



SAM WOO HOLDINGS LIMITED

三和集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 2322)

INTERIM REPORT **09/10**



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The board (the "Board") of directors of Sam Woo Holdings Limited (the "Company") is pleased to present the unaudited financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2009 (the "Period") together with comparative figures for the corresponding period in 2008 ("Previous Period").

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The Group's turnover for the Period dropped HK\$14.4 million from Previous Period's HK\$51.1 million to HK\$36.7 million, representing approximately 28% decrease. Vessel chartering remained as the Group's main revenue contributor in the Period. The Group's gross profit decreased almost in line with turnover, from HK\$12.6 million in Previous Period to HK\$9.5 million in the Period, with slight improvement in the gross profit margin from 25% to 26%. Administrative expenses decreased approximately 34% from HK\$11.9 million in Previous Period to HK\$7.9 million in the Period mainly attributable to recovery of bad debt and decrease in legal and professional fees in the Period. Finance costs decreased approximately 28% from HK\$2.3 million in Previous Period to HK\$1.7 million in the Period mainly due to decrease in amount of borrowings compared to Previous Period.

BUSINESS REVIEW AND OUTLOOK

Vessel Chartering

While in Previous Period, the Group's semi-submersible vessel m/v Asian Atlas undertook a benchmark Korean conglomerate's assignment which still kept the record of largest engagement in terms of freight income in the Group's vessel chartering business, the engagements in the Period were of lesser scale. Besides, the m/v Asian Atlas had reserved some time in the Period for maintenance and enhancement. Therefore, the vessel chartering income recorded a decrease as compared to the Previous Period. The operating profit decreased from HK\$18.4 million to HK\$13.7 million. The profit margin remained steady with slight improvement from 36% in Previous Period to 38% mainly due to downward adjustments in fuel prices compared to Previous Period. During the Period, a shipper engaged m/v Asian Atlas to transport a jack-up barge in Australia. The shipper refused to pay certain amount of the charter billing after completing the voyage. According to the contract, the Group has put the case to arbitration. The directors believe that the Group had sufficient evidence for the charter billing and therefore should be able to recover the amount from the shipper. In the later half year, the Group will upkeep its cautious approach in respond to the worldwide dynamics following the financial tsunami and hope to achieve comparable utilisation of m/v Asian Atlas as last year.

Foundation works and trading of machinery and equipment

For the construction market, the encouraging atmosphere has continued to boost up as what have been discussed in the Group's last published annual report by the launch of various public infrastructure projects. During the Period, the Group has been actively tendering foundation projects in both private and public sectors which were expected to commence in 2009 or first half of 2010. As at the date of this report, the Group has already kicked off a hotel development project and tertiary institute expansion project where the contract sums aggregated over a hundred million Hongkong dollars. In addition, the Group has been awarded a subcontract for an advanced work for Hong Kong - Zhuhai - Macao Bridge in marine piling. These projects are expected to contribute to the turnover in the ensuing periods according to respective stage of completion. During the Period, the Group also made order to purchase new construction machines in respond to the increasingly keen market demand of construction capacity as anticipated.

In the Period, the foundation works division did not recognise any contract income and recorded an operating loss of HK\$5.7 million mainly comprised of depreciation charge and maintenance costs of the Group's construction machinery. Activities in trading of machinery and equipment division were restrained strategically to maintain a comprehensive reserve of readily deployable equipment for the Group's forthcoming projects.

Liquidity, Financial Resources, Capital Structure and Gearing

The Group generally finances its operations with internally generated resources and banking facilities. As at 30 September 2009, the Group had cash and bank balances of HK\$70.0 million (31 March 2009: HK\$90.0 million) and total borrowings of HK\$103.0 million (31 March 2009: HK\$100.3 million). Short term borrowings, current portion of long term borrowings and amounts due to directors as at 30 September 2009 amounted to HK\$95.2 million (31 March 2009: HK\$88.0 million). The Group's gearing ratio, calculated by dividing net borrowings by total equity, was 17% as at the end of the Period (31 March 2009: 5%).

During the Period, the Group made order to purchase construction machines in an aggregate sum of approximately HK\$70 million. The purchase will be financed by internal resources and bank borrowings. The management believe that, if necessary, the Group will be able to obtain additional financing on favourable terms for capital expenditure and working capital needs of new construction projects.

