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LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2011

- Turnover: HK\$2,510 million (+14%)
- Net profit to shareholders: HK\$91 million (-25%)
- Net debt balance of HK\$57 million
- Basic earnings were HK\$0.38 per share
- Proposed final dividend per share was HK\$0.10

The Board of Directors of Lam Soon (Hong Kong) Limited (the “Company”) is pleased to announce its audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 30 June 2011.

FINANCIAL RESULTS

Turnover increased by 14% to HK\$2.5 billion. The Group’s net profit for the year to shareholders was HK\$91 million as compared to HK\$122 million last year. Our basic earnings were HK\$0.38 per share.

We achieved sales growth through new investments in sales and distribution activities in Eastern and Northern China. However, higher sales did not translate into higher operating profit due to rising commodity costs and control of selling prices.

So far, the Group had financed all of its new investment projects through internal operating cash. During this period of economic uncertainty, we will continue to exercise prudent financial management disciplines as we seek further investment and acquisition opportunities to expand our business.

DIVIDENDS

The Directors are recommending to the shareholders for approval at the forthcoming annual general meeting a final dividend of HK\$0.10 per share. This, together with the interim dividend of HK\$0.06 per share paid on Tuesday, 15 March 2011, will amount to a total dividend of HK\$0.16 per share for the year (2010: HK\$0.16 per share for the year ended 30 June 2010). Subject to shareholders’ approval, the final dividend will be payable on Monday, 12 December 2011 to the shareholders whose names appear on the register of members on Wednesday, 7 December 2011.

OPERATION REVIEW

During the first quarter of the financial year, commodity costs had increased rapidly ensuing from the consequences of the fire in Russia in July 2010. Wheat and soybean oil prices took the lead going up by 50% and 30% respectively. During the second half of the financial year, increases in wheat cost peaked at 70%, soybean oil peaked at 57%, and petroleum crude oil prices peaked at 27%. We began to react cautiously to control sales to reduce margin erosion. Following the rising CPI in September, increase of retail prices was under regulatory control. It was difficult and challenging to pass the increased costs to the trade during the period.

Increasing domestic costs, including energy, delivery, and labor costs, had added operating pressure to many businesses. In Hong Kong the minimum hourly salary rate was implemented.

We continue to focus on our branded premium products to minimize the short term impacts on margins. At the same time, we had increased the number of sales offices in China to 26 to enhance our local sales penetration and after-sale-services. New product developments and innovative marketing initiatives were deployed to improve our long term competitive positioning.

Food Segment

Food segment consists of our edible oil and flour businesses. The segment achieved 15% sales growth to HK\$2,161 million. Operating profit for the segment was HK\$119 million, which was 11% lower than that of the previous year.

Our edible oil business was focused on development of a healthier product portfolio. During the period, our Knife Brand launched Omega 3 series to enrich its health quality benefit to the younger generation. Knife High Oleic was developed and won endorsement from Hong Kong College of Cardiology as Recommended Healthy Oil of World Heart Day 2010 (世界心臟日 2010 健康食油). The healthy and premium equity of our brand was further enhanced with our sponsorship of the Hong Kong Cycling Team starting from June 2011. Our Red Lantern brand came out with the new formula 4:1 to provide the benefits of absorption of natural DHA and EPA during consumption. Our 4:1 formula received the national patent in Mainland China.

Our Flour business which had expanded its production capacity in the previous two years in Eastern and Northern China continued to realize sales growth during the past twelve months. This was accomplished with our expanded distribution networks and the consistency of our flour premium quality. In December 2010, our new plant in Jintan, Jiangsu Province received the awards of Export-oriented Agricultural Subsidy Project and Subsidy Fund (外向型農業補貼項目及補助資金) and Established Famous Brand Products (創建名牌產品) from the government for our continuous effort to improve quality and brand development.

During the year, we collaborated with the State Administration of Grain (“SAG”) to launch China’s first Advanced Flour Milling Vocational Training Programme in October 2010. A total of 14 millers from the Group had passed the examinations and were certified by the SAG as China’s first batch of certified professional millers.

OPERATION REVIEW (continued)

Detergent Segment

Detergent segment achieved 12% sales growth to HK\$341 million. During the financial year, our operating margins reduced by HK\$8 million largely due to the volatility of petroleum crude oil prices which had increased from US\$79 per barrel at the beginning of the financial year to US\$95 per barrel in June 2011. Its highest price reached US\$114 per barrel in February this year.

