Trigreat Investment were disposed of to an independent third party on 13 November 2009 and 4 March 2011 respectively. These business segments are presented as discontinued operations in accordance with HKFRS 5.

11. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the following data:

	2011	2010 (Re-presented)
Profit/(Loss) for the year, attributable to owners of the Company (HK\$'000)		
– from continuing operations	167,910	141,120
– from discontinued operations	(7)	(683)
	167,903	140,437
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,239,322	2,928,500
Effect of dilutive potential ordinary shares in respect of employee share options	5,227	–
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	3,244,549	2,928,500

Diluted earnings per share for the year ended 30 June 2010 were not presented because there was no potential ordinary share in existence in 2010.

12. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE

	2011 HK\$'000	2010 HK\$'000
Non-current		
Share of net assets	–	–
Current		
Due from an associate	61,414	42,867

As at 30 June 2011, amount due from an associate are unsecured, interest-free and repayable on demand.

13. GOODWILL

Goodwill arose from the acquisition of Richfield Realty in 2007. The net carrying amount of HK\$474,000,000 (2010: HK\$474,000,000) as at 30 June 2011 is attributable to the Property Assembly and Brokerage Business. Details of the Acquisition were set out in the Company's circular dated 10 May 2007.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2011 HK\$'000	2010 HK\$'000
Listed equity securities – Hong Kong	76,700	99,200
Unlisted investment funds	30,218	17,104
	106,918	116,304
Net carrying amount at beginning of the year	116,304	28,612
Additions	32,981	6,912
Change in fair value (debited)/credited to revaluation reserve in equity	(42,367)	80,780
Net carrying amount at end of the year	106,918	116,304

15. PROPERTIES HELD FOR TRADING

The analysis of carrying amount of properties held for trading is as follows:

	2011 HK\$'000	2010 HK\$'000
In Hong Kong		
– 10 to 50 years (medium leases)	23,006	18,948
– Over 50 years (long leases)	47,431	18,502
	70,437	37,450

16. TRADE RECEIVABLES

The Group generally allows a credit period from 1 month to 3 years (2010: 1 month to 3 years) to its trade customers within Property Assembly and Brokerage Business, in accordance with the terms of the mutual agreements after individual negotiations.

Based on the invoice dates, ageing analysis of trade receivables is as follows:

	2011 HK\$'000	2010 HK\$'000
Within 90 days	84,192	101,583
91 to 180 days	70,611	361
181 to 365 days	7,753	501
Over 365 days	570	–
	163,126	102,445

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards to trade receivables, as the amounts recognised resemble a large number of receivables from various customers. Impairment on trade receivables is recognised when the debts are identified to be irrecoverable.

Based on due date, ageing analysis of trade receivables is as follows:

	2011 HK\$'000	2010 HK\$'000
Neither past due nor impaired	84,192	101,583
Less than 90 days past due	70,611	361
Over 90 days past due	8,323	501
Trade receivables that are past due but not impaired	78,934	862
	163,126	102,445

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

These represented the unlisted investment funds in United Kingdom and are held for trading purposes. The balances at the reporting dates are stated at fair value which have been determined by reference to the quoted bid prices at the reporting dates.

18. RESTRICTED BANK DEPOSITS

These bank deposits are kept in the separate bank accounts by the Group as these are temporarily received from the developers of the property assembly projects and are held on behalf of the developers for the purpose of the payments of initial deposits to the owners of the properties in accordance with the provisional sale and purchase agreements.

As these bank deposits are restricted to a specific use by the Group, they are not under the cash management of the Group.

19. TRADE PAYABLES

The Group was granted by its suppliers' credit periods ranging from 30 days to 230 days (2010: 30 days to 90 days). Based on the invoices dates, ageing analysis of trade payables is as follows:

	2011 HK\$'000	2010 HK\$'000
Within 30 days	–	–
31 to 90 days	39,740	–
	39,740	–

The directors of the Company consider that the carrying amounts of trade payables approximate to their fair values.