Interest on the Group's borrowings was mainly on floating rate basis.

Operations of the Group are mainly conducted in Hong Kong Dollars ("HK\$") and United States Dollars ("US\$") and its revenue, expenses, cash and bank balances, borrowings, other monetary assets and liabilities are principally denominated in HK\$ and US\$. For the Period, the Group was not posed to significant foreign currency risk nor had employed any financial instrument for hedging.

Charges on Assets

As at 30 September 2009, the net book value of plant and equipment held under finance leases and pledged for long-term bank loans amounted to HK\$29.3 million (31 March 2009: HK\$29.8 million) and HK\$5.3 million (31 March 2009: HK\$5.6 million) respectively. Certain banking facilities were secured by bank deposits of HK\$65.2 million (31 March 2009: HK\$65.2 million).

Employees and Remuneration Policies

The Group has about 42 staff members (excluding directors) as at 30 September 2009 and provides competitive remuneration packages to employees which commensurate with individual job nature and performance.

Contingent Liabilities

There has been no material change in the Group's contingent liabilities since its last published annual report.

DISCLOSURE OF INTERESTS OF DIRECTORS

As at 30 September 2009, the interests and short positions of directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance, or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, are as follows:

(a) Directors' interest in the Company:

Name of director	Number of shares	Approximate percentage of shareholding	Capacity
Mr. Lau Chun Ming	Long position 1,700,000,000 shares (<i>Note 1</i>)	56.29%	Interest of his spouse
Mr. Lau Chun Kwok	Long position 225,000,000 shares (<i>Note 2</i>)	7.45%	Beneficial owner and interest of a controlled company
Mr. Lau Chun Ka	Long position 225,000,000 shares (<i>Note 3</i>)	7.45%	Beneficial owner and interest of a controlled company
Ms. Leung Lai So	Long position 1,700,000,000 shares (<i>Note 1</i>)	56.29%	Beneficial owner and beneficiary of a discretionary trust
Mr. Chan Sun Kwong	Long position 5,000,000 shares	0.16%	Beneficial owner
Mr. Chiu Kam Kun, Eric	Long position 680,000 shares	0.02%	Beneficial owner
Dr. Lee Peng Fei, Allen	Long position 4,320,000 shares	0.14%	Beneficial owner
Professor Wong Sue Cheun, Roderick	Long position 5,000,000 shares	0.16%	Beneficial owner

(b) Directors' interest in the associated corporations:

Name of director	Name of company	Number of shares	Approximate percentage of shareholding	Capacity
Ms. Leung Lai So	Actiease Assets Limited	Long position 61 shares	100%	Beneficiary of a discretionary trust
Ms. Leung Lai So	Silver Bright Holdings Limited	Long position 10,000 shares	100%	Beneficiary of a discretionary trust

Notes:

- 1,700,000,000 shares were held by Actiease Assets Limited, a company wholly-owned by Silver Bright Holdings Limited which is indirectly owned by a discretionary trust of which Ms. Leung Lai So is a beneficiary.
- 225,000,000 shares were held by CKL Development Limited, a corporation which is controlled by Mr. Lau Chun Kwok.
- 225,000,000 shares were held by Nice Fair Group Limited, a corporation which is controlled by Mr. Lau Chun Ka.

DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors are aware, the interest and short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance as at 30 September 2009 are as follows:

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
Actease Assets Limited	Long position 1,700,000,000 shares	56.29%	Beneficial owner
Silver Bright Holdings Limited	Long position 1,700,000,000 shares	56.29%	Interest of a controlled company
ManageCorp Limited	Long position 1,700,000,000 shares	56.29%	Trustee
DBS Trustee H.K. (Jersey) Limited (formerly known as Dao Heng Trustee (Jersey) Limited) as trustee of The LCM 2002 Trust	Long position 1,700,000,000 shares	56.29%	Trustee
CKL Development Limited	Long position 225,000,000 shares	7.45%	Beneficial owner
Nice Fair Group Limited	Long position 225,000,000 shares	7.45%	Beneficial owner
Ms. Tang Lin Ngor	Long position 225,000,000 shares	7.45%	Interest of her spouse
Ms. Ip Fung Sheung	Long position 225,000,000 shares	7.45%	Interest of her spouse

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchases, sold or redeemed any of the Company's listed shares during the Period.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") throughout the Period except there is no written terms on division of responsibilities between the Chairman and the Chief Executive Officer. Further particulars on the Company corporate governance practices are set out in the corporate governance report contained in the Company's annual report for the year ended 31 March 2009.