We expanded the revenue base of our detergent segment through our wider distribution networks into new markets and through more innovative new products launched. Sales of our new products accounted for 8% of the segment's total sales. We successfully launched AXE Jasmine Tea dishwashing detergent, AXE hand soap, and Ripple dishwashing detergent during the year. These products have attractive features to win new consumers along the demand trends for better products thereby further enhancing our premium positioning.

Procleanic, our institutional brand designed for commercial and industrial applications, continued to gain robust growth in Hong Kong, Macau, and Mainland China. Our clients included major fast food chains, hotels, and property establishments.

OUTLOOK

We see the dynamics of market opportunities and challenges to continue as demonstrated by the high rate of China's GDP and CPI. China's GDP continues to grow at 9.6% and CPI was up to 6.5% in July this year despite many measures imposed by the government to cool down the economy. Some of the key cities, such as Guangzhou, Shanghai, and Beijing have increased the minimum wages by 20%. We believe that as personal income grows so will the demand for better higher grade staple products as the standard of living improves. This would be good for the growth of our premium brand products.

However, rising labour cost puts pressure on profit margin on the manufacturing sector in China. The difficult and challenging global financial and economic environments are expected to create uncertainty and volatility of commodity prices affecting manufacturing costs of production. To address the expected continued rise of commodity prices in the near term and to secure the supply of quality raw materials, we shall continue our prudent inventory management of selective buying at reasonable costs and to maintain a high level of inventory to meet new demands.

Product safety is an increasing concern at all levels of society. There are increasing demands for higher ethics for management, and more scientific requirements and stringent regulations for product quality control. New government regulations have been updated more frequently to prohibit the use of additives and harmful ingredients in food and household products. Incremental costs and investments to address this health-safety aspect are expected to increase for manufacturers to remain competitive as an industry leader. We have always taken product safety seriously and our management pays particular attention to its compliance.

OUTLOOK (continued)

We are in China to build long term market competitive position providing safe premium products as we increase our business scale. We will continue to expand our production capacity in Northern China and Western China. Our Qingzhou plant in Shandong will increase its wheat processing capacity from 500 metric tons to 1,100 metric tons per day. In Western China, we have completed the land acquisition at Qionglai City in May this year, and we are ready to commence construction of the new flourmill with 600 metric tons per day in the new financial year. Our total wheat processing capacity will be increased to 1.5 million metric tons per year upon the completion of the Western Plant by December 2012. The PRC National Food Association has confirmed our current ranking as number five in the top fifty flourmill companies in China.

Complementing our capital investments in production capacity and nationwide sales networks is our commitment to invest in our people for achieving sustainable growth and building stronger competitive advantages. We will continue to upgrade our personnel in research and development, marketing, production and quality control to keep improving ourselves as a producer of leading brands and the best products.

FINANCIAL REVIEW

Liquidity and Financial Resources

At 30 June 2011, the Group had a net debt balance of HK\$57 million (2010: net cash of HK\$503 million). This was mainly attributable to the increase in current assets.

At 30 June 2011, the Group had a cash balance of HK\$171 million (2010: HK\$569 million). About 70% of these funds were denominated in Renminbi (“RMB”), 15% in Hong Kong dollars (“HK\$”), 12% in United States dollars (“USD”) and 3% in Macau Pataca (“MOP”) respectively.

At 30 June 2011, the Group had HK\$611 million committed bank facilities (2010: HK\$306 million) of which HK\$228 million (2010: HK\$65 million) was utilized. All bank borrowings carried interest at floating rates and were repayable within 1 year.

The Group centralises all the financing and treasury activities at corporate level. There are stringent controls over the application of financial and hedging instruments which can only be employed to manage and mitigate the price risk of commodities for trade purposes.

At 30 June 2011, the inventory turnover days were 145 days (2010: 65 days). Higher level of raw materials was primarily due to the Group’s prudent inventory management, ensuring the supply of high quality raw materials and to keep sufficient stock at reasonable cost to protect the margin. The trade receivable turnover days remained at a healthy level of 23 days (2010: 21 days).

In view of the strong liquidity and financial position, management believes the Group will have sufficient resources to fund its daily operations and capital expenditure commitments.