20. SHARE CAPITAL

	2011		2010	
	Number of shares '000	HK\$'000	Number of shares '000	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	10,000,000	100,000	10,000,000	100,000
	Number of shares '000	Ordinary shares HK\$'000	Number of shares '000	Ordinary shares HK\$'000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At the beginning of the year	2,928,500	29,285	2,928,500	29,285
Issue of shares	550,000	5,500	–	–
At the end of the year	3,478,500	34,785	2,928,500	29,285

On 27 October 2010, 5 November 2010 and 19 January 2011, the Company issued 150,000,000, 150,000,000 and 250,000,000 ordinary shares of HK\$1.20, HK\$1.15 and HK\$1.01 per share to facilitate general working capital of the Company. On 27 October 2010, 5 November 2010 and 19 January 2011, the subscriptions were completed and raised amounts of approximately HK\$180,000,000, HK\$172,500,000 and HK\$252,500,000 respectively (before expenses). The premium received of HK\$599,500,000 (before issuing expense) was credited to the share premium account.

21. MATERIAL RELATED PARTY TRANSACTIONS

21.1 The following transactions were carried out with the related parties:

	2011 HK\$'000	2010 HK\$'000
Commission income from an associate	–	11,765
Equipment acquired from a related company controlled by one of the directors of the Company	83	–
Printing fees paid to a related company controlled by one of the directors of the Company	546	312
Professional fees paid to a related company in which one of the directors of the Company is a partner	765	47
Rental expenses paid to a related company owned by a director of a subsidiary of the Company	970	872
Rental expenses paid to a related company owned by one of the directors of the Company	1,183	604
	3,547	13,600

These transactions were conducted at pre-determined prices in accordance with terms mutually agreed between the Group and these related parties. These transactions are conducted in the normal course of business.

21.2 Key management personnel compensation

	2011 HK\$'000	2010 HK\$'000
Short-term employee benefits	35,787	13,542

22. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 15 July 2011, Brilliant Idea Investments Limited (“Brilliant Idea”), a subsidiary of Kowloon Development Company Limited (“Kowloon Development”), claimed the Company that Richfull Consultants Limited (“Richfull”), a subsidiary of the Group, failed to acquire more than 80% of titles and interests of the properties at Wan On Street, Wan Shun Street, Wan King Street and Wan Fuk Street for the re-development projects before the prescribed date and accordingly the Company breached the agency agreement. On the other hand, Richfull undertook a separate legal action against Kowloon Development which was in breach of a verbal consultancy agreement in January 2011 for the payment of the agreed consultancy fee.

On 2 August 2011, Richfull and Kowloon Development agreed and signed a consent order for the settlement of consultancy fee. On the same date, the Company and Brilliant Idea agreed and signed a consent order for the above proceedings. On 10 August 2011, Richfull received the full settlement from Kowloon Development.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is principally engaged in provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading and property development in Hong Kong. The Group has diversified its business scope and commenced to engage in property development business in Hong Kong from the year ended 30 June 2010. The business of trading of recycled computers, which had been suspended since 1 September 2009, was disposed to an independent third party on 4 March 2011.

The Group is currently reviewing, analysing the potential value and engaging in various property assembly projects in Hong Kong. Those engaged projects are all residential and commercial properties which are located in Hong Kong Island and Kowloon. Regarding the property development business, the Group is engaged in 2 projects, which are both located in Kowloon.

FINANCIAL PERFORMANCE

The Group recorded a revenue (for continuing operations) of approximately HK\$485,304,000 in the year, representing an increase of approximately 57% comparing with the previous fiscal year of approximately HK\$308,851,000. The surge in revenue was mainly attributed to the increase in revenue of the property assembly and brokerage business. In respect of the business of property assembly and brokerage, it contributes approximately HK\$485,304,000 to the revenue of the Group for the year and this represents an increase of approximately 57% compared with the last year of approximately HK\$308,851,000. Profit before income tax (for both continuing and discontinued operations) of the Group for the year was approximately HK\$203,045,000, representing an increase of approximately 22% when compared with the last year of approximately HK\$166,305,000. Due to the increase of revenue, profit attributable to owners of the Company for the year was increased to approximately HK\$167,903,000 compared with the profit attributable to owners of the Company of approximately HK\$140,437,000 last year.