Mr. Chan Wai Dune ("Mr. Chan") resigned as an independent non-executive director, the chairman of audit committee and a member of remuneration committee of the Company with effect from 31 July 2009. Immediately following the resignation of Mr. Chan, the Company had only two independent non-executive directors, the audit committee of the Company comprised only two members, and there was no independent non-executive director who had appropriate professional qualifications or accounting or related financial management expertise, which fell below the minimum number as required under Rule 3.10(1) and Rule 3.21 of the Listing Rules and the qualification requirement set out in Rule 3.10(2) respectively.

The Company had subsequently fully complied with the aforesaid Listing Rules upon the appointment of Ms. Wong Tsui Yue, Lucy ("Ms. Wong") with effect from 8 September 2009 as an independent non-executive director, the chairman of audit committee and a member of remuneration committee of the Company to fill the vacancy. Details of the abovementioned changes are set out in the Company's announcements dated 31 July 2009 and 8 September 2009 respectively.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 of the Listing Rules as its own codes regarding securities transactions by directors of the Company and its subsidiaries and employees of the Group who are likely to be in possession of price-sensitive information. All directors have confirmed, upon specific enquiry made, their compliance with the codes throughout the Period.

REVIEW BY AUDIT COMMITTEE

The audit committee, comprising three independent non-executive directors, has reviewed the unaudited consolidated financial statements of the Group for the Period.

BOARD OF DIRECTORS

As mentioned above, Mr. Chan resigned on 31 July 2009 and Ms. Wong was appointed on 8 September 2009 as an independent non-executive director of the Company. It was disclosed in the Company's announcement dated 8 September 2009 that Ms. Wong was a director of Hong Kong Catering Management Limited, the shares of which were listed on the Main Board of the Stock Exchange. Pursuant to disclosure requirements under Rule 13.51B on provision of information in respect of directors, it was updated that Ms. Wong has resigned as a director of the abovesaid company on 4 November 2009.

As at the date of this report, the executive directors of the Company are Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka, Ms. Leung Lai So, Mr. Hsu Kam Yee, Simon and Mr. Chan Sun Kwong; the non-executive director is Mr. Chiu Kam Kun, Eric; the independent non-executive directors are Dr. Lee Peng Fei, Allen, Professor Wong Sue Cheun, Roderick and Ms. Wong Tsui Yue, Lucy.

By order of the Board
Sam Woo Holdings Limited
LAU Chun Ming
Chairman

Hong Kong, 9 December 2009

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

		Unaudited	
		Six months ended	
		30 September	
		2009	2008
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Turnover	3	36,681	51,079
Cost of sales	5	(27,154)	(38,498)
Gross profit		9,527	12,581
Other income	4	1,072	3,231
Administrative expenses	5	(7,905)	(11,934)
Operating profit		2,694	3,878
Finance costs	6	(1,682)	(2,330)
Profit before taxation		1,012	1,548
Taxation	7	2,511	4,162
Profit and total comprehensive income attributable to equity holders of the Company		3,523	5,710
Earnings per share			
Basic and diluted	9	HK0.12 cents	HK0.189 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2009

		Unaudited	Audited
		30 September	31 March
		2009	2009
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Plant and equipment	10	196,035	202,495
Deferred taxation assets	16	7,107	256
		<hr/> 203,142	<hr/> 202,751
Current assets			
Trade and retention receivables	11	13,091	5,468
Deposits, prepayments and other receivables	12	7,529	3,694
Inventories		14,665	14,887
Amounts due from customers for contract works		10,607	9,765
Cash and bank balances			
Unrestricted		4,558	24,790
Restricted		65,237	65,204
Tax recoverable		1,046	1,046
		<hr/> 116,733	<hr/> 124,854
Total assets		<hr/> 319,875	<hr/> 327,605
EQUITY			
Capital and reserves			
Share capital	14	30,200	30,200
Reserves		159,717	156,194
Proposed final dividend		–	3,020
Total equity		<hr/> 189,917	<hr/> 189,414