FINANCIAL REVIEW (continued)

Foreign Currency Exposure

The Group has operations in Mainland China and Hong Kong. Local costs and revenue are primarily denominated in Renminbi and Hong Kong dollars. All the Group's borrowings were denominated in Hong Kong dollars.

The Group is exposed to currency risk primarily through sales, purchases and deposits that are denominated in currencies other than the functional currency of the entity to which they relate.

Capital Expenditure

During the year, the Group invested a total sum of HK\$61 million on acquisition of equipment and land use right for building a new plant.

HUMAN RESOURCES AND TRAINING

As at 30 June 2011, there were approximately 1,600 employees in the Group. Annual increment and year-end performance bonus mechanism were incorporated in the Group's remuneration policy to retain, reward and motivate individuals for their contributions to the Group. The Company also operates a Share Option Scheme for granting of options to eligible employees. During the year, 19,000,000 options were granted to the Group Managing Director and certain eligible employees of the Group pursuant to the Share Option Scheme. 850,000 options granted to employees were lapsed during the year. Accordingly, the number of outstanding options was 18,150,000 as at 30 June 2011.

CONSOLIDATED INCOME STATEMENT

		2011	2010
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	3	2,509,698	2,193,316
Cost of sales		(2,066,618)	(1,745,905)
Gross profit		443,080	447,411
Other income		41,649	24,771
Selling and distribution expenses		(258,503)	(232,231)
Administrative expenses		(105,533)	(97,462)
Other operating expenses		(3,383)	(923)
Operating profit		117,310	141,566
Finance costs	4	(2,076)	(624)
Share of (loss)/profit of a jointly controlled entity		(2,236)	2,020
Profit before taxation	4	112,998	142,962
Taxation	5	(21,923)	(20,842)
Profit for the year		91,075	122,120
Attributable to:			
Equity shareholders of the Company		91,075	122,120
Non-controlling interests		-	-
		91,075	122,120
<i>Earnings per share (HK\$)</i>	7		
Basic		0.38	0.50
Diluted		N/A	N/A
Proposed final dividend	6	24,335	24,335

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2011	2010
	HK\$'000	HK\$'000
Profit for the year	91,075	122,120
Other comprehensive income for the year (after tax and reclassification adjustments):		
Change in fair value of available-for-sale financial assets	1	130
Transfer to profit or loss on disposal of available-for-sale financial assets	-	(193)
Exchange differences arising on translation of financial statements of foreign operations	30,860	6,225
Other comprehensive income for the year, net of tax	30,861	6,162
Total comprehensive income for the year	121,936	128,282
Attributable to:		
Equity shareholders of the Company	121,936	128,282
Non-controlling interests	-	-
Total comprehensive income for the year	121,936	128,282

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	2011	2010
		<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Fixed assets		612,575	595,752
Leasehold land		88,514	77,876
Intangible assets		2,508	2,598
Interests in associates		-	-
Interest in a jointly controlled entity	8	52,097	54,333
Available-for-sale financial assets		521	551
Deferred tax assets		119	1,398
		756,334	732,508
CURRENT ASSETS			
Inventories		821,278	312,302
Debtors, deposits and prepayments	9	323,161	189,591
Amount due from a jointly controlled entity		10,241	8,659
Cash and cash equivalents		170,579	568,789
		1,325,259	1,079,341
CURRENT LIABILITIES			
Bank loans		228,000	65,459
Creditors, deposits received and accruals	10	345,736	324,695
Derivative financial instruments		2,311	-
Tax payable		19,848	15,582
Other current liabilities		282	6,388
		596,177	412,124
NET CURRENT ASSETS		729,082	667,217
TOTAL ASSETS LESS CURRENT LIABILITIES		1,485,416	1,399,725
NON-CURRENT LIABILITIES			
Deferred tax liabilities		-	11
Other non-current liabilities		421	627
		421	638
NET ASSETS		1,484,995	1,399,087
CAPITAL AND RESERVES			
Share capital		243,354	243,354
Reserves		1,230,790	1,144,882
Equity attributable to shareholders of the Company		1,474,144	1,388,236
Non-controlling interests		10,851	10,851
TOTAL EQUITY		1,484,995	1,399,087

Notes:

1. Statement of compliance

These financial statements have been prepared in accordance with all applicable 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 issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company.

