



**SAM WOO HOLDINGS LIMITED**

**三和集團有限公司\***

(Incorporated in Bermuda with limited liability)

(Stock Code : 2322)

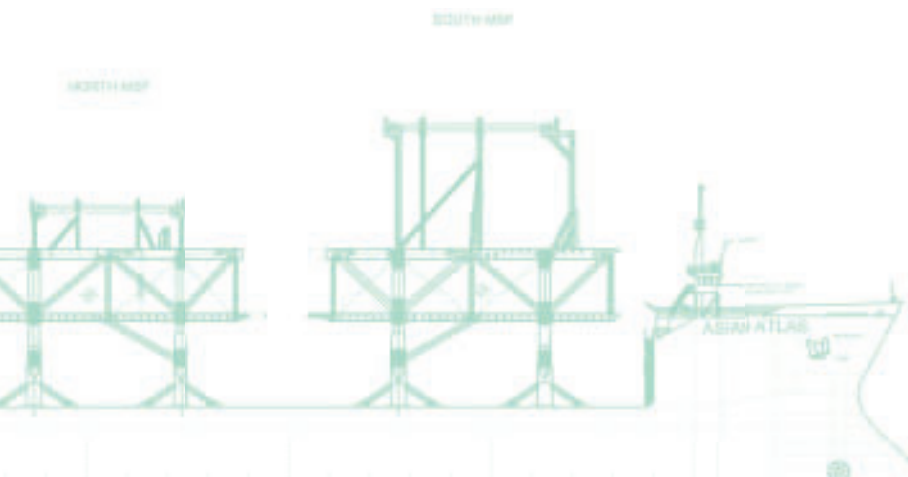
INTERIM REPORT

**08/09**

\* For identification purposes only

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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 2008 (the "Period") together with comparative figures for the corresponding period in 2007 ("Previous Period").

## MANAGEMENT DISCUSSION AND ANALYSIS

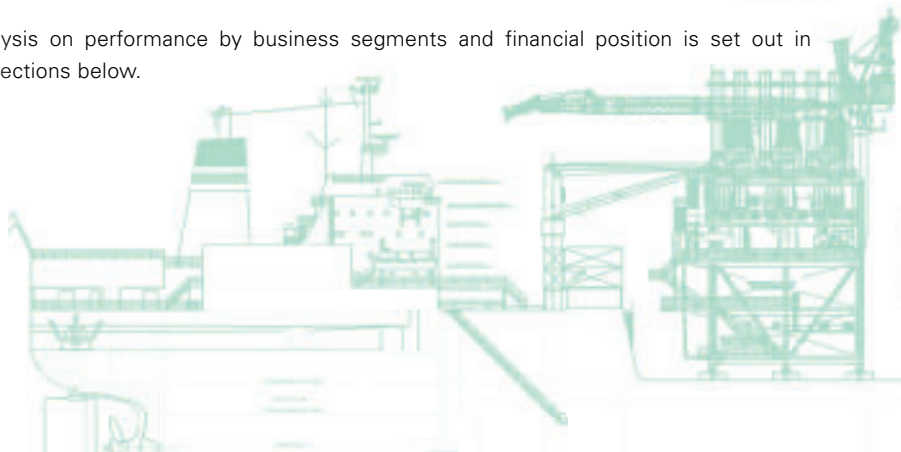
### BUSINESS REVIEW AND OUTLOOK

The Group's turnover and gross profit for the Period both dropped by approximately 14% from the Previous Period to HK\$51.1 million and HK\$12.6 million respectively as construction operations remained stagnant. Gross profit margin remained steady at approximately 25%.