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2009

		Unaudited	Audited
		30 September	31 March
		2009	2009
<i>Notes</i>		HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings	15	7,764	12,263
Deferred taxation liabilities	16	19,939	15,599
		27,703	27,862
Current liabilities			
Trade and retention payables	17	2,194	11,112
Accruals and other payables		4,700	11,030
Amounts due to related companies	18	158	158
Amounts due to directors	18	16,424	14,375
Short-term borrowings	19	69,875	64,764
Current portion of long-term borrowings	15	8,904	8,890
		102,255	110,329
Total liabilities		129,958	138,191
Total equity and liabilities		319,875	327,605
Net current assets		14,478	14,525
Total assets less current liabilities		217,620	217,276

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Unaudited			
	Attributable to equity holders of the Company			
	Share capital	Share premium and merger reserve	Retained earnings	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2008	30,200	16,119	132,911	179,230
Profit and total comprehensive income for the period	–	–	5,710	5,710
Dividend paid	–	–	(3,926)	(3,926)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2008	30,200	16,119	134,695	181,014
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2009	30,200	16,119	143,095	189,414
Profit and total comprehensive income for the period	–	–	3,523	3,523
Dividend paid	–	–	(3,020)	(3,020)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2009	30,200	16,119	143,598	189,917
	<hr/>	<hr/>	<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

		Unaudited	
		Six months ended	
		30 September	
		2009	2008
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Net cash (used in)/from operating activities		(19,083)	6,752
Net cash from/(used in) investing activities		1,278	(9,166)
Net cash used in financing activities		(4,694)	(6,119)
Decrease in cash and cash equivalents		(22,499)	(8,533)
Cash and cash equivalents at beginning of the period		(20,182)	(32,452)
Cash and cash equivalents at end of the period	13	(42,681)	(40,985)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 General information

The Group is principally engaged in foundation works, trading of machinery and equipment for construction use and vessel chartering. The Company is a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business in Hong Kong is Units 1310-13, 113 Argyle Street, Mongkok, Kowloon, Hong Kong.

The condensed financial statements have been approved for issue by the board of directors of the Company on 9 December 2009.

2 Basis of preparation and impact of new or revised Hong Kong Financial Reporting Standards

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention and in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Listing Rules.

These condensed consolidated financial statements for the Period should be read in conjunction with the financial statements for the year ended 31 March 2009 (the "2009 Annual Financial Statements").

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the 2009 Annual Financial Statements except for those described below.

In the Period, the Group has applied for the first time, a number of new or revised standards and amendments to existing standards issued by the HKICPA that are effective for accounting periods beginning on or after 1 April 2009. The application of these new or revised standards and amendments did not have any material impact on the results of operations and financial position of the Group except for certain changes in presentation and disclosures, including the presentation of the statement of comprehensive income according to HKAS 1 (Revised) "Presentation of Financial Statements" and disclosure of reportable segments according to Hong Kong Financial Reporting Standards ("HKFRS") 8 "Operating Segments" (see details in note 3).

Certain new or revised standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2010 or later periods. The Group has not early adopted these new or revised standards, amendments and interpretations for the Period. The Group has already commenced an assessment of their impact but not yet in a position to state whether these changes would have a significant impact on its results of operations and financial position.

2 Basis of preparation and impact of new or revised Hong Kong Financial Reporting Standards (Continued)

The Group had not appointed auditors to carry out review of the interim financial statements for the Period.

3 Segment information

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segment (business and geographical) using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

Segment information reported to the Group's management is analysed by the type of goods and services supplied by the Group's business division. Each business division requires its own expertise, has its own customer base and business strategy. The Group has identified the following reportable segments:

Foundation works	– Bore piling and foundation works
Trading of machinery and equipment	– Trading of machinery and equipment for construction use
Vessel chartering	– Chartering of vessel

The directors consider that the adoption of HKFRS 8 had not changed the identified operating segments for the Group as compared to the 2009 Annual Financial Statements nor the basis of measurement of segment profit and loss.

