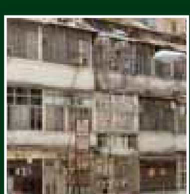
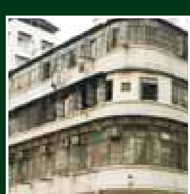
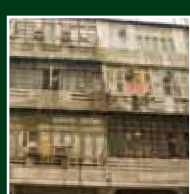
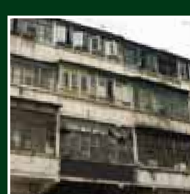
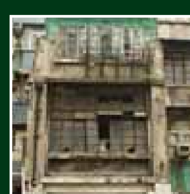
田生集團有限公司
RICHFIELD GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

(Stock Code: 183)
(股份代號: 183)

2011
ANNUAL REPORT
年報

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Pong Wai San, Wilson *(Chief Executive Officer)*
Lee Wing Yin

Non-Executive Director

Li Chi Chung

Independent Non-Executive Directors

Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

COMPLIANCE OFFICER

Pong Wai San, Wilson

QUALIFIED ACCOUNTANT

Lee Wing Yin ACCA, CPA

COMPANY SECRETARY

Lee Wing Yin

AUDIT COMMITTEE

Koo Fook Sun, Louis *(Chairman)*
Lai Hin Wing, Henry
Lung Hung Cheuk

REMUNERATION COMMITTEE

Pong Wai San, Wilson *(Chairman)*
Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

NOMINATION COMMITTEE

Lai Hin Wing, Henry *(Chairman)*
Pong Wai San, Wilson
Koo Fook Sun, Louis
Lung Hung Cheuk

AUTHORISED REPRESENTATIVES

Pong Wai San, Wilson
Lee Wing Yin

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 1209, 12/F.
Silvercord Tower 2
30 Canton Road
Tsim Sha Tsui
Hong Kong

COMPANY HOMEPAGE

ir.sinodelta.com.hk/richfieldgp/

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
P.O. Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants

LEGAL ADVISOR

As to Hong Kong Law
Michael Li & Co.

As to Cayman Islands Law
Conyers Dill & Pearman

PRINCIPAL BANKER

Hang Seng Bank Limited

STOCK CODE

183

LETTER FROM CHIEF EXECUTIVE OFFICER

Dear Shareholders,

On behalf of Richfield Group Holdings Limited, I am pleased to provide our business development in the fiscal year of 2011.

The management is pleased with the Group's successful transferred from listing in the Growth Enterprise Market ("GEM") to the Main Board ("Main Board") of the Stock Exchange of Hong Kong Limited on 2 December 2010, which marked a milestone in business development. Given the global economy recovery and the low interest rate environment, Hong Kong's gross domestic product gained 6.8% in 2010. The Hong Kong property market continued to improve in the fiscal year of 2011 with a strong demand on residential property. The Group leveraged on its extensive experience in property assembly market and the market judgments. Its property assembly and brokerage business achieved delighting performance. Given the current change in the economic environment of the market, the Group is closely monitoring the situation and assessing its impact on the Group.

During the year, more than 20 major property assembly projects were completed. The Group was recognized by the developers for having achieved a stable number of redevelopment sites in prime districts, including Mid-Levels West and Causeway Bay, etc. Besides, television advertisements and title sponsorship of financial television programme have also contributed to the improved results. To maintain its competitive advantage, the Group will continue to expand its market share and coverage in urban area and some prime locations in New Territories.

There are increasing concerns on the poor living conditions and safety in the aging and dilapidated buildings in the community after a number of severe accidents in those buildings. The relaxation of compulsory auction sales threshold of old buildings from 90% to 80% by the Government in April 2010 also provided a favourable condition for the Group in accelerating the unification of ownership.

The Group continued to take active steps to diversify its business scope and consider that the engagement in property development would bring benefit to the Company and the shareholders as a whole in the long run. The Group's involvement in the two existing projects represents excellent opportunities for the Group to tap into the property development market and will enhance the shareholders' value.

On behalf of the board, I would like to take this opportunity to express our gratitude to all members of the Board, staff and those who have supported us for their dedication and contribution to the Group. We will continue to put our best efforts to generate good business results and better return to our shareholders.

Pong Wai San, Wilson
Chief Executive Officer

Hong Kong
21 September 2011

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Richfield Group Holdings Limited (the "Company") and its subsidiaries (collectively, 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.

BUSINESS OVERVIEW *(cont'd)*

Property Assembly and Brokerage Business *(cont'd)*

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 report.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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, alloted 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 report, 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 report.

PLEDGE OF ASSETS

As at 30 June 2011, properties under development of the Group with a carrying value of approximately HK$381,150,000 (30 June 2010: Nil) were pledged to secure banking facilities for the Group.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

SEGMENT INFORMATION

The analysis of the principal activities and geographical locations of the operations of the Group are set out in note 5 to the financial statements.

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.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Pong Wai San, Wilson ("Mr. Pong"), aged 42, has been appointed as the executive Director, the chief executive officer, compliance officer and authorised representative of the Company on 23 March 2007. He is also the chairman of the remuneration committee and a member of the nomination committee of the Company. Mr. Pong was also the chairman of the Company for the period from 23 March 2007 to 4 February 2008. Mr. Pong is responsible for the overall strategic planning and investment strategy of the Group. He holds a bachelor degree in Applied Science from the University of British Columbia. He held various positions in a number of charity organisations in Hong Kong and had held various senior management positions with various local and international securities houses and a multinational company. Mr. Pong is the sole director and sole shareholder of Virtue Partner Group Limited, which is the substantial and controlling shareholder of the Company.

Mr. Lee Wing Yin ("Mr. Lee"), aged 41, has been appointed as the authorised representative, qualified accountant and company secretary of the Company on 23 March 2007 and an executive Director on 1 June 2010. He is also a director of various subsidiaries and the associates of the Company. He is responsible for provision of advice for overall management, strategic development and supervision of the Group. Mr. Lee is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He has over nine years of working experience in auditing and business advisory services and had worked for international accounting firms for six years. He held senior financial management positions with various local companies before joining the Company, Mr. Lee was appointed as the executive director and chairman of iOne Holdings Limited (Stock code: 982), a company listed on the Main Board of the Stock Exchange, with effect from 18 September 2009 and 1 March 2010 respectively.

NON-EXECUTIVE DIRECTOR

Mr. Li Chi Chung ("Mr. Li"), aged 43, has been appointed as a non-executive Director on 23 March 2007. Mr. Li is currently a solicitor practising in Hong Kong. He obtained a bachelor degree in laws from The University of Sheffield in England in 1990. Mr. Li was admitted as a solicitor of the High Court of Hong Kong in 1993 and his practice has been focused on commercial related matters. Mr. Li is an independent non-executive director of Eagle Nice (International) Holdings Limited (Stock Code: 2368), PINE Technology Holdings Limited (Stock Code: 1079) and Kenford Group Holdings Limited (Stock Code: 0464) respectively, all of which are companies listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is the company secretary of China Financial International Investments Limited (Stock Code: 0721), Sino Gas Group Limited (Stock Code: 0260), Infinity Chemical Holdings Company Limited (Stock Code: 640) and China Water Property Group Limited (Stock Code: 2349), all of which are companies listed on the main board of the Stock Exchange, and China Nonferrous Metals Company Limited (Stock Code: 8306) which is a company listed on the Growth Enterprise Market of the Stock Exchange. From 15 October 2007 to 13 February 2009, Mr. Li was an independent non-executive director of Anhui Tianda Oil Pipe Company Limited (Stock Code: 0839), a company listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Koo Fook Sun, Louis ("Mr. Koo"), aged 55, has been appointed as an independent non-executive Director on 23 March 2007. He is also the chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company. Mr. Koo is the founder and the managing director of Hercules Capital Limited, a corporate finance advisory firm. Mr. Koo has many years of experience in investment banking and professional accounting. He was a managing director and head of the corporate finance department of a major international bank. Mr. Koo graduated with a bachelor's degree in business administration from the University of California at Berkeley and is a member of the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). He currently serves as an independent non-executive director of another five companies listed on the Main Board of the Stock Exchange, namely Good Friend International Holdings Inc. (Stock code: 2398), Li Ning Company Limited (Stock code: 2331), Weichai Power Co., Ltd. (Stock code: 2338), Xingda International Holdings Limited (Stock code: 1899) and Midland Holdings Limited (Stock code: 1200). Mr. Koo resigned as vice chairman and chief financial officer of 2020 ChinaCap Acquirco, Inc., a company then listed on The New York Stock Exchange Amex (now called NYSE Euronext), on 19 October 2009 and also resigned as an independent non-executive director of China Communications Construction Company Limited (Stock code: 1800) on 29 December 2009.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lai Hin Wing, Henry ("Mr. Lai"), aged 54, has been appointed as an independent non-executive Director on 23 March 2007. He is also the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company. Mr. Lai is a partner of Messrs. P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong, and has been practising in the legal field for more than twenty-nine years. Graduated from The University of Hong Kong with a bachelor of law degree, Mr. Lai was admitted as a solicitor in Hong Kong, England and Wales and the State of Victoria, Australia. Mr. Lai is a Notary Public and a China Appointed Attesting Officer in Hong Kong. He was a non-executive director of Allied Properties (H.K.) Limited (Stock code: 56), a company listed on Main Board of the Stock Exchange, during the period from 28 September 2004 to 17 June 2010.

Mr. Lung Hung Cheuk ("Mr. Lung"), aged 64, has been appointed as an independent non-executive Director on 23 March 2007. He is also a member of the nomination committee, audit committee and remuneration committee of the Company. Mr. Lung is a retired chief superintendent of the Hong Kong Police Force (the "Hong Kong Police") of Hong Kong. He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of chief inspector in 1980, superintendent in 1986, senior superintendent in 1993 and chief superintendent in 1997. He had served in various police posts, namely Special Branch, Police Tactical Unit, Police Public Relations Bureau and in a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr. Lung was also the secretary and then the chairman of the Superintendents' Association ("SPA") of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises the top management of the Hong Kong Police from superintendents up to and including the commissioner of Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000. Mr. Lung is an independent non-executive director of iOne Holdings Limited (Stock code: 982) and Flexsystem Holdings Limited (Stock code: 8050), companies listed on the Main Board and GEM of the Stock Exchange respectively. Mr. Lung was also an independent non-executive director of Global Energy Resources International Limited (formerly known as "UURG Corporation Limited") (Stock code: 8192), a company listed on GEM of the Stock Exchange, during the period from 19 September 2007 to 11 January 2010.

SENIOR MANAGEMENT

Mr. Au Wing Wah ("Mr. Au"), aged 54, is the founder and director of Richfield Realty Limited ("Richfield Realty"), a wholly owned subsidiary of the Company. He is responsible for the strategic planning and management of property assembly and brokerage business. Mr. Au has over 19 years experience of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong and he is familiar with the price and market demand of sites and buildings in different urban districts in Hong Kong.