Business activities in foundation works and machinery trading had been strategically restrained to preserve our financial and construction resources in anticipation of various major government infrastructure projects, the launch of which was speeded up to combat the economic downturn brought on by the credit crisis. Consequently, only selected few pieces of non-essential construction machinery had been sold during the Period and other income of only HK\$3.2 million was recorded, a reduction of HK\$14.2 million from the Previous Period. As a result of aforesaid conservation strategy, operating profit and after tax profit for the Period decreased to HK\$3.5 million and HK\$5.7 million respectively; nonetheless, the strategy also successfully sheltered the Group from committing to loss-making projects and enhanced its construction capacity at the time of paramount resource prices and erratic market conditions.

Looking ahead, the Group's business model with diversified income streams will benefit in the forefront from the worldwide expansionary fiscal policy and lowering commodity prices. We are financially sound and liquid with stable cash flow from the vessel chartering operation and have the necessary facilities readily deployable to take on highly capital intensive engineering and construction projects. However, for the second half of the current financial year, the Group will continue with it cautious approach to keep itself afloat in the worldwide financial turmoil and prepare for the immense opportunities that lie ahead of the trough.

Further analysis on performance by business segments and financial position is set out in respective sections below.



### Vessel Chartering

Vessel chartering was the Group's sole revenue contributor during the Period with a turnover of HK\$51.1 million, a level equivalent to that for the Previous Period and exactly half of vessel chartering turnover for the whole financial year of 2007/08. Nonetheless, the rise in fuel prices, maintenance material costs and crewing costs all had an adverse impact on profit margin, which dropped to 36% for the Period from 38% for the Previous Period. Vessel Asian Atlas attained a utilization rate of 37% during the Period, as compared to 45% in the financial year 2007/08, owing to the acute surge in oil and other raw material prices since the third quarter of 2007 which hampered market sentiment and delayed shipments. During the Period, vessel Asian Atlas undertook a benchmark assignment and provided transportation solution for a prominent Korean heavy industry conglomerate's offshore facilities used in a state-owned oil exploration project. It was the largest engagement so far for our heavy marine transportation division, both in terms of contract sum and cargo scale.

Subsequent to the end of the Period, the worldwide financial market and commodity prices underwent drastic adjustment; at the same time, backlog shipments were being put back on track as fuel prices decreased. Voyages for Asian Atlas are now scheduled past financial year 2008/09 into the second quarter of 2009. Utilization of vessel and profit margin is expected to improve for the remaining time of the current financial year. The Group is closely monitoring adjustment in the shipping market to identify attractive acquisition opportunities to enhance its shipping capacity in order to intensify its presence in the industry.

### Construction Projects and Machinery Trading

The Group's construction operation did not record any revenue for the Period. Private real estate sector in Hong Kong and Macau demonstrated encouraging development during the Period, but it was short-lived and severely battered by the recent credit crisis. The Group actively participated in tendering for a number of major private development projects during the Period, but soaring material costs rendered them unprofitable. The recent radical market adjustment proved our conservation strategy correct in preserving the Group's financial strength and construction capacity. The foundation works division recorded an operating loss of HK\$9.3 million for the Period as a result of depreciation charge on and maintenance costs of construction machinery and fixed overheads.

The Group has on hand a considerable reserve of construction machinery and sees itself as key contender to various government projects, including the Hong Kong-Zhuhai-Macau Bridge and Kaitak cruise terminal, the launch of which have been hastened as a stimulus to the economic downturn. For the remaining part of financial year 2008/09, it is unlikely that our construction business can conclude on any major projects, but it holds great prospects for the ensuing financial year and beyond.

## Liquidity, Financial Resources, Capital Structure and Gearing

As at 30 September 2008, the Group had cash and bank balances of HK\$44.7 million (31 March 2008: HK\$52.6 million) and total borrowings of HK\$126.7 million (31 March 2008: HK\$110.1 million). Current portion of long term borrowings, short term borrowings and bank overdrafts as at 30 September 2008 amounted to HK\$110.0 million (31 March 2008: HK\$100.7 million). The Group's gearing ratio, calculated by dividing net borrowings by total equity, was 45% as at end of the Period (31 March 2008: 32%). The deterioration in gearing was mainly due to the rise in trade receivable coinciding with a minor delay in vessel chartering operation, which was of temporary nature, and the acquisition of construction plant and equipment. The gearing ratio improved to below 30% subsequent to the end of the Period with the collection of trade receivable and security deposit held in court for vessel Asian Atlas's arrest.