BUSINESS OVERVIEW

Property Assembly and Brokerage Business

With the encouraging sign of global economy recovery and the low interest rate, Hong Kong's gross domestic product gained 6.8% in 2010. The Hong Kong property market was continuing to improve for the reporting year with a strong demand on residential property. Developers are keen to increase their land bank, particularly in urban areas by acquisition of old buildings in various districts in Hong Kong.

The relaxation of compulsory auction sales threshold of old building from 90% to 80% by the government in April 2010 also presented a favorable condition in accelerating the unification of ownership. The government adopted various measures to curb the rising property prices. The Group is closely monitoring the situation and reviewing the economy and the impact from the current change in economic environment of the market.

The Group continued to expand its core business of property assembly and brokerage business. During the year, the revenue from the property assembly and brokerage business recorded increase of approximately HK\$485,304,000, up by 57% from the same period last year of HK\$308,851,000. The operating profit for the property assembly

and brokerage business was approximately HK\$213,987,000 which was increased by approximately 27% compared with that of approximately HK\$169,123,000 for the last fiscal year. The improved results for the year was mainly attributable to the increase in number of property assembly project and the recognition of various developers and owners. Furthermore, the marketing on mass media, including television advertisements and title sponsorship of financial television programme also contribute to the improved results.

For the year ended 30 June 2011, the Group has completed 23 major assembly projects, which includes Central Mansion in Causeway Bay, and various projects in Mid-Levels West, Sham Shui Po and Causeway Bay, etc. Those projects are mainly located in densely populated location in Hong Kong Island and Kowloon side, including, Causeway Bay, Mid-Levels, Western District, North Point, Shau Kei Wan, Mongkok, Tai Kok Tsui, Kowloon City, Ho Man Tin, Tsim Sha Tsui and Shum Shui Po, etc. The total contract sum of the major completed projects and the total gross profit for the major completed projects recorded for the year are approximately HK\$8,983,000,000 and HK\$256,000,000, respectively.

As at 30 June 2011, the Group is currently reviewing, monitoring and engaging in various property assembly projects. Among these projects under review, approximately 35% of those projects is located in Hong Kong Island, mainly in Mid-Levels, Sheung Wan, Causeway Bay, Western District, Shau Kei Wan, Quarry Bay, Aberdeen, etc, and approximately 65% of those projects is located in Kowloon side, mainly in Mongkok, Sham Shui Po, Tai Kok Tsui, Ho Man Tin, Kwun Tong, To Kwa Wan, Kowloon City, etc..

Human Resources

To keep pace with the growing assembly business, the Group has expanded its real estate team from approximately 140 to 172 staff for the year. The Group believes that professional team members are keys to the successful and sustainable property assembly business. They should have various professional knowledge in the property industries. In view of this, the Group has strengthened other supporting departments during the year to provide better support to the real estate team, including the legal department, the development department and the public relations department. In addition, the Group also provides regular internal training to update their professional knowledge and the market information.

Corporate Social Responsibilities

The Group encourages its staff to participate in various charitable activities, such as charitable hiking and bowling match organized by the non-government organisations (the "NGO"), etc. During the year, the Group actively motivates its staff to contribute to the community and a voluntary team has been set up to establish a useful channel to its staff for joining voluntary activities. In view of needs by low income families, the Group has donated over HK\$10,000,000 to various NGO for provision of various services and assistance to the needed up to the date of this announcement.

Property Development Business

During the year, the Group kept on expanding its property development business, but continued to take a conservative strategy on investment in new projects in view of the uncertainties in the global scene. Benefited from the low interest rate and demand from the Mainland customers, the property value in Hong Kong rise steadily for the reporting year.