Mr. Chan Chi Ling, Elwyn ("Mr. Chan"), aged 57, is the project director of Richfield Realty. He is a Registered Professional Engineer (**RPE**), Fellow of Institute of Highway Engineers **(FIHE)**, corporate member of professional institutes in various disciplines, namely: the Institution of Civil Engineers **(MICE)**, the Chartered Institute of Arbitrator **(MCIArb)**, the Society of Operations Engineers **(MSOE)**, the Chartered Institute of Building **(MCIOB)**, Institute of Plant Engineers **(MIPlantE),** the American Association of Cost Engineers and the Hong Kong Institution of Engineers **(MHKIE)**, he is also a Registered Professional Manager **(PMgr)**, Fellow of Chartered Management Institute-UK **(FCMI)** and Member of Hong Kong Management Association. Mr. Chan has more than 31 years' professional experience in building development, construction, and management of Property Assets in Hong Kong, PRC, Macau and Australia, when rendering his service with various listed companies in Hong Kong. Mr. Chan has led the planning and development of Property & Construction Project of various scales, and also has experience in managing property assets for more than 8 years. He joined the Group in November 2008.

Mr. Ngan Man Ho, Murphy, aged 34, is the chief architect with a master degree and bachelor degree of the University of Hong Kong. He is currently an authorized person under Building Authority of Hong Kong, a registered architect of Hong Kong and a member of Hong Kong Institute of Architect. With 8 years of extensive experience in architectural design and project management. He has participated in various projects in Hong Kong and the PRC. His range of design works includes commercial office tower, hotel, civic and cultural buildings, comprehensive residential development, entertainment complex and industrial development. He joined the Group in January 2010.

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.

BOARD OF DIRECTORS AND BOARD MEETING

The members of the Board for the year were:

Executive Directors

Pong Wai San, Wilson *(Chief Executive Officer)*
Lee Wing Yin

Non-executive Director

Li Chi Chung

Independent Non-executive Directors

Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

The Board is responsible for the Group's corporate policy formulation, business strategies planning, business development, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Each of the Directors' biographical information is set out on pages 10 to 11 of this report. All executive Directors have given sufficient time and attention to the affairs of the Group and each of them has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. There is no relationship among the members of the Board.

The Company has appointed three independent non-executive Directors who have appropriate and sufficient experience and qualification to carry out their duties so as to protect the interests of shareholders of the Company. At least one of the independent non-executive Directors have appropriate professional qualifications, or accounting or related financial management expertise. Each of them, namely Mr. Koo, Mr. Lai and Mr. Lung, has signed a letter of appointment with the Company for a term of one year commencing from 23 March 2011 and expiring on 22 March 2012.

Mr. Pong, the executive Director and chief executive officer of the Company, and Mr. Li, the non-executive Director, have not signed any service contract or letter of appointment with the Company.

Mr. Lee, the executive Director, has entered into a service agreement with the Company and was appointed as the executive Director for an initial term of 36 months commencing from 1 June 2010, or terminated by not less than three months' notice in writing served by either party at any time thereafter. Mr. Lee is entitled to director's emolument of HK$52,000 per month plus discretionary bonus to be decided by the Board at its sole discretion, which is determined by reference to the prevailing market conditions and his roles experience, and responsibilities in the Company.

In accordance with article 87(1) of the articles of association of the Company, all Directors (including executive Directors, non-executive Director and independent non-executive Directors) are subject to retirement by rotation at least once every three years. Mr. Lai and Mr. Lung shall retire from office as Directors by rotation at the conclusion of the forthcoming annual general meeting of the Company (the "AGM"), and being eligible, offer themselves for re-election at the AGM.

Pursuant to the requirements of the Rule 3.13 of the Listing Rules, the Company has received from each of the independent non-executive Directors the written confirmation of his independence. Based on such confirmations of independence, the Company considers all of the independent non-executive Directors to be independent.

The Board meets 4 times as regular meetings during the year to review the financial and operating performance of the Group.

Details of the attendance of the meetings of the Board are as follows:

	Attendance
Executive Directors	
Pong Wai San, Wilson	4/4
Lee Wing Yin	4/4
Non-executive Director	
Li Chi Chung	4/4
Independent Non-executive Directors	
Koo Fook Sun, Louis	4/4
Lai Hin Wing, Henry	4/4
Lung Hung Cheuk	4/4

Apart from the above regular Board meetings of the year, the Board will meet on other occasions when a Board-level decision on a particular matter is required.

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 its terms of reference, the remuneration packages of all the Directors and senior management of the Company. Details of the attendance of the meeting of the Remuneration Committee are as follows:

Members	Attendance
Pong Wai San, Wilson *(Chairman)*	4/4
Koo Fook Sun, Louis	4/4
Lai Hin Wing, Henry	4/4
Lung Hung Cheuk	4/4

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 report, 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 its term of references, 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. Details of the attendance of the meeting of the Nomination Committee are as follows:

Members	Attendance
Lai Hin Wing, Henry *(Chairman)*	2/2
Pong Wai San, Wilson	2/2
Koo Fook Sun, Louis	2/2
Lung Hung Cheuk	2/2

AUDITOR'S REMUNERATION

The Company has appointed BDO Limited as the auditor of the Company (the "Auditor"). The Board is authorised in the annual general meeting to determine the remuneration of the Auditor. During the year, the Auditor performed the work of statutory audit for the year and also involved in non-audit assignment of the Group. The remuneration of the Auditor for the year is approximately HK$600,000. The fee paid for non-audit service was approximately HK$484,000.

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 its terms of reference, the audited consolidated financial statements for the year ended 30 June 2010 and the unaudited consolidated financial statements for the three months ended 30 September 2010, six months ended 31 December 2010 and nine months ended 31 March 2011 respectively, 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. Details of the attendance of the meetings of the Audit Committee are as follows:

Members	**Attendance**
Koo Fook Sun, Louis *(Chairman)*	4/4
Lai Hin Wing, Henry	4/4
Lung Hung Cheuk	4/4

The Group's unaudited consolidated quarterly, interim results and audited consolidated annual results for the year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee has also reviewed the audited consolidated financial statement for the year ended 30 June 2011.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The Auditor's responsibilities are set out in the Independent Auditor's Report.

INTERNAL CONTROL

The Board had conducted a review of the effectiveness of the Group's internal control system. The internal control system is designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss.

Procedures have been set up for safeguarding assets against unauthorised use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. Qualified management throughout the Group maintains and monitors the internal control system on an ongoing basis.

The Board considered that the internal control system of the Group is effective and the Audit Committee has found no material deficiencies on the internal control system.

DIRECTORS' REPORT

For the year ended 30 June 2011

The Directors present the annual report and the audited consolidated financial statements of the Group for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries of the Company are set out in note 18 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year and the state of affairs of the Group as at 30 June 2011 are set out in the financial statements on pages 29 to 91 of this report.

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.

CHARITABLE DONATIONS

During the year, the Group made charitable donation amount to HK$1,525,000.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years:

Consolidated results

	Year Ended 30 June 2011 HK$'000	Year Ended 30 June 2010 HK$'000	Period from 1 April 2008 to 30 June 2009 HK$'000	Year Ended 31 March 2008 HK$'000	Year Ended 31 March 2007 HK$'000
Revenue	**485,304**	310,709	118,399	143,155	89,939
Profit/(Loss) before income tax from continuing and discontinued operations	**203,045**	166,305	34,607	34,153	(11,195)
Income tax expense	**(35,142)**	(25,868)	(10,980)	(6,496)	(458)
Profit/(Loss) after income tax	**167,903**	140,437	23,627	27,657	(11,653)
Attributable to:					
Owners of the Company	**167,903**	140,437	23,627	27,657	(11,653)

Consolidated assets and liabilities

	As at 30 June 2011 HK$'000	As at 30 June 2010 HK$'000	As at 30 June 2009 HK$'000	As at 31 March 2008 HK$'000	As at 31 March 2007 HK$'000
Total assets	**2,174,572**	1,133,831	803,451	809,691	46,965
Total liabilities	**(457,770)**	(135,455)	(15,574)	(27,888)	(12,241)
Net assets	**1,716,802**	998,376	787,877	781,803	34,724

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in note 32 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity of the Group on page 35 of this report and in note 33 to the financial statements respectively.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, turnover made to the five largest customers of the Group accounted for approximately 99% (2010: 65%) of the Group's total turnover for the year. Turnover made to the Group's largest customers accounted for approximately 37% (2010: 46%) of the Group's total turnover for the year.

Purchases from the five largest suppliers of the Group accounted for approximately 27% (2010: 49%) of the Group's total purchases for the year. Purchases from the Group's largest suppliers accounted for approximately 8% (2010: 15%) of the Group's total purchases for the year.

At no time during the year, the Directors, their associates or any shareholders of the Company (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in these major customers or suppliers.

DIRECTORS

The Directors for the year and up to the date of this report were as follows:

Executive Directors
Pong Wai San, Wilson
Lee Wing Yin

Non-executive Director
Li Chi Chung

Independent Non-executive Directors
Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

In accordance with article 87(1) of the articles of association of the Company. Mr. Lai and Mr. Lung shall retire from office as Directors by rotation at the conclusion of the AGM, and being eligible, offer themselves for re-election at the AGM.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 10 to 11 of this report.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed herein, no contract of significant to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

Details of the Directors' service contracts and appointment letters are described in the "Corporate Governance Report" on pages 12 and 13.

Apart from the forgoing, no Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2011, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

	Number of Shares			Approximate
Name of Directors	Personal interest	Corporate interest	Total	percentage of shareholding
Pong Wai San, Wilson	360,576,000	936,794,000	1,297,370,000 (Note 1)	37.30%
Lee Wing Yin	1,000,000	–	1,000,000 (Note 2)	0.03%
Li Chi Chung	1,000,000	–	1,000,000 (Note 2)	0.03%
Koo Fook Sun, Louis	1,000,000	–	1,000,000 (Note 2)	0.03%
Lai Hin Wing, Henry	1,000,000	–	1,000,000 (Note 2)	0.03%
Lung Hung Cheuk	1,000,000	–	1,000,000 (Note 2)	0.03%

Note 1: 936,794,000 shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong, and therefore Mr. Pong is deemed to be interested in these shares under the SFO. 360,576,000 shares are personally owned by Mr. Pong, of which 8,400,000 represents the share options granted to him by the Company under the share option scheme on 9 July 2010.

Note 2: These shares represent the share options granted by the Company under the share option scheme on 7 December 2010.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 30 June 2011, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2011, other than the interests of certain directors and chief executive of the Company as disclosed under the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, the interests or short positions of person in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which shares are held	Number of issued shares	Percentage of the issued share capital
Tung Ching Yee, Helena (Note 1)	Family interest	1,297,370,000	37.30%
Virtue Partner Group Limited (Note 2)	Beneficial owner	936,794,000	26.93%
Au Wing Wah ("Mr. Au")	Beneficial owner	8,400,000 (Note 3)	0.24%
	Interest in controlled corporation	760,000,000 (Note 4)	21.85%
Kong Pik Fan (Note 5)	Family interest	768,400,000	22.09%
Richfield (Holdings) Limited	Beneficial owner	760,000,000 (Note 4)	21.85%
Richfield Group Holdings Limited	Interest in controlled corporation	760,000,000 (Note 4)	21.85%
Vastwood Limited	Having a securities interest in shares	760,000,000 (Note 4)	21.85%

Notes:

1. Ms. Tung Ching Yee, Helena is the wife of Mr. Pong and accordingly deemed to be interested in the shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.