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, assets, liabilities and borrowings are principally denominated in HK\$ and US\$, which do not pose significant foreign currency risk at present.

## Charges on Assets

The net book value of plant and equipment held under finance leases and pledged for long-term bank loans amounted to HK\$34.7 million and HK\$1.2 million respectively. Certain banking facilities are secured by bank deposits of HK\$39.3 million.

## Employees and Remuneration Policies

The Group has about 39 staff members (excluding directors) as at 30 September 2008 and provides competitive remuneration packages to employees which commensurate with individual job nature and performance.

## Pending Litigation and Contingent Liabilities

Favourable progress was achieved in legal case on the arrest of our vessel Asian Atlas and the whole amount of security money in the sum of US\$4.5 million (equivalent to HK\$35.1 million) together with interest was recouped subsequent to the end of the Period. We are pursuing to recover damages caused by the arrest from the counter party.

Subsequent to the end of the Period, we have lodged an action again a contractor to claim for HK\$28.9 million in relation to prolongation and disruption costs incurred on a completed constructions project. Up to the date of this report, no submission has been made by the defendant in respect of our claim.

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 the date of this report, the interest 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 notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, or 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, are as follows:

### (a) Directors' interest in the Company:

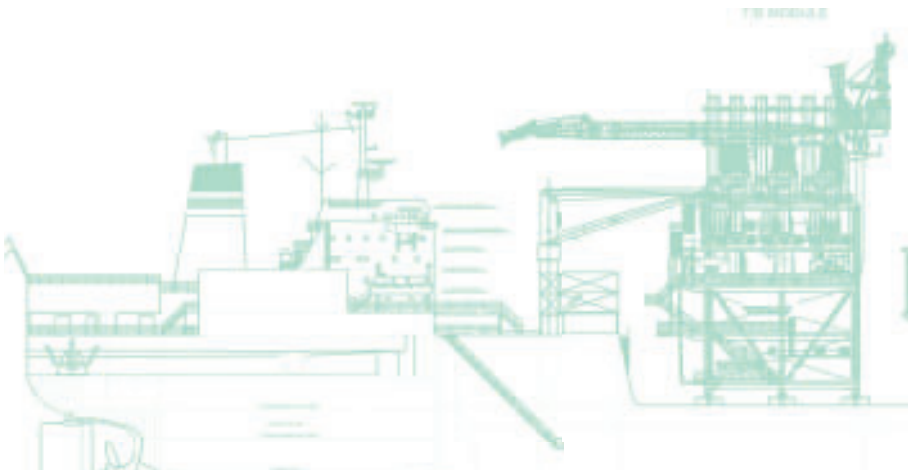
Name of director	Number of shares	Approximate percentage of shareholding	Capacity
Mr. Lau Chun Ming	Long position 1,700,000,000 shares (Note 1)	56.29%	Interest of his spouse
Mr. Lau Chun Kwok	Long position 225,000,000 shares (Note 2)	7.45%	Beneficial owner and interest of a controlled company
Mr. Lau Chun Ka	Long position 225,000,000 shares (Note 3)	7.45%	Beneficial owner and interest of a controlled company
Ms. Leung Lai So	Long position 1,700,000,000 shares (Note 1)	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:

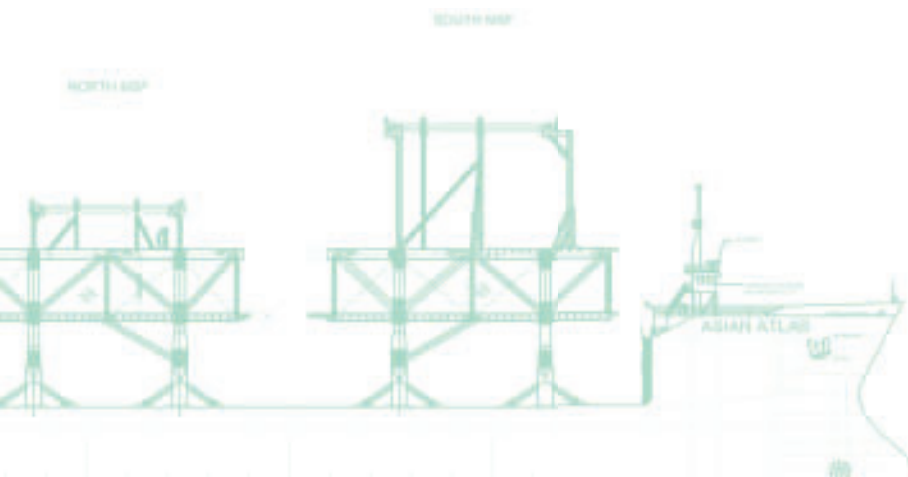
- 1,700,000,000 shares were held by Actiease Assets Limited, a company wholly-owned by Silver Bright Holdings Limited which is indirectly owned by a discretionary trust of which Ms. Leung Lai So is a beneficiary.
- 225,000,000 shares were held by CKL Development Limited, a corporation which is controlled 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 the date of this report are as follows:

Name of substantial shareholder	Number of shares	Approximate percentage of shareholding	Capacity
Actiease 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
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 ("CG Codes") contained in Appendix 14 to 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 2008.

## **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.

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

Hong Kong, 22 December 2008

## CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

	Notes	Unaudited Six months ended 30 September	
		2008 HK\$'000	2007 HK\$'000
Turnover	3	<b>51,079</b>	59,448
Cost of sales	5	<b>(38,498)</b>	(44,737)
Gross profit		<b>12,581</b>	14,711
Other income	4	<b>3,227</b>	17,430
Administrative expenses	5	<b>(12,263)</b>	(10,261)
Operating profit		<b>3,545</b>	21,880
Finance income	6	<b>333</b>	874
Finance costs	6	<b>(2,330)</b>	(2,983)
Profit before taxation		<b>1,548</b>	19,771
Taxation	7	<b>4,162</b>	1,452
Profit for the period		<b>5,710</b>	21,223
Earnings per share			
Basic	9	<b>HK0.189 cents</b>	HK0.703 cents
Diluted	9	<b>HK0.189 cents</b>	HK0.702 cents

## CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2008

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2008</b>	2008
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	10	<b>203,141</b>	196,983
Deferred taxation assets	15	<b>1,037</b>	161
		<b>204,178</b>	197,144
<b>Current assets</b>			
Trade receivables	11	<b>24,699</b>	6,977
Deposits, prepayments and other receivables		<b>38,899</b>	39,851
Inventories		<b>22,420</b>	18,721
Amounts due from customers for contract work		<b>9,765</b>	9,765
Tax recoverable		<b>2,061</b>	1,744
Cash and bank balances			
Unrestricted		<b>5,438</b>	13,459
Restricted		<b>39,287</b>	39,112
		<b>142,569</b>	129,629
<b>Total assets</b>		<b>346,747</b>	326,773
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	13	<b>30,200</b>	30,200
Reserves		<b>150,814</b>	145,104
Proposed final dividend		-	3,926
<b>Total equity</b>		<b>181,014</b>	179,230

## CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2008

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2008</b>	2008
<i>Notes</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term liabilities	14	<b>16,680</b>	9,375
Deferred taxation liabilities	15	<b>18,212</b>	21,498
		<b>34,892</b>	30,873
<b>Current liabilities</b>			
Trade payables	16	<b>15,585</b>	11,378
Accruals and other payables		<b>5,051</b>	4,395
Amounts due to related companies	17	<b>158</b>	158
Amounts due to directors	18	<b>30,778</b>	12,659
Short-term borrowings	19	<b>23,617</b>	36,390
Current portion of long-term liabilities	14	<b>9,229</b>	5,779
Bank overdrafts	19	<b>46,423</b>	45,911
		<b>130,841</b>	116,670
<b>Total liabilities</b>		<b>165,733</b>	147,543
<b>Total equity and liabilities</b>		<b>346,747</b>	326,773
<b>Net current assets</b>		<b>11,728</b>	12,959
<b>Total assets less current liabilities</b>		<b>215,906</b>	210,103