On 18 May 2010, the Group entered into a shareholder's agreement with a wholly-owned subsidiary of Phoenix Asia Real Estate Investment, a customer of the Group, for establishing an associate for a property development project at Nos. 18-32 Junction Road, Kowloon, Hong Kong, which the Group has 30% equity interests. The project has a site area of approximately 10,200 square feet and a gross floor area of approximately 91,800 square feet. The remaining outstanding units of the project has been acquired during the year and the vacant possession of the project was also completed in June 2011. The development work has been commenced already. The Group is intended to develop it into a composite residential/commercial building, which is expected to be completed in 2014.

In addition, the Group has also acquired more than 90% of the properties of another property assembly project at Nos. 142-154 Carpenter Road, Kowloon, which has a site area of approximately 9,100 square feet. The Group decided to hold 100% equity interests of the project. And it is in the course of applying for compulsory auction sale for the remaining outstanding units.

In the future, the Group will continue to explore the best development proposals to meet the changes in the market environment, and hence to maximize the shareholders' benefits.

Other Business

The business of trading of recycled computer was suspended since 1 September 2009, so that it has no contribution to the Group's revenue for the year ended 30 June 2011. To focus on the core business of property assembly and brokerage, the business of trading recycled computer was disposed to an independent third party on 4 March 2011.

PROSPECTS

The property market of Hong Kong rebounded gradually since the first quarter of year 2009 as a result of the recovering global economy, improved market sentiment and low interest rate environment. On the other hand, a number of accidents took place in the old buildings, together with the new government policies on the old buildings, reflected the need of urban renewal. Those create a favourable business environment which will benefit development of the property assembly and brokerage business.

For the prospering property market, the growing demand of residential property by users and the demand of land bank by developers for redevelopment contributed to the steady growth of the property assembly and brokerage business. Due to shortage in supply of land in urban areas by the government, property assembly for redevelopment continues to be one of the main sources of land supply to the developers in the light of the scarce supply of land in Hong Kong. The Group will focus on those property assembly projects in various prime locations in the urban areas. The Group would from time to time review and manage the project mix to maintain profitability. The property assembly and brokerage business will continue to generate a stable income to the Group, and bring the best return to the shareholders.

Given the uncertainties prevailing on the global scenes, local mortgage rates are subject to an upward pressure and more cooling measures might be launched by the Government anytime. The housing needs of the genuine buyers coupled with strong offshore demand is expected to lend support to the property market. The Group continues to take a

conservative strategy in development of the property assembly and brokerage business. The shift of business strategy since 2007 by diversifying its sourcing area enabled the Group to further expand its market share and enabled the Group to meet challenges with adequate resources and flexibility to strengthen its market position in the coming years.

Various accidents of old buildings have triggered the alarm to the safety of those tenement buildings in Hong Kong and the urgent needs for urban redevelopment. Different sectors of Hong Kong community also showed recognition and support towards the urban redevelopment projects to revitalize the amenities in the old community. The Government lowered the compulsory auction sales threshold of old building from 90% to 80% since 1 April 2010, which is favourable for the Group.

The Group has been proactively seeking to diversify its business scope. The Group has been engaging in property developments that broaden the revenue base in which benefit the Company and the shareholders as a whole in the long run. Throughout the year, the Group has engaged in two property development projects and those projects represent excellent opportunities for the Group entering the property development market and will enhance the shareholders' value. The experience of the Group obtained in both projects can also be applicable to our future property development projects. The Group would carry out meticulous review on each property development project and would proactively respond to any policy changes in order to devise the most advantageous development plan to ensure the value and margin of each project.

With the growing demand and needs of residential properties in Hong Kong, the Group is optimistic in property assembly and brokerage business and property development business. The Group is dedicated to develop strategically in the property assembly and brokerage business and the property development business and actively seeking opportunities for premium property redevelopment projects so as to drive the growth of the Group.