2. These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.

3. These 8,400,000 shares are share options granted by the Company to Mr. Au under the share option scheme on 9 July 2010.

4. These shares are beneficially owned by Richfield (Holdings) Limited, a company wholly owned by Mr. Au, and therefore Mr. Au deemed to be interested in the shares owned by Richfield (Holdings) Limited, under SFO. On 12 June 2008, Richfield (Holdings) Limited as a chargor has executed a share charge in favour of Vastwood Limited, a wholly-owned subsidiary of the Company, as a chargee in respect of the fixed charge over these 760,000,000 shares. Therefore, the Company deemed to be interested in the shares owned by Vastwood Limited under SFO.

5. Ms. Kong Pik Fan is the wife of Mr. Au and accordingly deemed to be interested in the shares beneficially owned by Mr. Au in his own capacity and through his controlled corporation, Richfield (Holdings) Limited, under SFO.

All the interests disclosed above represent long position in shares of the Company.

Save as disclosed above, as at 30 June 2011, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted by the Company pursuant to the written resolution of the Company on 2 May 2002 for the purpose of granting options to selected persons as incentives or rewards for their contribution to the Group. Under which the Board may, at its discretion, grant options to the eligible participants of the scheme, including any directors, employees, consultants, advisers, suppliers or customers of the Group.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of shares of the Company in issue at any time (the "Scheme Mandate Limit"). There are totaling 5,000,000 share options have been granted under the latest Scheme Mandate Limit, which is granted by the shareholders of the Company on 29 October 2010 (the "Latest Scheme Mandate Limit"), therefore, the outstanding number of options available for issue under the Latest Scheme Mandate Limit is 302,850,000, which is representing approximately 8.71% of the issued share capital of the Company as at the date of this report.

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company must not exceed 30% of the shares in issue from time to time.

Any grant of options to a connected person (as defined in the Listing Rules) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee). Where options are proposed to be granted to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates, and the proposed grant of options which would result in the share issued and to be issued upon exercise of all options already granted or to be granted to such person in the 12-month period up to and including the date of offer of the options, would entitle that person to receive more than 0.1% of the total issued shares of the Company for the time being and the value of which is in excess of HK$5,000,000, then the proposed grant must be subject to the approval of the shareholders at the general meeting. All connected persons of the Company must abstain from voting in such general meeting (except where any connected person intends to vote against the proposed grant).

As the Share Option Scheme is due to expire on 20 May 2012, the Company proposed to terminate the existing Share Option Scheme and adopt a new scheme. An ordinary resolution will be proposed at the AGM to approve the termination of the existing Share Option Scheme and the adoption of the new scheme.

Details of the share options movements during the year ended 30 June 2011 under the Share Option Scheme are as follows:

				Number of share options					
Name or category of grantee	**Date of grant of share options**	**Exercise price (HK$)**	**Exercise period**	**Balance as at 01.07.2010**	**Granted during the Year**	**Exercised during the Year**	**Lapsed during the Year**	**Cancelled during the Year**	**Balance as at 30.06.2011**
Directors									
Pong Wai San, Wilson	9/7/2010 (Note 1)	0.59	9/7/2010 – 8/7/2015	–	8,400,000	–	–	–	8,400,000
Lee Wing Yin	7/12/2010 (Note 2)	1.17	7/12/2010 – 6/12/2015	–	1,000,000	–	–	–	1,000,000
Li Chi Chung	7/12/2010	1.17	7/12/2010 – 6/12/2015	–	1,000,000	–	–	–	1,000,000
Koo Fook Sun, Louis	7/12/2010	1.17	7/12/2010 – 6/12/2015	–	1,000,000	–	–	–	1,000,000
Lai Hin Wing, Henry	7/12/2010	1.17	7/12/2010 – 6/12/2015	–	1,000,000	–	–	–	1,000,000
Lung Hung Cheuk	7/12/2010	1.17	7/12/2010 – 6/12/2015	–	1,000,000	–	–	–	1,000,000
Subtotal				–	13,400,000	–	–	–	13,400,000
Director of subsidiaries and the substantial shareholder									
Au Wing Wah	9/7/2010	0.59	9/7/2010 – 8/7/2015	–	8,400,000	–	–	–	8,400,000
Subtotal				–	8,400,000	–	–	–	8,400,000
Total				**–**	**21,800,000**	**–**	**–**	**–**	**21,800,000**

Note 1: The closing price of the Shares immediately before 9 July 2010, on which those options were granted, was HK$0.58.

Note 2: The closing price of the Shares immediately before 7 December 2010, on which those options were granted, was HK$1.13.

Information on the accounting policy and the value of options granted is provided in notes 3.21 and 36 to the financial statements.

DIRECTOR'S RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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.

INVESTMENT IN SUBSIDIARIES

The principal activities of the Company's subsidiaries are set out in note 18 to the financial statements.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the Directors, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the date of this report, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CONTINUING CONNECTED TRANSACTIONS

On 14 October 2010, the Company entered into a tenancy agreement with Flexwood Limited ("Flexwood") as landlord pursuant to which the Company will rent the office premises owned by Flexwood for a term of two year commencing from 15 October 2010 with the monthly rent of HK$108,000 per month. The Directors consider that it is in the commercial interest of the Company if the Company continues to rent the office premises as it is not easy to identify other appropriate premises and the Company will bear unnecessary relocation costs and expenses if the Company has to move to other premises. Flexwood is an investment company wholly and beneficially owned by Mr. Pong, the chief executive officer, an executive Director and also a substantial shareholder of the Company. Accordingly, Flexwood is a connected person to the Company as defined under the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") and the transaction contemplated under the tenancy agreement constitutes a continuing connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. A detail of the above continuing connected transaction has been set out in the Company's announcement dated 14 October 2010.

MAJOR TRANSACTION

Property Development Project

On 30 July 2010, the wholly-owned subsidiaries of the Company (the "Purchaser(s)") and the vendors entered into the provisional sale and purchase agreements (the "Provisional Sale and Purchase Agreements") in relation to the acquisition of the majorities of the properties (the "Acquisition") for an aggregate cash consideration of HK$208,346,900.

During the period from 30 July 2010 to 23 August 2010, after arm's length negotiations, the Purchaser(s) entered into the provisional sale and purchase agreements (the "154 Agreements") with the certain vendors (the "154 Vendors") in relation to the acquisition of the whole property located at No. 154 of Carpenter Road (the "154 Acquisition").

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Sale and Purchase Agreements and the 154 Agreements are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The Board will redevelop the Properties after completion of the Acquisition and the 154 Acquisition (the "Redevelopment"). The Acquisition and the 154 Acquisition together with the Redevelopment (the "Project") constitutes a major transaction on the part of the Company under the GEM Listing Rules.

In lieu of holding a general meeting to approve the Project, written approvals on the Project have been obtained from each of the controlling shareholders of the Company who are in aggregate interested in 2,048,970,000 Shares, representing approximately 69.96% of the issued share capital of the Company as at 30 July 2010. Pursuant to Rule 19.44 of the GEM Listing Rules, the Company did not hold a general meeting to approve the Project.

Several wholly-owned subsidiaries of the Company (the "Borrowers"), with the Company and another wholly owned subsidiary of the Company as guarantors, have accepted a term loan facility granted by two banks on 21 October 2010, pursuant to which, the banks agreed to make available to the Borrowers, a building loan facility of HK$490,000,000 (the "Loan Facility") for the financing of the Project. It is a condition of the Loan Facility that Mr. Pong, the controlling shareholder of the Company, will continue to hold directly or indirectly no less than 30% of the beneficiary interest of the Company throughout the life of the Loan Facility. A breach of the aforesaid condition will cause a default in respect of the loans that are significant to the operation of the Company.

A detail of the above major transaction has been set out in the Company's announcements dated 30 July 2010, 23 August 2010 and 21 October 2010 and the Company's circular dated 18 October 2010.

CONNECTED TRANSACTION

Save as disclosed above, there were no significant connected party transactions entered into by the Group for the year ended 30 June 2011.

Pursuant to the sales and purchase agreement dated 10 April 2007 (the "Acquisition Agreement") for the acquisition of Richfield Realty (the "Acquisition"), both Richfield (Holdings) Limited, as the vendor of the Acquisition, and Mr. Au, as the guarantor of the Acquisition, were guaranteed that the audited net profit before payment of the bonus payable to the management of Richfield Realty and after tax and any extraordinary or exceptional items of Richfield Realty for the year ended 28 May 2008 (the "Guaranteed Period") should not be less than HK$150,000,000 (the "Guaranteed Profit").

However, according to the audited financial statements of Richfield Realty, the Guaranteed Profit was not met as a result of the unforeseeable economic environment. Having considered the prospects of the business of the property assembly and brokerage and the potential of Richfield Realty, an agreement (the "Settlement Agreement") as supplemented by a supplemental agreement dated 17 July 2008 (the "Supplemental Agreement") was entered into on 12 June 2008 which, among the other things, was proposed to extend the time for fulfillment of an agreed guaranteed profit of approximately HK$345,949,000 ("New Guaranteed Profit").

As a result of the change of year end date of the Company as announced on 18 July 2008, the parties to the Settlement Agreement has entered into the Supplemental Agreement on 17 July 2008, pursuant to which the relevant period for the New Guaranteed Profit has been changed from 1 April 2008 to 31 March 2011 to the 36-month period from 1 July 2008 to 30 June 2011.

Both the Settlement Agreement and the Supplemental Agreement and the transactions respectively contemplated thereunder have been approved by the Independent Shareholders at the extraordinary general meetings of the Company held on 4 August 2008 and 25 August 2008 respectively.

After completion of the Acquisition, the Group has undergone internal group restructuring with the incorporation of a number of companies as wholly subsidiaries (together as the "New Companies"). The purpose of the internal group restructuring is to enhance the internal control and corporate governance of the members of the Group. In addition, the internal group restructuring will detach the profit centres and the cost centres of the original property related business functions carried out by Richfield Realty alone and would improve the management efficiency and accountability.

Consequently after such internal group restructuring, Richfield Realty is now mainly engaged in the provision of estate agency services and received agency income. All other services in connection with property consolidation, assembly and redevelopments are mainly carried out by the New Companies. Both the New Companies and Richfield Realty are wholly owned by Vastwood Limited, a wholly owned subsidiary of the Company, and are under the same management.

Since the New Guaranteed Profit under the Settlement Agreement concerns the profit of Richfield Realty only, a strict interpretation of the relevant provisions of the Settlement Agreement and the Supplemental Agreement will mean that the revenues and profit presently generated by the New Companies, but which were carved out from the original operations of Richfield Realty, would not be accounted for in the calculation of the New Guaranteed Profit.

In order to reflect the original intention of the parties, on 25 August 2010, a second supplemental agreement (the "Second Supplemental Agreement") to the Settlement Agreement was entered into, pursuant to which the New Guaranteed Profit will include the profits of Richfield Realty and the New Companies (the "Proposed Amendments").