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

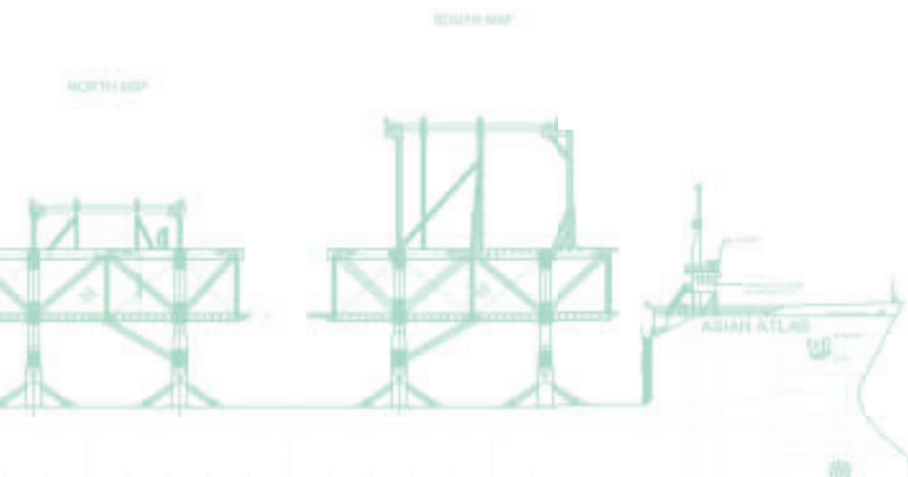
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

	Unaudited			Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	
At 1 April 2007	30,000	14,939	116,979	161,918
Issue of shares upon exercise of share options	200	1,180	–	1,380
Dividend paid	–	–	(6,040)	(6,040)
Profit for the period	–	–	21,223	21,223
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2007	30,200	16,119	132,162	178,481
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2008	30,200	16,119	132,911	179,230
Dividend paid	–	–	(3,926)	(3,926)
Profit for the period	–	–	5,710	5,710
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2008	30,200	16,119	134,695	181,014
	<hr/>	<hr/>	<hr/>	<hr/>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2008</b>	2007
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
Net cash from/(used in) operating activities		<b>6,752</b>	(23,150)
Net cash (used in)/from investing activities		<b>(9,166)</b>	27,475
Net cash used in financing activities		<b>(6,119)</b>	(12,345)
Decrease in cash and cash equivalents		<b>(8,533)</b>	(8,020)
Cash and cash equivalents at beginning of the period		<b>(32,452)</b>	(35,059)
Cash and cash equivalents at end of the period	12	<b>(40,985)</b>	(43,079)



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1 General information

Sam Woo Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in foundation works, leasing and trading of machinery and equipment for foundation works and vessel chartering. The Company is a limited liability company incorporated in Bermuda and has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited. The Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The condensed financial statements have been approved for issue by the board of directors of the Company on 22 December 2008.

### 2 Summary of significant accounting policies

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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2008 annual financial statements.

The Group had not appointed the auditors to carry out any review of the interim financial statements for the six months ended 30 September 2008 in accordance with HKSRE 2410.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 March 2008 except as described below.

In the current period, the Group has applied for the first time, a number of new interpretations issued by the HKICPA that are effective for accounting periods beginning on or after 1 April 2008. The application of these new interpretations did not have any material impact on the results of operations and financial position of the Group.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2009 or later periods. The Group has not early adopted these new standards, amendments and interpretations for the period ended 30 September 2008. 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.