2. Possible impact of amendments, new standards and interpretations issued but not yet effective for the annual accounting year ended 30 June 2011

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 30 June 2011 and which have not been adopted in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for HKFRS 9, Financial Instruments, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

	Effective for accounting periods beginning on or after
HKAS 24 (Revised), Related Party Disclosures	1 January 2011
Amendments to HK(IFRIC) – INT14, HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement	1 January 2011
Improvements to HKFRSs 2010	1 January 2011
Amendments to HKFRS 7, Financial Instruments: Disclosures – Transfer of Financial Assets	1 July 2011
Amendments to HKAS12, Income Taxes	1 January 2012
HKFRS 9, Financial Instruments	1 January 2013
HKFRS 10, Consolidated Financial Statements	1 January 2013
HKFRS 11, Joint Arrangements	1 January 2013
HKFRS 12, Disclosure of Interests in Other Entities	1 January 2013
HKFRS 13, Fair Value Measurement	1 January 2013
HKAS 27 (2011), Separate Financial Statements	1 January 2013
HKAS 28 (2011), Investments in Associates and Joint Ventures	1 January 2013

3. Segment information

The Group's businesses are presented in the following segments in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment:

Food: the manufacture and sale of a broad range of food products including flour and edible oils.

Detergent: the manufacture and sale of household and institutional cleaning products.

(A) Segments results, assets and liabilities

	2011			2010		
	Food	Detergent	Segment Total	Food	Detergent	Segment Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers and reportable segment	<u>2,161,351</u>	<u>341,259</u>	<u>2,502,610</u>	<u>1,882,915</u>	<u>304,437</u>	<u>2,187,352</u>
Reportable segment profit from operations	<u>119,125</u>	<u>37,748</u>	<u>156,873</u>	<u>134,107</u>	<u>45,922</u>	<u>180,029</u>
Interest income	3,514	900	4,414	2,449	945	3,394
Finance costs	(2,062)	(14)	(2,076)	(591)	-	(591)
Depreciation and amortisation for the year	(47,856)	(1,519)	(49,375)	(43,755)	(1,816)	(45,571)
Other material profit or loss items:						
- Exchange gain	22,339	934	23,273	3,237	165	3,402
- Provision for doubtful debts	-	-	-	(172)	(80)	(252)
- Reversal of provision for doubtful debts	681	262	943	-	-	-
Income tax charge	(4,897)	(13,975)	(18,872)	(5,464)	(10,346)	(15,810)
Reportable segment assets	<u>1,864,287</u>	<u>194,274</u>	<u>2,058,561</u>	<u>1,411,160</u>	<u>172,540</u>	<u>1,583,700</u>
Reportable segment liabilities	<u>(596,796)</u>	<u>(68,295)</u>	<u>(665,091)</u>	<u>(352,149)</u>	<u>(64,998)</u>	<u>(417,147)</u>
Additions to non-current segment assets during the year	<u>55,517</u>	<u>4,549</u>	<u>60,066</u>	<u>168,782</u>	<u>2,305</u>	<u>171,087</u>

3. Segment information (continued)

(B) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2011 HKD'000	2010 HKD'000
Revenue		
Reportable segment revenue	2,502,610	2,187,352
Service and rental income	7,088	5,964
Consolidated turnover	<u>2,509,698</u>	<u>2,193,316</u>
Profit		
Reportable segment profit from operations	156,873	180,029
Share of (loss)/profit of a jointly controlled entity	(2,236)	2,020
Finance costs	(2,076)	(624)
Unallocated exchange (loss)/gain	(66)	2,844
Unallocated head office and corporate expenses	(39,497)	(41,307)
Consolidated profit before taxation	<u>112,998</u>	<u>142,962</u>
Assets		
Reportable segment assets	2,058,561	1,583,700
Elimination of inter-segment receivables	(88,679)	(29,445)
	<u>1,969,882</u>	1,554,255
Interest in a jointly controlled entity	52,097	54,333
Amount due from a jointly controlled entity	10,241	8,659
Deferred tax assets	119	1,398
Unallocated head office and corporate assets	49,254	193,204
Consolidated total assets	<u>2,081,593</u>	<u>1,811,849</u>
Liabilities		
Reportable segment liabilities	(665,091)	(417,147)
Elimination of inter-segment payables	88,679	29,445
	<u>(576,412)</u>	(387,702)
Deferred tax liabilities	-	(11)
Unallocated head office and corporate liabilities	(20,186)	(25,049)
Consolidated total liabilities	<u>(596,598)</u>	<u>(412,762)</u>