The Company considers that the Proposed Amendments do not constitute a material change to the terms of the Settlement Agreement and is of the view that the Proposed Amendments are merely reflection of the original terms that have been approved by the Independent Shareholders and are necessitated by the implementation of the internal restructuring of the Group as mentioned herein.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

On 15 October 2010, an application was made by the Company to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board of the Stock Exchange (the "Main Board") (the "Transfer"). The Company has applied for the listing of, and permission to deal in, (i) the 3,228,500,000 Shares in issue; (ii) the 16,800,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Share Option Scheme; and (iii) the 307,850,000 Shares which may fall to be issued pursuant to the exercise of additional options which may be granted during the remaining term of the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval-in-principle for the Transfer was granted by the Stock Exchange on 23 November 2010.

The last day of dealings in the Shares on GEM (Stock Code: 8136) was 1 December 2010. Dealing in the Shares on the Main Board (Stock Code: 183) commenced at 9:30 a.m. on 2 December 2010.

ADOPTION OF CHINESE NAME

The Chinese name "田生集團有限公司" was adopt as part of the official name of the Company with effect from 1 February 2011 by shareholders' approval at an extraordinary general meeting of the Company held on 31 January 2011.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

AUDITOR

The consolidated financial statements of the Group for the year ended 30 June 2010 and for the period from 1 April 2008 to 30 June 2009 were audited by Grant Thornton ("GTHK"), now known as JBPB & Co. Due to a merger of their practices of GTHK with that of BDO Limited, GTHK resigned as auditor of the Group with effect from 2 December 2010. BDO Limited was appointed as the auditor of the Company by the shareholders of the Company at the extraordinary general meeting held on 31 January 2011. The consolidated financial statements of the Group for the year ended 30 June 2011 was audited by BDO Limited. A resolution will be submitted to the AGM to re-appoint BDO Limited as auditor of the Company.

FOR AND ON BEHALF OF THE BOARD
Pong Wai San, Wilson
Executive Director

Hong Kong
21 September 2011

INDEPENDENT AUDITOR'S REPORT

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111 Connaught Road Central
Hong Kong

To the shareholders of Richfield Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Richfield Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 29 to 91, which comprise the consolidated and company statements of financial position as at 30 June 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants
Au Yiu Kwan
Practising Certificate Number P05018

Hong Kong, 21 September 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000 (Re-presented)
Continuing operations			
Revenue	6	**485,304**	308,851
Cost of sales		**(203,677)**	(104,608)
Gross profit		**281,627**	204,243
Other income	7	**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	9	**(1)**	(5)
Share of profit of associates	19	**–**	1
Profit before income tax	8	**203,052**	166,988
Income tax expense	10	**(35,142)**	(25,868)
Profit for the year from continuing operations		**167,910**	141,120
Discontinued operations			
Loss for the year from discontinued operations	11	**(7)**	(683)
Profit for the year attributable to owners of the Company	12	**167,903**	140,437
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company during the year	14		
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**	HK4.80 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	17(a)	**62,741**	28,150
Interests in associates	19	**–**	–
Goodwill	20	**474,000**	474,000
Available-for-sale financial assets	21	**106,918**	116,304
Deposits		**2,000**	58
		645,659	618,512
Current assets			
Properties held for trading	22	**70,437**	37,450
Properties under development	23	**381,150**	14,334
Trade receivables	24	**163,126**	102,445
Prepayments, deposits and other receivables		**34,943**	18,438
Financial assets at fair value through profit or loss	25	**3,480**	3,696
Amount due from an associate	19	**61,414**	42,867
Cash and cash equivalents	26	**756,248**	231,842
Restricted bank deposits	27	**58,115**	64,247
		1,528,913	515,319
Current liabilities			
Bank overdrafts	28	**–**	389
Trade payables	29	**39,740**	–
Accrued expenses and other payables		**143,715**	97,346
Finance lease liabilities	31	**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	30	**215,983**	–
Finance lease liabilities	31	**709**	356
		216,692	356
Net assets		**1,716,802**	998,376
EQUITY			
Equity attributable to owners of the Company			
Share capital	32	**34,785**	29,285
Reserves	33	**1,682,017**	969,091
Total equity		**1,716,802**	998,376

Pong Wai San Wilson
Director

Lee Wing Yin
Director

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries	18	**–**	–
Property, plant and equipment	17(b)	**410**	662
Available-for-sale financial assets	21	**106,918**	116,304
		107,328	116,966
Current assets			
Prepayments, deposits and other receivables		**3,795**	352
Amounts due from subsidiaries	18	**736,687**	557,224
Financial assets at fair value through profit or loss	25	**3,480**	3,696
Cash and cash equivalents	26	**662,211**	179,348
		1,406,173	740,620
Current liabilities			
Accrued expenses and other payables		**90**	100
Amounts due to subsidiaries	18	**139,071**	21,806
		139,161	21,906
Net current assets		**1,267,012**	718,714
Net assets		**1,374,340**	835,680
EQUITY			
Share capital	32	**34,785**	29,285
Reserves	33	**1,339,555**	806,395
Total equity		**1,374,340**	835,680

Pong Wai San Wilson
Director

Lee Wing Yin
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000 (Re-presented)
Cash flows from operating activities of continuing and discontinued operations			
Profit before income tax from continuing operations		**203,052**	166,988
Loss before income tax from discontinued operations	11	**(7)**	(683)
Adjustments for:			
Interest income	7	**(2,810)**	(835)
Gain on disposals of subsidiaries	35	**(3)**	(788)
Depreciation		**2,939**	1,559
Net fair value gain on financial assets at fair value through profit or loss	7	**(288)**	(251)
Loss on disposals of property, plant and equipment	8	**2**	–
Equity-settled share-based payments		**8,719**	–
Interest expenses	9	**1**	5
Proceeds from disposals of financial assets at fair value through profit or loss		**20,628**	14,452
Purchases of financial assets at fair value through profit or loss		**(20,124)**	(14,895)
Operating profit before working capital changes		**212,109**	165,552
(Increase)/Decrease in properties held for trading		**(32,987)**	3,523
Increase in properties under development		**(366,816)**	(14,334)
Increase in trade receivables		**(60,681)**	(97,249)
Increase in prepayments, deposits and other receivables		**(16,505)**	(15,416)
Decrease/(Increase) in restricted bank deposits		**6,132**	(64,247)
Increase/(Decrease) in trade payables		**39,740**	(1,707)
Increase in accrued expenses and other payables		**46,369**	95,663
Cash (used in)/generated from operations		**(172,639)**	71,785
Interest received		**2,810**	835
Interest paid		**(1)**	(5)
Hong Kong profits tax paid		**(14,989)**	–
Net cash (used in)/generated from operating activities		**(184,819)**	72,615
Cash flows from investing activities of continuing and discontinued operations			
Deposits paid		**(1,942)**	–
Increase in short-term deposits with an original maturity of more than 3 months		**(125,112)**	–
Purchases of property, plant and equipment		**(36,944)**	(27,759)
Purchases of available-for-sale financial assets		**(32,981)**	(6,912)
Net cash inflow arising from disposals of subsidiaries	35	**15**	3
Proceeds from disposals of property, plant and equipment		**2**	–
Advances to an associate		**(18,547)**	(42,867)
Net cash used in investing activities		**(215,509)**	(77,535)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000 (Re-presented)
Cash flows from financing activities of continuing and discontinued operations			
Proceeds from issue of shares		**584,171**	–
Proceeds from borrowings		**215,983**	–
Capital element of finance lease liabilities paid		**(143)**	(40)
Dividends paid	13	**–**	(10,718)
Net cash generated from/(used in) financing activities		**800,011**	(10,758)
Net increase/(decrease) in cash and cash equivalents		**399,683**	(15,678)
Cash and cash equivalents at beginning of year		**231,453**	247,131
Cash and cash equivalents at end of year		**631,136**	231,453
Analysis of balances of cash and cash equivalents	26		
Bank overdrafts		**–**	(389)
Cash and bank balances		**279,359**	101,037
Short-term deposits		**351,777**	130,805
		631,136	231,453

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 32)	**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 13)	**–**	**(9,983)**	**9,983**	**–**	**–**	**–**	**–**
At 30 June 2011	**34,785**	**1,284,742**	**9,983**	**8,719**	**41,857**	**336,716**	**1,716,802**

1. GENERAL INFORMATION

Richfield Group Holdings Limited (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. Details of its subsidiaries (together with the Company referred to as the "Group") are set out in note 18. 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 notes 11 and 35(b). 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 notes 11 and 35(a). 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 on pages 29 to 91 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 HKFRSs") 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:

HKFRSs (Amendments)	Improvements to HKFRSs 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 HKFRSs 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 HKFRSs, 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.

2. ADOPTION OF NEW OR AMENDED HKFRSs *(cont'd)*

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 HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements have been prepared under historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale financial assets, which are measured at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3.3 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In consolidated financial statements, acquisition of subsidiaries (other than those under common control) is accounted for by applying the acquisition method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in joint venture.

In consolidated financial statements, investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associates recognised at the date of acquisition is recognised as goodwill. Goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interests in associates are carried at cost and adjusted for the post-acquisition changes in the Group's shares of the associates' net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the period includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates. Where unrealised losses on assets sales between the Group and its associates are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where associates use accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate equals or exceeds its interest in associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in associates is the carrying amount of the investment under equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. At each reporting date, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (higher of value-in-use and fair value less costs to sell) of the associate and its carrying amount. In determining the value-in-use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by associates, including cash flows arising from the operations of associates and the proceeds on ultimate disposal of the investment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investments in associates is set out in note 3.4.

Goodwill arising in a business combination is measured as the excess of the sum of fair value of consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held equity interest (if any) in the entity over net fair value of the acquisition-date identifiable assets acquired and the liabilities assumed.

Goodwill is stated at cost less impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is tested annually for impairment.

If the consideration transferred and the amount recognised for non-controlling interests is less than the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

3.6 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the reporting date are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into HK$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.7 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided to write off the cost less their estimated residual values over their estimated useful lives, using straight-line method at the following rates per annum:

Leasehold land	Over the lease terms
Leasehold buildings	4% or over the lease terms, whichever is shorter
Furniture, fixtures and equipment	20% to 30%
Motor vehicle	20%
Leasehold improvements	20% or over the lease terms, whichever is shorter

The assets' estimated residual values, if any, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3.8 Impairment of non-financial assets

Goodwill, property, plant and equipment and interests in subsidiaries and associates are subject to impairment testing.

Goodwill arising from business combinations is tested for impairment at least annually, irrespective of whether there is any indication that it is impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value-in-use, if determinable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Impairment of non-financial assets *(cont'd)*

An impairment loss on goodwill arising from business combinations is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Operating leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Assets acquired under finance leases*

Where the Group acquires the right to use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as finance lease liabilities.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(ii) *Operating lease charges as the lessee*

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

(iii) *Assets leased out under operating leases as the lessor*

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on straight-line method over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Properties held for trading

Properties held for trading are carried at the lower of cost and net realisable value. Cost comprises all costs of purchase. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

3.11 Properties under development

Properties under development for future sale in the ordinary course of business are carried at the lower of cost and net realisable value. Cost comprises the acquisition cost of land and/or properties, development expenditure, other direct expenses and capitalised borrowing costs. Net realisable value represents the estimated selling price less estimated cost of completion and applicable selling expenses.