The reportable segment results, assets and liabilities are measured by applying same accounting policies as those disclosed in the summary of significant accounting policies in the 2009 Annual Financial Statements. The performance of each operating segment is assessed based on a measure of reportable segment result before allocation of central administration expenses, finance income and interest.

3 Segment information (Continued)

	Unaudited			
	Six months ended 30 September 2009			
	Foundation	Trading of	Vessel	Total
	works	machinery	chartering	Total
	HK\$'000	and equipment HK\$'000	HK\$'000	HK\$'000
Revenue from external customers*	–	320	36,361	36,681
Reportable segment results	(5,747)	202	13,669	8,124
Unallocated expenses				(5,471)
Operating profit				2,653
Finance income				41
Finance costs				(1,682)
Profit before taxation				1,012
Additions to reportable segment non-current assets	268	–	–	268
Depreciation	3,273	–	2,981	6,254
As at 30 September 2009, unaudited				
Reportable segment assets	143,729	7,305	90,440	241,474
Unallocated assets				78,401
Total assets				319,875
Reportable segment liabilities	3,243	–	2,569	5,812
Unallocated liabilities				124,146
Total liabilities				129,958

3 Segment information (Continued)

	Unaudited Six months ended 30 September 2008			
	Foundation works <i>HK\$'000</i>	Trading of machinery and equipment <i>HK\$'000</i>	Vessel chartering <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers*	3	–	51,076	51,079
Reportable segment results	(9,273)	–	18,427	9,154
Unallocated expenses				(5,609)
Operating profit				3,545
Finance income				333
Finance costs				(2,330)
Profit before taxation				1,548
Additions to reportable segment non-current assets	13,117	–	–	13,117
Depreciation	4,487	–	1,388	5,875
As at 31 March 2009, audited				
Reportable segment assets	142,651	7,305	85,929	235,885
Unallocated assets				91,720
Total assets				327,605
Reportable segment liabilities	3,230	–	17,436	20,666
Unallocated liabilities				117,525
Total liabilities				138,191

* There were no inter-segment sales between reportable segments.

Unallocated expenses represent corporate expenses. Unallocated assets comprise deferred taxation assets, non-trade deposits, cash and bank balances and tax recoverable. Unallocated liabilities comprise amounts due to related companies, amounts due to directors, borrowings and deferred tax liabilities.

All assets and operations related to the foundation works and trading of machinery and equipment businesses of the Group are located in Hong Kong. The vessel chartering business is carried out worldwide and cannot be allocated into any meaningful geographical area. Accordingly, geographical information is not presented.

4 Other income

	Unaudited	
	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
Interest income	41	333
Gain on disposal of fixed assets	1,031	2,742
Rebate on purchases	–	156
	1,072	3,231

5 Expenses by nature

	Unaudited	
	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
Fuel costs	9,065	21,212
Staff costs, including directors' emoluments		
– wages and salaries	4,169	4,166
– contributions to retirement scheme	123	125
Auditors' remuneration		
– overprovision in prior year	(37)	–
Depreciation		
– owned plant and equipment	5,542	5,350
– leased plant and equipment	712	525
Operating lease rentals in respect of		
– office and storage premises	934	827
– directors' quarters	948	948
Professional fees	1,437	2,997
Impairment of deposits	–	573
(Reversal of) impairment of receivables	(2,233)	(329)
Repair and maintenance	2,755	3,585
Construction contracts costs	–	48
Vessel management fee	2,537	2,293
Others	9,107	8,112
	35,059	50,432
Total cost of sales and administrative expenses		

6 Finance costs

	Unaudited	
	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
Finance costs		
Interest expense on borrowings wholly repayable within five years:		
– bank loans and overdrafts	1,391	1,901
– finance leases	291	429
	1,682	2,330

7 Taxation

No provision for Hong Kong profits tax has been made as the Group has unused tax loss available to set off against respective estimated assessable profit during the Period (six months ended 30 September 2008: nil).

	Unaudited	
	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
Hong Kong profits tax		
Current taxation	–	–
Deferred taxation (<i>note 16</i>)	(2,511)	(4,162)
	(2,511)	(4,162)

8 Dividends

The Directors do not recommend the payment of dividend in respect of the Period (six months ended 30 September 2008: nil).