The Group has been committed to conducting property assembly since 2007, and it is also our pursuit to alleviate the problem of urban aging in the old districts in Hong Kong, and thereby improve the environment and quality of lives in those neighborhoods. In respect of the trading businesses of recycled computers, profit margin and turnover are expected to be tumbled due to keen competitions and surge of operating costs. Since it is not the core businesses of the Group, the Group has terminated that business on 4 March 2011 and has directed the resources to development of the property assembly and brokerage business and property development business.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2011, the Group had net current assets of approximately HK\$1,287,835,000 (2010: approximately HK\$380,220,000) including bank and cash balances of approximately HK\$756,248,000 (2010: approximately HK\$231,842,000).

The gearing ratio was 9.97% as at 30 June 2011 (2010: 0.07%). The gearing ratio is derived by dividing the total of bank overdraft, loans and finance lease liabilities by total assets. The gearing ratio was increased for the financial year under review compared to 30 June 2010 due to the borrowing of bank loan for the property held for development acquired for the year.

During the year, the Group financed its operations with its own working capital and bank borrowing. As at 30 June 2011, total unsecured and secured banking borrowings of the Group amounted to approximately HK\$215,983,000 (2010: HK\$389,000), which are repayable within a period of not exceeding 5 years. Total other borrowings of the Group amounted to HK\$912,000 (2010: HK\$453,000), which are repayable within a period of not exceeding 5 years.

On 27 October, 5 November 2010 and 19 January 2011, the Company, by way of top-up placement, allotted in aggregate of 550,000,000 shares to institutional investors who are third parties independent of the Company and its connected persons. Following the top-up placements, the total issued share capital of the Company is enlarged to 3,478,500,000 shares.

SECURITIES IN ISSUE

On 27 October 2010, 150,000,000 ordinary shares of HK\$0.01 each (with an aggregate nominal value of HK\$1,500,000) have been placed to certain independent placees at the placing price of HK\$1.20 per placing share and the same number of shares were issued to the vendor pursuant to the top-up subscription agreements the Company entered into on 21 October 2010. The closing price of the shares was HK\$1.41 on 21 October 2010. The net price per share is approximately HK\$1.16.

On 5 November 2010, 150,000,000 ordinary shares of HK\$0.01 each (with an aggregate nominal value of HK\$1,500,000) have been placed to certain independent placees at the placing price of HK\$1.15 per placing share and the same number of shares were issued to the vendor pursuant to the top-up subscription agreements the Company entered into on 1 November 2010. The closing price of the shares was HK\$1.27 on 1 November 2010. The net price per share is approximately HK\$1.11.

On 19 January 2011, 250,000,000 ordinary shares of HK\$0.01 each (with an aggregate nominal value of HK\$2,500,000) have been placed to certain independent placees at the placing price of HK\$1.01 per placing share and the same number of shares were issued to the vendor pursuant to the top-up subscription agreement the Company entered into on 13 January 2011. The closing price of the shares was HK\$1.07 on 13 January 2011. The net price per share is approximately HK\$0.972.

All the above proceeds were used as general working capital of the Group.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this announcement, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the year and there is no plan for material investments or capital assets as at the date of this announcement.

CONTINGENT LIABILITIES

As at 30 June 2011, the Company had given guarantees of HK\$634,000,000 (2010: HK\$144,000,000) in respect of the banking facilities of the subsidiaries and the associate for the property development projects at Nos. 142-154 Carpenter Road, Kowloon, and Nos. 18-32 Junction Road, Kowloon, Hong Kong.

LEASE AND CONTRACTED COMMITMENTS

The Group leases certain of its office premises under non-cancellable operating lease arrangements with lease terms ranging from one to two years.