3.12 Financial assets

The Group's financial assets are classified into the loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date, that is, the date that the Group commits to purchase or sell the asset. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are mainly financial assets held for trading and they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Financial assets *(cont'd)*

(ii) Financial assets at fair value through profit or loss (cont'd)

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

– the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or

– the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or

– the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's policies in note 3.18.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the revaluation reserve in equity, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using effective interest method is recognised in profit or loss.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each reporting date subsequent to initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Financial assets *(cont'd)*

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) *Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(ii) *Available-for-sale financial assets*

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in profit or loss. The subsequent increase in fair value is recognised directly in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Financial assets *(cont'd)*

Impairment of financial assets (cont'd)

(iii) *Financial assets carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

Impairment losses recognised in an interim period in respect of available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of an annual period, or in a subsequent period, the increase is recognised in other comprehensive income.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Money received from developers of property assembly projects for the purpose of initial deposit payments to property owners are placed in designated bank account and the Group restricts the use of these bank accounts to initial deposit payments only. The balances in these bank accounts do not form part of the Group's cash management and therefore are excluded from the Group's cash and cash equivalent balances.

For the purpose of statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.14 Financial liabilities

The Group's financial liabilities include bank overdrafts, trade and other payables, borrowings and finance lease liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are derecognised when the obligations under the liability are discharged, cancelled or expires. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Financial liabilities *(cont'd)*

(i) *Trade and other payables and borrowings*

These are recognised initially at fair value and subsequently measured at amortised cost, using effective interest method.

(ii) *Finance lease liabilities*

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see note 3.9(i)).

3.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

3.16 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium to the extent they are incremental costs directly attributable to the equity transaction.

3.17 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, rendering of services and the use by others of the Group's assets yielding interest, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Commission income is recognised in the accounting period in which the services are rendered and the Group's entitlement to commission income becomes unconditional or irrevocable;

Trading of property is recognised upon the signing of the sale and purchase agreement;

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods;

Interest income is recognised on a time-proportion basis using effective interest method;

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the accounting periods covered by the lease terms. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivables;

Renovation service income is recognised when the services are rendered;

Dividend income is recognised when the right to receive payment is established; and

Management fee income is recognised pro-rata over the duration of the underlying agreement.

3.19 Income tax

Income taxes for the year comprise current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit and loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.19 Income tax *(cont'd)*

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entities; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 Retirement benefit costs and short term employee benefits

(i) Deferred contribution retirement plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong.

Contributions are made based on a percentage of the employees' basic salaries and are recognised in profit or loss as employees render services during the year. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

(ii) Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employee up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.21 Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees, directors, consultants, advisors, suppliers or customers of the Company and its subsidiaries.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in share-based payment reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

3.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

Property Assembly and Brokerage Business:	Provision of property brokerage services; provision of schemes for property consolidation, assembly and redevelopment; and property trading in Hong Kong
Property Development Business:	Property development

Each of these operating segments is managed separately as each of the product and service line requires different resources as well as marketing approaches. All inter-segment transfers are priced with reference to prices charged to external parties for similar orders.

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that share of results of associates accounted for using equity method, finance costs, income tax expense and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but investments in financial assets and interests in associates and amount due from an associate. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.22 Segment reporting *(cont'd)*

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocations have been applied to reportable segments.

3.23 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3.24 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised deferred income within trade and other payables. Where consideration is received or receivable for the issuance of a guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised as investment in subsidiaries on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantee issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount, where appropriate.

3.25 Discontinued operations

A discontinued operation is a clearly distinguishable component of the Group's business that has been disposed of or is classified as held for sale, which represents a separate major line of business or geographical area of operations of the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4.1 Estimated results of profit guarantee

As described in note 20, the purchase consideration of the acquisition of the entire equity interests in Richfield Realty Limited ("Richfield Realty") was contingent on the profit of Richfield Realty and certain companies within the Group. Based on the profit forecast, management makes estimates on the profit guarantee. The actual profit of Richfield Realty and certain companies within the Group may be lower than estimated one at the reporting date, which would affect the purchase consideration and goodwill accordingly.

4.2 Estimated impairment of goodwill

The Group tests goodwill arising from business combinations annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.8. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require estimations of the value-in-use of the CGUs to which the goodwill is allocated. If the actual growth rate had been lower or the pre-tax discounted rate higher than management's estimates, the Group may make the impairment losses that arose on goodwill.

4.3 Net realisable value of properties held for trading and properties under development

Net realisable value of properties held for trading and properties under development is the estimated selling price in the ordinary course of business, less selling expenses and estimated cost of completion. These estimates are based on the current market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. Management reassesses these estimations at the reporting date to ensure properties held for trading and properties under development are accounted for at the lower of cost and net realisable value.

4.4 Impairment of receivables

The impairment loss on receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

4.5 Taxation

The Group is subject to income taxes in Hong Kong. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such final tax liabilities determination is made.

5. SEGMENT INFORMATION

The executive directors have identified the Group's two product and service lines as operating segments as further described in note 3.22. 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

5. SEGMENT INFORMATION *(cont'd)*

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%).

6. 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

7. 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

8. 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 (note 16.1)	**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

9. 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 (note 23)*	**(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).

10. 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.

(a) 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 **HK$'000**	2010 HK$'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

(b) Details of deferred taxation of the Group are set out in note 34.

11. 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.

An analysis of the results and cashflows of 2011 Discontinued Operations and 2010 Discontinued Operations included in the consolidated income statement and the statement of cash flows is as follows:

	2011 Discontinued Operations		2010 Discontinued Operations		Total	
	2011 HK$'000	2010 HK$'000 (Re-presented)	**2011 HK$'000**	2010 HK$'000 (Re-presented)	**2011 HK$'000**	2010 HK$'000 (Re-presented)
Revenue	**–**	1,858	**–**	–	**–**	1,858
Cost of sales	**–**	(2,119)	**–**	–	**–**	(2,119)
Gross loss	**–**	(261)	**–**	–	**–**	(261)
Other income	**–**	3	**–**	–	**–**	3
Selling and distribution expenses	**–**	(1)	**–**	–	**–**	(1)
Administrative expenses	**(10)**	(1,212)	**–**	–	**(10)**	(1,212)
Loss before income tax	**(10)**	(1,471)	**–**	–	**(10)**	(1,471)
Income tax expense	**–**	–	**–**	–	**–**	–
	(10)	(1,471)	**–**	–	**(10)**	(1,471)
Gain on disposals of subsidiaries (note 35)	**3**	–	**–**	788	**3**	788
(Loss)/Gain for the year from discontinued operations	**(7)**	(1,471)	**–**	788	**(7)**	(683)
Net cash used in operating activities	**(5)**	(262)	**–**	–	**(5)**	(262)
Net cash used in investing activities	**–**	(3)	**–**	–	**–**	(3)
Net cash outflows	**(5)**	(265)	**–**	–	**(5)**	(265)

Loss for the year from the 2011 Discontinued Operations includes the following:

	2011 HK$'000	2010 HK$'000
Cost of inventories recognised as expense	**–**	1,976
Depreciation	**–**	16

12. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated profit attributable to owners of the Company of HK$167,903,000 (2010: HK$140,437,000), a loss of HK$11,863,000 (2010: profit of HK$19,152,000) has been dealt with in the financial statements of the Company.

13. DIVIDENDS

(a) Dividend attributable to the year:

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

14. 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.

15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2011 HK$'000	2010 HK$'000 (Re-presented)
Continuing operations		
Salaries	**166,231**	96,641
Equity-settled share-based payments	**8,719**	–
Pension costs – defined contribution plans	**1,797**	1,114
2011 Discontinued Operations		
Salaries	**–**	1,140
Pension costs – defined contribution plans	**–**	8
	176,747	98,903

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

16.1 Directors' emoluments

The emoluments paid/payable to the directors were as follows:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Equity-settled share-based payments HK$'000	Contributions to pension scheme HK$'000	Total HK$'000
Year ended 30 June 2011					
Executive directors					
Mr. Pong Wai San, Wilson	–	–	2,798	–	2,798
Mr. Lee Wing Yin	735	–	624	12	1,371
Non-executive director					
Mr. Li Chi Chung	–	–	625	–	625
Independent non-executive directors					
Mr. Koo Fook Sun, Louis	50	–	624	–	674
Mr. Lai Hin Wing, Henry	50	–	625	–	675
Mr. Lung Hung Cheuk	50	–	625	–	675
	885	–	5,921	12	6,818

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(cont'd)*

16.1 Directors' emoluments *(cont'd)*

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Contributions to pension scheme HK$'000	Total HK$'000
Year ended 30 June 2010				
Executive directors				
Mr. Pong Wai San, Wilson	–	–	–	–
Mr. Lee Wing Yin (note)	–	47	1	48
Non-executive director				
Mr. Li Chi Chung	–	–	–	–
Independent non-executive directors				
Mr. Koo Fook Sun, Louis	50	–	–	50
Mr. Lai Hin Wing, Henry	50	–	–	50
Mr. Lung Hung Cheuk	50	–	–	50
	150	47	1	198

Note: Mr. Lee Wing Yin was appointed on 1 June 2010.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2010: Nil).

16.2 Five highest paid individuals

Of the five individuals whose emoluments were the highest in the Group for the year ended 30 June 2011, none (2010: None) is director whose emoluments are reflected in the analysis presented above. The emoluments paid/payable to the five (2010: five) individuals for the years ended 30 June 2011 and 2010 are as follows:

	2011 HK$'000	2010 HK$'000
Basic salaries, housing benefits, other allowances and benefits in kind	**50,602**	26,076
Equity-settled share-based payments	**2,798**	–
Pension costs – defined contribution plans	**48**	45
	53,448	26,121

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(cont'd)*

16.2 Five highest paid individuals *(cont'd)*

Their emoluments fell within the following bands:

	Number of individuals	
	2011	2010
Emolument bands		
Nil to HK$3,000,000	**–**	1
HK$3,000,001 to HK$6,000,000	**2**	3
HK$6,000,001 to HK$9,000,000	**1**	–
HK$9,000,001 to HK$12,000,000	**–**	–
HK$12,000,001 to HK$15,000,000	**1**	1
HK$15,000,001 to HK$18,000,000	**–**	–
HK$18,000,001 to HK$21,000,000	**–**	–
HK$21,000,001 to HK$24,000,000	**1**	–

During the years ended 30 June 2011 and 2010, no emoluments were paid by the Group to any of the directors of the Company or the highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

There was no arrangement under which any of the five highest paid employees waived or agreed to waive any remuneration during the year (2010: Nil).

17. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Leasehold land HK$'000 (Restated) (note 2)	Leasehold buildings HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000 (Restated)
At 30 June 2009						
Cost	–	–	1,883	–	518	2,401
Accumulated depreciation	–	–	(699)	–	(245)	(944)
Net carrying amount	–	–	1,184	–	273	1,457
Year ended 30 June 2010						
Opening net book amount	–	–	1,184	–	273	1,457
Additions	17,419	7,068	1,965	–	1,800	28,252
Depreciation	(226)	(165)	(858)	–	(310)	(1,559)
Closing net book amount	17,193	6,903	2,291	–	1,763	28,150
At 30 June 2010						
Cost	17,419	7,068	3,848	–	2,318	30,653
Accumulated depreciation	(226)	(165)	(1,557)	–	(555)	(2,503)
Net carrying amount	17,193	6,903	2,291	–	1,763	28,150
Year ended 30 June 2011						
Opening net book amount	17,193	6,903	2,291	–	1,763	28,150
Additions	31,604	2,458	1,283	658	1,543	37,546
Disposals	–	–	(4)	–	–	(4)
Disposals of subsidiaries	–	–	(12)	–	–	(12)
Depreciation	(388)	(283)	(1,183)	(88)	(997)	(2,939)
Closing net book amount	48,409	9,078	2,375	570	2,309	62,741
At 30 June 2011						
Cost	49,023	9,526	5,075	658	3,861	68,143
Accumulated depreciation	(614)	(448)	(2,700)	(88)	(1,552)	(5,402)
Net carrying amount	48,409	9,078	2,375	570	2,309	62,741

Leasehold land and buildings are held on medium lease and located in Hong Kong.