9 Earnings per share

The calculation of basic and diluted earnings per share are based on the following information.

	Unaudited	
	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
Profit attributable to equity holders	3,523	5,710
Number of ordinary shares in issue	3,020,000,000	3,020,000,000
Basic and diluted earnings per share	HK0.12 cents	HK0.189 cents

10 Plant and equipment

During the Period, the Group acquired plant and equipment totaling HK\$268,000 (six months ended 30 September 2008: HK\$13,117,000) and disposed of plant and equipment of net book value HK\$474,000 (six months ended 30 September 2008: HK\$877,000).

11 Trade and retention receivables

	Unaudited	Audited
	30 September	31 March
	2009	2009
	HK\$'000	HK\$'000
Trade receivables		
– Third parties	19,910	16,381
– A related party	40	40
	<hr/>	<hr/>
	19,950	16,421
Retention receivables	1,411	1,411
	<hr/>	<hr/>
	21,361	17,832
Less: Impairment	(8,270)	(12,364)
	<hr/>	<hr/>
	13,091	5,468
	<hr/>	<hr/>

The Group's credit terms for its vessel chartering and construction business are individually negotiated with its trade customers. For vessel chartering, freight is normally paid prior to discharging of cargoes. Trade and retention receivables in respect of construction business are settled in accordance with the terms of respective contracts. The aging analysis of the trade and retention receivables was as follows:

	Unaudited	Audited
	30 September	31 March
	2009	2009
	HK\$'000	HK\$'000
0 to 90 days	11,640	4,017
More than one year	9,721	13,815
	<hr/>	<hr/>
	21,361	17,832
	<hr/>	<hr/>

11 Trade and retention receivables (Continued)

At 30 September 2009, trade receivables of HK\$11,680,000 (31 March 2009: HK\$4,057,000) were past due but not impaired. The aging analysis of these trade receivables is as follows:

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
0 to 90 days	11,640	4,017
More than one year	40	40
	11,680	4,057

At 30 September 2009, retention receivables of HK\$1,411,000 (31 March 2009: HK\$1,411,000) were not yet due and were not impaired.

At 30 September 2009, HK\$8,270,000 of the trade receivables (31 March 2009: HK\$12,364,000) were impaired and fully provided. The aging of such receivables are as follows:

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
More than one year	8,270	12,364

Movements on the provision for impairment of trade and retention receivables are as follows:

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
At beginning of the period/year	12,364	10,832
Provision for impairment of receivables	–	1,861
Bad debt written off	(1,861)	–
Reversal of provision for impairment of receivables	(2,233)	(329)
At end of the period/year	8,270	12,364

12 Deposits, prepayments and other receivables

	Unaudited	Audited
	30 September	31 March
	2009	2009
	HK\$'000	HK\$'000
Deposit for surety bond for construction project	1,862	–
Deposits for purchases of machinery and equipment	1,847	–
Other deposits and prepaid expenses	3,820	3,694
	7,529	3,694

13 Cash and cash equivalents

	Unaudited 30 September	
	2009	2008
	HK\$'000	HK\$'000
Cash at bank and in hand	4,533	4,810
Time deposits	65,262	39,915
	69,795	44,725
Less: Cash and bank balances – restricted	(65,237)	(39,287)
Cash and bank balances – unrestricted	4,558	5,438

Cash and cash equivalents include the following for the purpose of the condensed statement of cash flows:

	Unaudited 30 September	
	2009	2008
	HK\$'000	HK\$'000
Cash and bank balances – unrestricted	4,558	5,438
Bank overdrafts (<i>note 19</i>)	(47,239)	(46,423)
	(42,681)	(40,985)

14 Share capital

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each	100,000	100,000
Number of shares	10,000,000,000	10,000,000,000
Issued:		
Ordinary shares of HK\$0.01 each	30,200	30,200
Number of shares	3,020,000,000	3,020,000,000

15 Long-term borrowings

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
Wholly repayable within five years		
Bank loans, secured (<i>note (a)</i>)	4,261	5,086
Obligations under finance leases (<i>note (b)</i>)	12,407	16,067
	16,668	21,153
Less: Amounts due within one year included under current liabilities	(8,904)	(8,890)
	7,764	12,263

15 Long-term borrowings (Continued)

Notes:

(a) *The Group's bank loans are repayable as follows:*

	Unaudited	Audited
	30 September	31 March
	2009	2009
	HK\$'000	HK\$'000
Within one year	1,735	1,680
In the second year	1,486	1,700
In the third to fifth years	1,040	1,706
	4,261	5,086

Interest is charged on the balances at rates ranging from 5.76% to 6.8% and was secured by the certain of the Group's motor vehicles and machinery and equipment.