3. Segment information (continued)

(C) Geographical information

The following table sets out information about the geographical location of (i) the reportable segment's revenue from external customers and (ii) the Group's fixed assets, leasehold land, intangible assets, interest in associates and interest in a jointly controlled entity ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the fixed assets and leasehold land is based on the physical location of the assets, in the case of goodwill, the location of the operation to which they are allocated, in the case of interest in associates and interest in a jointly controlled entity, the location of operations.

	2011			2010		
	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000
Reportable segment's revenue						
from external customers	526,996	1,975,614	2,502,610	464,638	1,722,714	2,187,352
Specified non-current assets	85,027	670,667	755,694	88,825	641,734	730,559

During the year 2011 and 2010, there was no major customer accounting for more than 10% of the total turnover of the Group.

4. Profit before taxation

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Profit before taxation is arrived at after charging / (crediting):		
Finance costs		
Interest on bank loans and overdrafts wholly repayable within 5 years	<u>2,076</u>	<u>624</u>
Other items		
Depreciation of fixed assets	51,698	45,570
Amortisation of leasehold land	2,403	2,341
Amortisation of intangible assets	111	79
Net exchange gain	(23,207)	(6,246)
Provision for doubtful debts	-	252
Reversal of provision for doubtful debts	(943)	-
Operating lease rental of properties	4,077	2,914
Gain on disposal of fixed assets	<u>(8,174)</u>	<u>(8,157)</u>

5. Taxation

- (a) Hong Kong profits tax has been provided for at the rate of 16.5% (2010: 16.5%) on the respective estimated assessable profits of the companies within the Group operating in Hong Kong during the year.

Overseas taxation represents income tax charge on the estimated taxable profits of certain subsidiaries operating in Mainland China, calculated at the rates prevailing in the respective regions.

Certain subsidiaries operating in Mainland China have been exempted from PRC income tax with effect from 1 January 2008.

Other subsidiaries operating in Mainland China are subject to income tax rates ranging from 22% to 25% (2010: 12.5% to 25%).

- (b) The income tax charge represents the sum of the tax currently payable and deferred taxation charges as follows:

	<u>2011</u>	<u>2010</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong taxation	5,977	5,409
(Over)/under-provision in respect of prior years	<u>(1,113)</u>	<u>1,687</u>
	----- 4,864	----- 7,096
Overseas taxation	15,453	13,355
Under-provision in respect of prior years	<u>338</u>	<u>255</u>
	----- 15,791	----- 13,610
Deferred taxation		
Current year	<u>1,268</u>	<u>136</u>
	----- 21,923	----- 20,842

6. Dividends

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
2010: Final dividend of HK\$0.10 per share paid during the year (2009: HK\$0.09 per share)	24,217	21,777
2011: Interim dividend of HK\$0.06 per share paid during the year (2010: HK\$0.06 per share)	<u>14,517</u>	<u>14,517</u>
	<u>38,734</u>	<u>36,294</u>
2011: Final dividend proposed after the end of reporting period of HK\$0.10 per share (2010: HK\$0.10 per share)	<u>24,335</u>	<u>24,335</u>

The final dividend proposed after the end of reporting period has not been recognised as liabilities at the end of reporting period.

7. Earning per share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK\$91,075,000 (2010: HK\$122,120,000) for the year and the weighted average of 241,961,000 (2010: 241,961,000) ordinary shares in issue during the year, calculated as follows:

	<u>2011</u> <i>'000</i>	<u>2010</u> <i>'000</i>
Issued ordinary shares at beginning and end of year	243,354	243,354
Effect of shares repurchased in prior year	<u>(1,393)</u>	<u>(1,393)</u>
Weighted average number of ordinary shares for the year	<u>241,961</u>	<u>241,961</u>

(b) Diluted

Diluted earnings per share for the year ended 30 June 2011 were not presented as there were no dilutive potential ordinary shares outstanding at 30 June 2011.

8. Interest in a jointly controlled entity

This represented the share of net assets in the joint venture for the blending and distribution of edible oil, vegetable oil and shortenings for Hong Kong and Macau markets.