Furniture, fixtures and equipment with net carrying amount of HK$912,000 (2010: HK$453,000) are held under finance leases (note 31).

17. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(b) Company

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
At 30 June 2009			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net carrying amount	–	–	–
Year ended 30 June 2010			
Opening net book amount	–	–	–
Additions	687	135	822
Depreciation	(134)	(26)	(160)
Closing net book amount	553	109	662
At 30 June 2010			
Cost	687	135	822
Accumulated depreciation	(134)	(26)	(160)
Net carrying amount	553	109	662
Year ended 30 June 2011			
Opening net book amount	553	109	662
Additions	–	22	22
Depreciation	(229)	(45)	(274)
Closing net book amount	324	86	410
At 30 June 2011			
Cost	687	157	844
Accumulated depreciation	(363)	(71)	(434)
Net carrying amount	324	86	410

18. INTERESTS IN AND DUE FROM/(TO) SUBSIDIARIES – COMPANY

	2011 HK$'000	2010 HK$'000
Non-current		
Unlisted investments, at cost	**–**	–
Current		
Due from subsidiaries	**736,687**	557,224
Due to subsidiaries	**139,071**	21,806

Amounts due are unsecured, interest free and repayable on demand.

The directors of the Company are of the opinion that a complete list of the particulars of all the subsidiaries is of excessive length and therefore the following list contains only the particulars of the subsidiaries which materially affect the results or assets of the Group. Details of principal subsidiaries as at 30 June 2011 are as follows:

	Place of incorporation/ registration/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Directly	Percentage of equity attributable to the Company Indirectly	Principal activities
Vastwood Ltd.	The British Virgin Islands (The "BVI")	Ordinary, United States Dollars ("US$")1	100	–	Investment holding
A-Join Property Agency Limited	Hong Kong ("HK")	Ordinary, Hong Kong Dollars ("HK$")1	–	100	Property agency
Richfull Consultants Limited	HK	Ordinary, HK$1	–	100	Consultancy services
Richfield Realty Limited	HK	Ordinary, HK$1	–	100	Property agency and site assembly
Joys Management Limited	HK	Ordinary, HK$1	–	100	Provision of property assembly consultancy service
World Fair Global Limited	The BVI	Ordinary, US$1	100	–	Investment holding
Favor Choice International Limited	The BVI	Ordinary, US$1	–	100	Property holding
Fruitful Year International Limited	HK	Ordinary, HK$1	–	100	Property holding

18. INTERESTS IN AND DUE FROM/(TO) SUBSIDIARIES – COMPANY *(cont'd)*

	Place of incorporation/ registration/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Directly	Indirectly	Principal activities
Maison Investment Development Ltd.	The BVI	Ordinary, US$1	–	100	Property holding
Mutual Wave Limited	HK	Ordinary, HK$1	–	100	Property holding
Sentiment Great Limited	The BVI	Ordinary, US$1	–	100	Property holding
Charm Universe Limited	The BVI	Ordinary, US$1	–	100	Property holding
Wo Ming Limited	The BVI	Ordinary, US$1	–	100	Property holding
Brilliant Icon Limited*	The BVI	Ordinary, US$1	–	100	Property holding
Central Profit Investments Limited*	The BVI	Ordinary, US$1	–	100	Property holding
Cosmo Reach Limited*	The BVI	Ordinary, US$1	–	100	Property holding
Glory Nature Limited*	The BVI	Ordinary, US$1	–	100	Property holding
Glory Peak Holdings Limited*	The BVI	Ordinary, US$1	–	100	Property holding
Prosper Day Limited*	The BVI	Ordinary, US$1	–	100	Property holding
High Bond Limited*	The BVI	Ordinary, US$1	–	100	Property development
Macro Win Limited*	The BVI	Ordinary, US$1	–	100	Property development
Wofeng Holding Limited	The BVI	Ordinary, US$1	–	100	Property development

* The subsidiaries were acquired /incorporated during the year ended 30 June 2011.

19. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE – GROUP

	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 is unsecured, interest-free and repayable on demand.

Particulars of associates as at 30 June 2011 are as follows:

Name of associates	Particular of issued and paid up shares	Place of incorporation/ operations	Form of business structure	Percentage of interest held by the Group	Principal activities
Apex Plan Limited	10 ordinary shares of US$1 each	The BVI	Incorporated	30%	Investment holding
Everhost Limited	1 ordinary share of HK$1	HK	Incorporated	30%	Property development
Gora Holdings Limited*	1 ordinary share of US$1	The BVI	Incorporated	30%	Investment holding
Joint Channel Limited*	1 ordinary share of HK$1	HK	Incorporated	30%	Property development

* The associates were acquired/ incorporated during the year ended 30 June 2011.

All associates adopt their financial year end dates on 31 December.

The aggregated amounts of financial information as extracted from the financial statements of associates are as follows:

	2011 HK$'000	2010 HK$'000
Assets	**425,426**	335,346
Liabilities	**436,234**	335,343
Revenues	**443**	10
(Loss)/Profit	**(10,811)**	3

20. GOODWILL – GROUP

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 (the "Circular").

As described in the Circular, the purchase consideration was contingent on the results of Richfield Realty where its guarantee profit for the year ended 28 May 2008 should be no less than HK$150,000,000 (the "Original Guarantee Profit"). When the results of Richfield Realty for the period from 29 May 2007 to 28 May 2008 (the "Actual Profit") were less than the Original Guarantee Profit, the vendor, who subsequently became a shareholder of the Company upon conversion of convertible bonds, should compensate an amount, which was equivalent to 3.98 times of the difference between the Original Guarantee Profit and the Actual Profit, to the Group.

Pursuant to the agreement dated 12 June 2008 and another supplemental settlement agreement dated 17 July 2008 entered into between this shareholder and the Group (the "Settlement Agreement") and pursuant to the resolution for the approval of the Settlement Agreement by the independent shareholders in the extraordinary general meeting held on 25 August 2008, the repayment for the amount due from this shareholder was compensated by a new guarantee profit of Richfield Realty, under which this shareholder has irrevocably warranted and guaranteed to the Group the revised guarantee profit of Richfield Realty for the 36-month period commencing from 1 July 2008 is no less than HK$345,949,000 (the "Revised Guarantee Profit").

As the fair value of the purchase consideration was restated as HK$477,000,000 for the period from 1 April 2008 to 30 June 2009, goodwill arising from the Acquisition was thus HK$474,00,000 calculated as follows:

	HK$'000
Fair value of revised purchase consideration	477,000
Fair value of net assets acquired	(3,000)
Goodwill	474,000

Pursuant to the second supplement agreement to the Settlement Agreement dated 25 August 2010 entered into between this shareholder and the Group, the Revised Guaranteed Profit include the profits of Richfield Realty and certain new wholly-owned subsidiaries within the Group (the "New Subsidiaries"). The New Subsidiaries are set up to take over some of the operation functions previously undertaken by Richfield Realty pursuant to an internal restructuring of the Group, details of which are set out in the Company's announcement dated 25 August 2010.

On 30 June 2011, actual profit of Richfield Realty and the New Subsidiaries for the 36-month period commencing from 1 July 2008 has already achieved the Revised Guarantee Profit.

The recoverable amounts of the CGU engaged in the Property Assembly and Brokerage Business were determined based on value-in-use calculations, using cash flow projections based on financial budgets covering a five-year period approved by management and valued by the independent professional valuers. For the year ended 30 June 2011, the cash flows beyond the five-year period (2010: five-year period) were extrapolated using an average growth rate of 2% (2010: 3%). The growth rates reflected the long-term average growth rates of this CGU. The discount rate applied to cash flow calculation was 12 % (2010: 11%).

20. GOODWILL – GROUP *(cont'd)*

Management's key assumptions include stable profit margins, which are determined based on past performance and its expectations for market share after taking into consideration of published market forecast and research. Management believes that this is the best available input for forecasting the property market. The growth rates used are generally consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Apart from the considerations described above in determining the value-in-use of the CGUs, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP AND COMPANY

	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

Listed equity securities and unlisted investment funds with carrying amounts of HK$76,700,000 (2010: HK$99,200,000) and HK$22,417,000 (2010: HK$9,538,000) respectively are stated at fair value. The fair values have been determined directly by reference to published price and quotations in active markets.

Unlisted investment funds with a carrying amount of HK$7,801,000 (2010: HK$7,566,000) are measured at cost less impairment losses as the variability in the range of reasonable fair value estimates is significant and the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value. The directors of the Company are of the opinion that the fair value cannot be measured reliably.

22. PROPERTIES HELD FOR TRADING – GROUP

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

23. PROPERTIES UNDER DEVELOPMENT – GROUP

	2011 HK$'000	2010 HK$'000
At cost:–		
At beginning of the year	**14,334**	–
Additions	**364,058**	14,334
Interest capitalised (note 9)	**2,758**	–
At end of the year	**381,150**	14,334

As at 30 June 2011, the Group's properties under development with carrying amount of approximately HK$381,150,000 (2010: Nil) were pledged to secure bank loans of approximately HK$215,983,000 (2010: Nil) granted to the Group (note 30).

24. TRADE RECEIVABLES – GROUP

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.

24. TRADE RECEIVABLES – GROUP *(cont'd)*

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

As at 30 June 2011, there were no amounts denominated in a currency other than the functional currency of the entity to which they relate (2010: Nil).

Receivables that were neither past due nor impaired were due from a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

As at 30 June 2010, the carrying amount of certain trade receivables of HK$780,000 was determined based on the present value of the estimated future cash outflows discounted using the effective interest rate of 6.75% per annum.

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP AND COMPANY

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.

26. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**279,359**	101,037	**185,922**	49,144
Short-term deposits	**476,889**	130,805	**476,289**	130,204
Cash and cash equivalents as stated in the statement of financial position	**756,248**	231,842	**662,211**	179,348
Short-term deposits with an original maturity of more than 3 months	**(125,112)**	–	**(125,112)**	–
Bank overdrafts	**–**	(389)	**–**	–
Cash and cash equivalents for the presentation of the statement of cash flows	**631,136**	231,453	**537,099**	179,348

Cash at banks earn interest at rates of 0.1% (2010: 0.1%) per annum based on the daily bank deposits rates. Short-term deposits earn interest rate of 0.95% to 1.4% (2010: 0.5% to 1.1 %) per annum and are eligible for immediate cancellation without receiving any interest for the last deposit period.

Included in cash and cash equivalents of the Group is an aggregate amount of approximately HK$125,112,000 (2010: Nil) of bank balances denominated in Renminbi ("RMB") placed with the banks in Hong Kong. RMB is not a freely convertible currency.