(b) *Obligations under finance leases are payable within the following periods:*

	Present value		Minimum payment	
	Unaudited	Audited	Unaudited	Audited
	30 September	31 March	30 September	31 March
	2009	2009	2009	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	7,169	7,210	7,531	7,717
In the second year	4,299	6,531	4,404	6,749
In the third to fifth years	939	2,326	947	2,367
	12,407	16,067	12,882	16,833
Finance charges			(475)	(766)
			12,407	16,067

Interest is charged on the outstanding balances of finance leases at rates ranging from 1 month HIBOR to 1.5% below Hong Kong dollar prime rate. The finance leases are secured by certain of the Group's machinery and equipment.

16 Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2008: 17.5%). The movement of the net deferred tax liabilities is as follows:

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
At beginning of the period/year	(15,343)	(21,337)
Recognised in the comprehensive income statement (<i>note 7</i>)	2,511	5,994
At end of the period/year	(12,832)	(15,343)

The movements in deferred tax liabilities and assets, during the period/year, without taking into consideration the offsetting of balances within the same taxation jurisdiction are as follows:

Deferred tax liabilities – Accelerated depreciation allowances

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
At beginning of the period/year	(20,212)	(21,498)
Recognised in the comprehensive income statement	273	1,286
At end of the period/year	(19,939)	(20,212)

Deferred tax assets – Tax losses

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
At beginning of the period/year	4,869	161
Recognised in the comprehensive income statement	2,238	4,708
At end of the period/year	7,107	4,869

17 Trade and retention payables

Balances included retention payable of HK\$42,000 as at 30 September 2009 (31 March 2009: HK\$42,000). The ageing analysis of the remaining trade payables is as follows:

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
0 to 90 days	758	9,431
91 to 180 days	2	247
More than one year	1,392	1,392
	2,152	11,070

18 Amounts due to related companies and directors

Amounts due to related companies and directors are unsecured, interest free and repayable on demand.

19 Short-term borrowings

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
Bank overdrafts (<i>note 13</i>)	47,239	44,972
Short-term bank loans	22,636	19,792
Secured short-term bank borrowings	69,875	64,764

20 Operating lease commitments

The future aggregate minimum lease rental expenses in respect of office and storage premises and directors' quarters under non-cancellable operating leases are payable in the following periods:

	Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
Within one year	3,893	1,106
In the second to fifth years inclusive	1,488	327
	5,381	1,433

21 Capital commitments

	Unaudited	Audited
	30 September	31 March
	2009	2009
	HK\$'000	HK\$'000
Capital expenditure in respect of purchase of machinery and equipment contracted but not provided for	67,841	–

22 Related party transactions

- (i) Significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

	Unaudited	
	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
Rental expenses to related companies (<i>note (a)</i>)	1,488	1,488
Consultancy fees paid to related companies (<i>note (b)</i>)	840	840

Notes:

- (a) Rental expenses are paid to companies beneficially owned by certain directors of the Company based on agreements entered into between the parties involved with reference to market rates of similar properties.
- (b) Consultancy fees were paid to companies in which the directors, Mr. Chan Sun Kwong and Mr. Chiu Kam Kun, Eric have beneficial interests in respect of their services provided to the Group, and were charged at monthly fees agreed by the parties involved.

In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at fair market terms mutually agreed between the Group and the respective related parties.

- (ii) Key management compensation
The compensation of key management personnel paid or payable by the Group comprised of directors' emoluments and consultancy fees paid in the amount of approximately HK\$3,928,000 during the Period (six months ended 30 September 2008: HK\$3,950,000).

23 Comparative figures

Certain comparative figures have been reclassified in order to conform with current period's presentation.