9. Debtors, deposits and prepayments

All of the debtors, deposits and prepayments are expected to be recovered within one year.

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
Total trade debtors	163,014	130,800
Less: Allowance for doubtful debts	(464)	(1,884)
	162,550	128,916
Other debtors, deposits and prepayments	158,016	58,214
Current portion of leasehold land	2,595	2,461
	323,161	189,591

Aging Analysis

The aging of trade debtors (net of allowance for doubtful debts) as of the end of reporting period is as follows:

	<u>2011</u> <i>HK\$'000</i>	<u>2010</u> <i>HK\$'000</i>
0 – 3 months	157,466	128,147
4 – 6 months	3,230	769
Over 6 months	1,854	-
Total trade debtors	162,550	128,916

Credits are offered to customers following financial assessments and established payment records where applicable. Collaterals over properties are obtained from certain customers. Credit limits are set for all customers and these are exceeded only with the approval of senior company officers. Customers considered to be with credit risk are traded on a cash basis. General credit terms are payment by the end of the month following the month in which sales took place. Regular review and follow up actions are carried out on overdue amounts to minimise the Group's exposure to credit risk.

10. Creditors, deposits received and accruals

The aging analysis of trade creditors is as follows:

	<u>2011</u>	<u>2010</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 3 months	232,909	195,289
4 – 6 months	2,785	833
Over 6 months	-	1,375
Total trade creditors	235,694	197,497
Other creditors, deposits received and accruals	110,042	127,198
	<u>345,736</u>	<u>324,695</u>

Creditors, deposit received and accruals which are denominated in currencies other than the functional currencies of the Group entities are mainly denominated in USD.

11. CONTINGENT LIABILITES

The Hong Kong Inland Revenue Department (the “IRD”) has initiated a tax audit on certain group companies and the Group had paid a total of HK\$7,908,000 to the IRD under the protective assessments against certain subsidiaries for the year of assessments 2002/03, 2003/04 and 2004/05 pending the outcome of the tax audit.

After taking professional advice from its tax adviser, the Group has submitted a settlement proposal for the consideration by the IRD in February 2010. In January 2011, the IRD also issued additional protective assessments to certain group companies in respect of the year of assessment 2004/05. The Group has objected to these protective assessments.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

CODE ON CORPORATE GOVERNANCE PRACTICES (“CGP Code”)

The Board has adopted a Code of Corporate Governance Practices (the “CGP Code”), which is based on the principles set out in Appendix 14 (the “HKEx Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has complied throughout the year with the HKEx Code, save that the non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the articles of association of the Company and the CGP Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

REVIEW BY BOARD AUDIT COMMITTEE (“BAC”)

The BAC has reviewed with the management the accounting principles and practices adopted by the Company and discussed the auditing, internal controls and financial reporting matters including a review of the audited annual results of the Company for the year ended 30 June 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 24 November 2011 to Tuesday, 29 November 2011 (both days inclusive) during which period no transfer of shares will be registered. In order for the shareholders to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office – Hongkong Managers and Secretaries Limited (“HKMS”) at Unit 3401-2, 34th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong, not later than 4:00 p.m. on Wednesday, 23 November 2011 for registration.

The Register of Members will also be closed from Monday, 5 December 2011 to Wednesday, 7 December 2011 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with HKMS, not later than 4:00 p.m. on Friday, 2 December 2011 for registration.

PUBLICATION ON THE WEBSITE OF HKEX AND THE COMPANY

This final results announcement is published on the websites of the Stock Exchange of Hong Kong Limited (“HKEX”) (<http://www.hkex.com.hk>) and the Company (<http://www.lamsoon.com>).

GENERAL

As at the date of this announcement, the Board of Directors of the Company comprises:

Chairman:

Mr. KWEK Leng Hai

Group Managing Director:

Mr. LEUNG Wai Fung

Non-Executive Directors:

Dr. WHANG Sun Tze

Mr. TAN Lim Heng

Mr. TSANG Cho Tai

Mr. DING Wai Chuen

Independent Non-Executive Directors:

Mr. LO Kwong Chi, Clement

Mr. LO Kai Yiu, Anthony

Mr. AU Chee Ming

By Order of the Board
CHENG Man Ying
Company Secretary

Hong Kong, 29 August 2011

This announcement can be retrieved from our website: <http://www.lamsoon.com>