The directors of the Company consider that the fair values of short-term deposits are not materially different from their carrying amounts because of the short maturity period on their inception.

27. RESTRICTED BANK DEPOSITS – GROUP

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.

28. BANK OVERDRAFTS – GROUP

Bank overdrafts as at 30 June 2010 were unsecured, interest bearing at 13% per annum and repayable with one year.

29. TRADE PAYABLES – GROUP

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	2010
	HK$'000	HK$'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.

30. BORROWINGS – GROUP

The carrying amount of borrowings of the Group, as at the reporting dates based on the schedule repayment dates set out in the bank loan agreements is as follows:

	2011	2010
	HK$'000	HK$'000
Within one year or on demand	**–**	–
In the second year	**–**	–
In the third to fifth years, inclusive	**215,983**	–
Non-current bank loans – secured	**215,983**	–

The balance was secured by properties under development as set out in note 23.

The effective interest rates of the Group's borrowings ranged from 1.89% to 1.95% (2010: Nil) per annum.

31. FINANCE LEASE LIABILITIES – GROUP

The analysis of the Group's obligations under finance leases is as follows:

	2011 HK$'000	2010 HK$'000
Total minimum lease payments:		
Due within one year	**203**	97
Due in the second to fifth years	**709**	356
	912	453
Future finance charges on finance leases	**–**	–
Present value of finance lease liabilities	**912**	453

	2011 HK$'000	2010 HK$'000
Present value of minimum lease payments:		
Due within one year under current liabilities	**203**	97
Due in the second to fifth years under non-current liabilities	**709**	356
	912	453

The Group has entered into finance leases for certain office equipment. The lease period is for 5 years. At the end of the lease term, the Group has the option to purchase the leased equipment at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease. None of the leases included contingent rentals.

Finance lease liabilities are effectively secured by the underlying assets (note 17(a)) as the rights to the leased asset will be reverted to the lessor in the event of default of repayment by the Group.

The carrying amounts of finance lease liabilities are denominated in Hong Kong Dollars and approximate their fair values.

32. SHARE CAPITAL

	2011 Number of shares '000	2011 HK$'000	2010 Number of shares '000	2010 HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**10,000,000**	**100,000**	10,000,000	100,000

	2011 Number of shares '000	2011 Ordinary shares HK$'000	2010 Number of shares '000	2010 Ordinary shares HK$'000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At beginning of the year	**2,928,500**	**29,285**	2,928,500	29,285
Issue of shares	**550,000**	**5,500**	–	–
At 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.

33. RESERVES

Group

The amounts of the Group's reserves and the movements therein during the year are presented in the consolidated statement of changes in equity on page 35 of the financial statements.

Company

	Share premium account HK$'000	Proposed final dividends HK$'000	Share-based payment reserve HK$'000	Revaluation reserve HK$'000	(Accumulated losses)/ Retained profits HK$'000	Total HK$'000
At 1 July 2009	726,772	–	–	3,444	(13,035)	717,181
Dividends paid	(10,718)	–	–	–	–	(10,718)
Transactions with owners	(10,718)	–	–	–	–	(10,718)
Profit for the year	–	–	–	–	19,152	19,152
Other comprehensive income:						
Fair value gain on available-for-sale financial assets	–	–	–	80,780	–	80,780
Total comprehensive income for the year	–	–	–	80,780	19,152	99,932
At 30 June 2010 and 1 July 2010	**716,054**	**–**	**–**	**84,224**	**6,117**	**806,395**
Issue of shares (note 32)	**599,500**	**–**	**–**	**–**	**–**	**599,500**
Share issued expenses	**(20,829)**	**–**	**–**	**–**	**–**	**(20,829)**
Equity-settled share-based payments	**–**	**–**	**8,719**	**–**	**–**	**8,719**
Transactions with owners	**578,671**	**–**	**8,719**	**–**	**–**	**587,390**
Loss for the year	**–**	**–**	**–**	**–**	**(11,863)**	**(11,863)**
Other comprehensive income:						
Fair value loss on available-for-sale financial assets	**–**	**–**	**–**	**(42,367)**	**–**	**(42,367)**
Total comprehensive income for the year	**–**	**–**	**–**	**(42,367)**	**(11,863)**	**(54,230)**
Proposed final dividend 2011 (note 13)	**(9,983)**	**9,983**	**–**	**–**	**–**	**–**
At 30 June 2011	**1,284,742**	**9,983**	**8,719**	**41,857**	**(5,746)**	**1,339,555**

The share premium account mainly arises from the shares issued at a premium. Under the Companies Law of the Cayman Islands, share premium is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividends, the Company is also able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association of the Company, with the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium.

34. DEFERRED TAX – GROUP

At the reporting date, the Group had unrecognised deferred tax assets and liabilities as follows:

	2011 HK$'000	2010 HK$'000
Taxation effect of temporary differences arising as a result of:		
Deferred tax assets:		
Tax losses available to set off against future assessable profits	**636**	867
Deferred tax liabilities:		
Excess of depreciation allowance claimed for tax proposes over depreciation charged in the financial statements	**141**	147

No provision for deferred taxation has been recognised in respect of the tax losses of HK$3,855,000 (2010: HK$5,254,000) as this has not yet been all agreed with the Inland Revenue Department and there is the unpredictability of future profit streams. The tax losses do not expire under current tax legislation.

35. DISPOSALS OF SUBSIDIARIES

(a) As mentioned in notes 1 and 11, the Group's subsidiaries engaged in 2011 Discontinued Operations, namely Maxitech System and Trigreat Investment were sold during the year. Particulars of the disposal transaction are as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	**(12)**
Cash and bank balances	**(15)**
	(27)
Total consideration	**30**
Gain on disposals of subsidiaries	**3**

	HK$'000
Cash inflow on disposals:	
Sale consideration settled in cash	**30**
Cash and cash equivalents in subsidiaries disposed	**(15)**
Cash inflow on disposals	**15**

35. DISPOSALS OF SUBSIDIARIES *(cont'd)*

(b) For the year ended 30 June 2010, the Group's subsidiaries engaged in 2010 Discontinued Operations, namely Multi Merchant and FX International were disposed of. Particulars of the disposal transaction are as follows:

	HK$'000
Net liabilities disposed of:	
Cash and bank balances	**(2)**
Trade payables	**287**
Accrued expenses and other payables	**176**
Tax payables	**322**
	783
Total consideration	**5**
Gain on disposals of subsidiaries	**788**

	HK$'000
Cash inflow on disposals:	
Sale consideration settled in cash	**5**
Cash and cash equivalents in subsidiaries disposed	**(2)**
Cash inflow on disposals	**3**

36. SHARE-BASED PAYMENTS

The Company operates a share option scheme (the "SO Scheme") for the main purpose of recognising contributions of the employees of the Group to the growth of the Group, by rewarding them with opportunities to obtain an ownership interest in the Company and to further motivate and give an incentive to these persons to continue to contribute to the Group's long terms success and prosperity.

Eligible participants of the SO Scheme include any employees, consultants, advisers, suppliers or customers of the Group, including any directors of the Company and its subsidiaries. The SO Scheme became effective on 21 May 2002 and, unless otherwise cancelled or amended, remains in force for ten years from that date.

The maximum number of unexercised share options currently permitted to be granted under the SO Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the SO Scheme within any 12-month period up to the date of grant, is limited to 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted shall be determined by the board of directors and notified to the relevant grantee, but must not be more than ten years from the date of grant of the share options.

36. SHARE-BASED PAYMENTS *(cont'd)*

The exercise price of the share options is determinable by the board of directors, but may not be less than the highest of (i) the closing price of the Company's share as stated in the Stock Exchange's daily quotations sheet on the date of offer of the option, which must be a business day, (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of the option, or (iii) the nominal value of the Company's shares on the date of offer.

For the year ended 30 June 2010, no share options have been granted pursuant to the SO Scheme. No share options granted under the SO Scheme were outstanding as at 30 June 2010.

The following shows the outstanding position of the directors as at 30 June 2011 with respect to their share options granted under the SO Scheme:

	Number of share options					
Name or category of grantee	**At 1 July 2010**	**Granted during the year**	**At 30 June 2011**	**Date of grant of share options**	**Exercise period (note a)**	**Exercise price (HK$) (note b)**
Directors						
Pong Wai San, Wilson	–	8,400,000	8,400,000	9 July 2010	Period 1	0.59
Lee Wing Yin	–	1,000,000	1,000,000	7 December 2010	Period 2	1.17
Li Chi Chung	–	1,000,000	1,000,000	7 December 2010	Period 2	1.17
Koo Fook Sun, Louis	–	1,000,000	1,000,000	7 December 2010	Period 2	1.17
Lai Hin Wing, Henry	–	1,000,000	1,000,000	7 December 2010	Period 2	1.17
Lung Hung Cheuk	–	1,000,000	1,000,000	7 December 2010	Period 2	1.17
	–	13,400,000	13,400,000			
Director of subsidiaries and the substantial shareholder						
Au Wing Wah	–	8,400,000	8,400,000	9 July 2010	Period 1	0.59
	–	21,800,000	21,800,000			

Notes:

Period 1: 9 July 2010 to 8 July 2015
Period 2: 7 December 2010 to 6 December 2015

36. SHARE-BASED PAYMENTS *(cont'd)*

(a) The vesting date of the share options for Period 1 and 2 is the date of grant.

(b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

(c) The weighted average exercise prices of share option is set out below:

	2011	2010
	HK$	HK$
At beginning of the year	**–**	–
Granted during the year	**0.72**	–
At end of the year	**0.72**	–

(d) The weighted average remaining contractual life of the share options outstanding at 30 June 2011 was approximately 4.12 years (2010: Nil).

The fair values of options granted were determined using Black-Scholes Pricing Model that takes into account factors specific to the share incentive plans. The following principal assumptions were used in the valuation:

Share price grant on 9 July 2010	HK$0.59
Expected volatility*	97.75%
Risk-free interest rate	0.7735%
Dividend yield	0%
Expected life of option	2.5 years
Fair value at 9 July 2010	HK$0.3331
Exercise price at 9 July 2010	HK$0.59

Share price grant on 7 December 2010	HK$1.14
Expected volatility*	95.54%
Risk-free interest rate	0.659%
Dividend yield	0%
Expected life of option	2.5 years
Fair value at 7 December 2010	HK$0.6246
Exercise price at 7 December 2010	HK$1.17

* The underlying expected volatility reflects the assumption that the historical volatility is indicative of future treads, which may also not necessarily be the actual outcome. No special features pertinent to the options granted were incorporated into measurement of fair value.

The fair value of the options granted is HK$8,719,000 in aggregate, which was recognised as share option expense in the consolidated income statement. The corresponding amount has been credited to the share-based payment reserve.

At 30 June 2011, the Company had 21,800,000 (2010: Nil) share options outstanding under the Scheme, which represented approximately 0.6% (2010: Nil) of the Company's shares in issue at that date. All these options were exercisable at 30 June 2011 (2010: Nil).

37. OPERATING LEASE COMMITMENTS

As lessee

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

Group

	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

The Group leases a number of properties under operating leases. The lease run for an initial period of one to three years, with an option to renew the lease and renegotiated the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. As at 30 June 2011 and 2010, none of the leases include contingent rentals.