At 30 June 2011, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	2011 HK\$'000	2010 HK\$'000
Within one year	3,184	1,560
In the second to fifth years	646	906
	3,830	2,466

CAPITAL COMMITMENTS

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Contracted but not provided for:				
Property, plant and equipment	68,745	–	–	–
Available-for-sale financial assets	2,347	2,643	2,347	2,643
	71,092	2,643	2,347	2,643

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the year were denominated in United States dollars ("US\$"), HK dollars ("HK\$") and Renminbi ("RMB"), and most of the assets and liabilities as at 30 June 2011 were denominated in US\$, HK\$ and RMB. Accordingly, the Board is of the view that, to a certain extent, the Group is exposed to foreign currency exchange risk. For the US\$ foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US\$ to HK\$ is comparatively stable. However, the Group is exposed to RMB foreign exchange exposure and fluctuation of exchange rates of RMB against HK\$ could affect the Group's results of operations. During the year, no hedging transaction or arrangement was made since the exchange rate of RMB to HK\$ is also fairly stable.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group had 232 (2010: 192) employees, including directors of the Company. Total staff costs (including directors' emoluments) were approximately HK\$176,747,000 for the year as compared to approximately HK\$98,903,000 in last year. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and share option scheme.

DIVIDENDS

The Board recommend the payment of a final dividend of HK0.287 cents per ordinary share for year ended 30 June 2011 (2010: Nil) to the shareholders whose names appear on the register of members of the Company on 8 November 2011. The proposed final dividend is subject to the shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") and will be paid on or around 29 November 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 27 October 2011 to Tuesday, 1 November 2011, both days inclusive, during which period no transfer of shares will be registered. In order to attend the AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 26 October 2011.

The register of members of the Company will be closed from Monday, 7 November 2011 to Tuesday, 8 November 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 4 November 2011.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in 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 (the "Listing Rules"). The Company has complied with the code provisions set out in the Code throughout the year ended 30 June 2011, except for the deviation that (i) Mr. Li Chi Chung, the non-executive director of the Company, was appointed without specific term of service since no appointment letter has been entered between Mr. Li and the Company but his appointment is subject to retirement by rotation and offers himself for re-election in accordance with the articles of association of the Company; and (ii) the post of Chairman has been vacant since the resignation of Mr. Pong as the Chairman with effect from 5 February 2008. If candidate with suitable skill and experience is identified within or outside the Group, the Company will make necessary arrangement for the new appointment at appropriate time.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in the Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the year.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established with written terms of reference in compliance with the Code. The Remuneration Committee consists of four members, of which majority are independent non-executive Directors, namely Mr. Pong, Mr. Koo, Mr. Lai and Mr. Lung. The chairman of the committee is Mr. Pong.

The roles and functions of the Remuneration Committee include the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors.

The Remuneration Committee held 4 meetings during the year to review the remuneration packages of all the Directors and senior management of the Company.

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established on 12 November 2007 with written terms of reference in compliance with the Code. As at the date of this announcement, it consists of four members, of which majority are independent non-executive Directors, namely Mr. Pong, Mr. Koo, Mr. Lai and Mr. Lung, and all were appointed on 12 November 2007. The chairman of the Nomination Committee is Mr. Lai.

The roles and functions of the Nomination Committee include nomination of the potential candidates for directorship, reviewing the nomination of the Directors and making recommendations to the Board for ensuring that all nominations are fair and transparent.

The Nomination Committee held 2 meetings during the year to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, and make recommendations to the Board relating to the renewal services of independent non-executive Directors.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) with written terms of reference in compliance with Rules 3.21 and 3.23 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group and provide advice and comments on the Company’s draft annual reports and accounts, half year reports and quarterly reports to Directors. The Audit Committee comprises three members, Mr. Koo, Mr. Lai and Mr. Lung, all of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Koo.

The Audit Committee held 4 meetings during the year and had reviewed the audited consolidated financial statements for the year ended 30 June 2011 with the recommendations to the Board for approval; and to review the accounting principles and policies adopted by the Group and its financial reporting functions and internal control system.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed shares during the year.

APPRECIATION

I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the management and staff for their dedicated efforts to the Group and to our clients, consultants and partners for all their valuable assistance offered during this past year.

By order of the Board
LEE WING YIN
Executive Director

Hong Kong, 21 September 2011

At the date of this announcement, the Company’s executive directors are Mr. Pong Wai San, Wilson and Mr. Lee Wing Yin, the Company’s non-executive director is Mr. Li Chi Chung and the Company’s independent non-executive directors are Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk respectively.