Company

	2011 HK$'000	2010 HK$'000
Within one year	**1,296**	260
In the second to fifth years	**373**	–
	1,669	260

The Company leases a property under operating leases. The lease runs for an initial period of one to two years. As at 30 June 2011 and 2010, none of the leases include contingent rentals.

37. OPERATING LEASE COMMITMENTS *(cont'd)*

As lessor

At 30 June 2011, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

Group

	2011 HK$'000	2010 HK$'000
Within one year	**669**	42
In the second to fifth years	**28**	–
	697	42

The Group leases its properties under operating lease arrangements which run for an initial period of two years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. As at 30 June 2011 and 2010, none of the leases include contingent rentals.

Company

The Company does not have any operating lease arrangements as at 30 June 2011 and 2010.

38. 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

39. FINANCIAL GUARANTEE CONTRACTS – COMPANY

The Company has executed guarantees amounting to HK$634,000,000 (2010: HK$144,000,000) with respect to bank loans to its subsidiaries and associate, which are secured against properties under development held by those subsidiaries and associates. Under the guarantees, the Company would be liable to pay the bank if the bank is unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contract has been made as the directors consider that it is not probable that the repayment of the loan will be in default.

40. MATERIAL RELATED PARTY TRANSACTIONS

40.1 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.

40.2 Key management personnel compensation

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

41. MAJOR NON-CASH TRANSACTION

During the year ended 30 June 2011, property, plant and equipment of HK$602,000 (2010: HK$493,000) were acquired under finance leases.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group has various financial assets and liabilities such as trade receivables, trade payables, other receivables and other payables, which arise directly from its daily operations.

The main risks arising from the Group's financial instruments are market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. As the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

42.1 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Besides short-term deposits which earn interest at fixed rates, cash at banks earn interest at floating rates of 0.1% to 1.4% (2010: 0.1% to 1.1%) per annum, based on the daily bank deposits rates for the year. Other than deposits held in banks, the Group does not have significant interest-bearing financial assets. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group.

As at 30 June 2011, the Group's exposure to interest rate risk on floating interest-bearing financial liabilities mainly comes from secured bank loans. As at 30 June 2010, the Group does not have floating interest-bearing financial liabilities. As interest rate risk exposure is considered as minimal, management did not consider it necessary to use interest rate swaps to hedge their exposure to interest rate risk because the Group does not have significant interest-bearing financial assets and financial liabilities with variable interest rates.

If an increase or decrease of 5% in interest rate was estimated, with all other variables held constant, profit or loss for the year and retained profits would not be affected but property under development would have increased or decreased by approximately HK$138,000 (2010: Nil).

The policies to manage interest rate risk have been followed by the Group since prior year and are considered to be effective.

42.2 Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. During the year, exposures to currency exchange rates arose from the Group's deposit, which were primarily denominated in RMB (equivalent to HK$125,112,000) (2010: Nil). Other than this, almost all of the Group's transactions were carried out in HK$ which is the functional currency of the group entities to which the transaction related.

To mitigate the impact of exchange rate fluctuations, the Group's continually assesses and monitors the exposure to foreign currency risk. During the year, management did not consider it necessary to use foreign currency forward contracts to hedge the exposure to foreign currency risk as most of the financial assets and financial liabilities denominated in currencies other than the functional currency of the entity to which they related are short term foreign currency cash flows (due within 6 months).

As at 30 June 2011, if a depreciation of 5% in HK$ against RMB was estimated, with all other variables held constant, profit after income tax for the year and retained profits will decrease by HK$6,256,000 for the year ended 30 June 2011. An appreciation of the same percentage in HK$ against RMB would have had the equal but opposite effect on the profit after tax for the year and retained profits to the amount shown above, on the basis that all other variables remain constant.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

42.2 Foreign currency risk *(cont'd)*

The appreciation and depreciation of 5% in HK$ exchange rate against RMB represented management's assessment of a reasonably possible change in currency exchange rate over the period until the next annual reporting date.

The policies to manage foreign currency risk have been followed by the Group since prior year and are considered to be effective.

42.3 Price risk

Price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to change in market prices of listed equity securities and unlisted investment funds in respect of its investments classified as available-for-sale financial assets and financial assets at fair value through profit or loss.

To manage its market price risk arising from these investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the board of directors. The policies to manage the price risk have been followed by the Group since prior years and are considered to be effective.

For listed equity securities and unlisted investment funds in the available-for-sale financial assets category, if the quoted price for these securities increased or decreased by 5%, profit or loss for the year and retained profits would not be affected but other components of equity would have increased or decreased by HK$5,346,000 (2010: HK$5,815,000).

For unlisted investment funds in United Kingdom classified as financial assets at fair value through profit or loss category, if the market price had increased or decreased by 5%, profit or loss for the year and retained profits would have increased or decreased by HK$174,000 (2010: HK$154,000).

The increase and decrease of 5% in market price of investment represents management's assessment of a reasonably possible change in market price of investments over the period until the next annual reporting date.

42.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The carrying amounts of cash and bank balances, short-term deposits at bank, restricted bank deposits, trade receivables, other receivables, amount due from associates, available-for-sale financial assets and financial assets at fair value through profit or loss represent the Group's maximum exposure to credit risk in relation to financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. Most of the Group's bank balances are held in major financial institutions in Hong Kong, which management believes are of high credit quality.

The Group's trade and other receivables and amount due from an associate are actively monitored to avoid significant concentration of credit risk. Normally, the Group does not obtain collateral from customers. The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are not available.

Available-for-sale financial assets and financial assets at fair value through profit or loss represented the listed equity securities and unlisted investment funds from the well-established banks or financial institutes and are not used for hedging purpose. These are mainly entered with banks or financial institutes with sound credit rating and management does not expect any investment counterparty to fail to meet its obligations. In this regard, the Group does not expect to incur material credit losses on managing these financial assets.

The credit and investment policies have been followed by the Group since prior year and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

42.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. Individual operating entities within the Group are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover the expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in both short and long terms.

At the reporting date, the Group's undiscounted cash flows under financial liabilities that have contractual maturities are summarised below:

	Carrying amounts HK$'000	Contractual undiscounted cash flow Total HK$'000	Within 1 year or on demand HK$'000	In 2 to 5 years HK$'000
30 June 2011				
Trade payables	**39,740**	**39,740**	**39,740**	**–**
Other payables	**120,254**	**120,254**	**120,254**	**–**
Finance lease liabilities	**912**	**912**	**203**	**709**
Borrowings	**215,983**	**233,854**	**4,146**	**229,708**
	376,889	**394,760**	**164,343**	**230,417**
30 June 2010				
Bank overdrafts	389	389	389	–
Other payables	79,803	79,803	79,803	–
Finance lease liabilities	453	453	97	356
	80,645	80,645	80,289	356

At the reporting date, the Company's undiscounted cash flows under financial liabilities that have contractual maturities are summarised below:

	Carrying amounts HK$'000	Contractual undiscounted cash flow Total HK$'000	Within 1 year or on demand HK$'000	In 2 to 5 years HK$'000
30 June 2011				
Other payables	**90**	**90**	**90**	**–**
Amounts due to subsidiaries	**139,071**	**139,071**	**139,071**	**–**
	139,161	**139,161**	**139,161**	**–**
Financial guarantee issued				
Maximum amount guarantee	**634,000**	**634,000**	**634,000**	**–**
30 June 2010				
Other payables	100	100	100	–
Amounts due to subsidiaries	21,806	21,806	21,806	–
	21,906	21,906	21,906	–
Financial guarantee issued				
Maximum amount guarantee	144,000	144,000	144,000	–

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

42.6 Categories of financial assets and financial liabilities

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Loans and receivables:				
Trade receivables	**163,126**	102,445	**–**	–
Other receivables	**35,151**	17,761	**3,757**	315
Amounts due from subsidiaries	**–**	–	**736,687**	557,224
Amount due from an associate	**61,414**	42,867	**–**	–
Cash and cash equivalents	**756,248**	231,842	**662,211**	179,348
Restricted bank deposits	**58,115**	64,247	**–**	–
Available-for-sale financial assets:	**106,918**	116,304	**106,918**	116,304
Financial assets at fair value through profit or loss:	**3,480**	3,696	**3,480**	3,696
	1,184,452	579,162	**1,513,053**	856,887

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Financial liabilities measured at amortised cost:				
Bank overdrafts	**–**	389	**–**	–
Trade payables	**39,740**	–	**–**	–
Other payables	**120,254**	79,803	**90**	–
Finance lease liabilities	**912**	453	**–**	–
Borrowings	**215,983**	–	**–**	–
Amounts due to subsidiaries	**–**	–	**139,071**	21,806
	376,889	80,645	**139,161**	21,806

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

42.7 Fair value

The fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

42.8 Fair value measurements recognised in the statement of financial position

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

– Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived form prices); and

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

42.8 Fair value measurements recognised in the statement of financial position *(cont'd)*

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

Group and Company

	Notes	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
30 June 2011					
Assets:					
Available-for-sale financial assets					
– Listed securities	(a)	**76,700**	**–**	**–**	**76,700**
– Unlisted investment funds	(b)	**22,417**	**–**	**–**	**22,417**
Financial assets at fair value through profit or loss					
– Unlisted investment funds	(b)	**3,480**	**–**	**–**	**3,480**
Total and net fair values		**102,597**	**–**	**–**	**102,597**
30 June 2010					
Assets:					
Available-for-sale financial assets					
– Listed securities	(a)	99,200	–	–	99,200
– Unlisted investment funds	(b)	9,538	–	–	9,538
Financial assets at fair value through profit or loss					
– Unlisted investment funds	(b)	3,696	–	–	3,696
Total and net fair values		112,434	–	–	112,434

There have been no significant transfers between levels 1 and 2 in the reporting period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

(a) *Listed securities*
The listed equity securities are denominated in Hong Kong Dollars. Fair values have been determined by reference to their quoted bid prices at the reporting date.

(b) *Unlisted investments funds*
The unlisted investment funds are denominated in United States Dollars. Fair values have been determined by reference to their quotations in active markets at the reporting date and have been translated using the spot foreign currency rate at the end of the reporting period where appropriate.

43. CAPITAL RISK MANAGEMENT

The Group's capital management objectives are:

(a) to ensure the Group's ability to continue as a going concern;

(b) to provide an adequate return to shareholders;

(c) to support the Group's sustainable growth; and

(d) to provide capital for the purpose of potential mergers and acquisitions.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (represented by total liabilities less current and tax payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debts. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

	2011 **HK$'000**	2010 HK$'000
Total borrowings	**400,350**	98,188
Less: cash and cash equivalents	**(756,248)**	(231,842)
Net debts	**(355,898)**	(133,654)
Total capital	**1,716,802**	998,376
Gearing ratio	**N/A**	N/A

44. 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.

MAJOR PROPERTIES UNDER DEVELOPMENT AS AT 30 JUNE 2011

Location	Approximate gross floor area (sq. ft.)	Interest attributable to the Group	Existing use	Project status
Nos. 142 – 154 Carpenter Road, Kowloon City, Kowloon (Except for ground floor of No.152)	82,000	100%	Residential	Pending for compulsory auction sales

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