**3 Segment information**

(a) *Business segments – primary reporting format*

	<b>Unaudited</b>			
	<b>Six months ended 30 September 2008</b>			
	<b>Foundation works</b>	<b>Trading of machinery and equipment</b>	<b>Vessel chartering</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover	<b>3</b>	–	<b>51,076</b>	<b>51,079</b>
Segment results	<b>(9,273)</b>	–	<b>18,427</b>	<b>9,154</b>
Unallocated expenses				<b>(5,609)</b>
Operating profit				<b>3,545</b>
Finance income				<b>333</b>
Finance costs				<b>(2,330)</b>
Profit before taxation				<b>1,548</b>
Taxation				<b>4,162</b>
Profit for period				<b>5,710</b>
Capital expenditure	<b>13,117</b>	–	–	<b>13,117</b>
Depreciation	<b>4,487</b>	–	<b>1,388</b>	<b>5,875</b>

**As at 30 September 2008, unaudited**

Segment assets	<b>144,103</b>	<b>7,780</b>	<b>111,457</b>	<b>263,340</b>
Unallocated assets				<b>83,407</b>
Total assets				<b>346,747</b>
Segment liabilities	<b>3,426</b>	–	<b>16,214</b>	<b>19,640</b>
Unallocated liabilities				<b>146,093</b>
Total liabilities				<b>165,733</b>



### 3 Segment information (Continued)

(a) *Business segments – primary reporting format (Continued)*

	Unaudited Six months ended 30 September 2007			
	Foundation works HK\$'000	Trading of machinery and equipment HK\$'000	Vessel chartering HK\$'000	Total HK\$'000
Turnover	9,049	–	50,399	59,448
Segment results	8,105	–	19,244	27,349
Unallocated expenses				(5,469)
Operating profit				21,880
Finance income				874
Finance costs				(2,983)
Profit before taxation				19,771
Taxation				1,452
Profit for the period				21,223
Capital expenditure	34	–	–	34
Depreciation	7,607	–	1,907	9,514
As at 31 March 2008, audited				
Segment assets	140,972	7,305	88,573	236,850
Unallocated assets				89,923
Total assets				326,773
Segment liabilities	3,161	–	11,105	14,266
Unallocated liabilities				133,277
Total liabilities				147,543

(b) *Geographical segments – secondary reporting format*

All assets and operations related to the construction business of the Group are located in Hong Kong. The vessel chartering business is carried out worldwide and cannot be allocated into any meaningful geographical segments. Accordingly, geographical segment information is not presented.

**4 Other income**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	<b>HK\$'000</b>
Gain on disposal of fixed assets	<b>2,742</b>	16,749
Rebate on purchases	<b>156</b>	–
Technical service income	–	681
Write-back of provision for impairment of receivables	<b>329</b>	–
	<b>3,227</b>	17,430

**5 Expenses by nature**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fuel cost	<b>21,212</b>	21,575
Staff costs, including directors' emoluments		
– wages and salaries	<b>4,166</b>	4,533
– contributions to retirement scheme	<b>125</b>	150
Depreciation		
– Owned plant and equipment	<b>5,350</b>	8,485
– Leased plant and equipment	<b>525</b>	1,029
Operating lease rentals in respect of		
– office and storage premises	<b>827</b>	811
– directors' quarters	<b>948</b>	948
Professional fees	<b>2,997</b>	1,781
Provision for impairment of deposits	<b>573</b>	–
Repair and maintenance	<b>3,585</b>	1,744
Construction contracts costs	<b>48</b>	4,363
Vessel management fee	<b>2,293</b>	2,484
Others	<b>8,112</b>	7,095
	<b>50,761</b>	54,998

## 6 Finance income and costs

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Finance income		
Interest income:		
– bank deposits	<b>333</b>	874
Finance costs		
Interest expense on borrowings wholly repayable within five years:		
– bank loans and overdrafts	<b>1,901</b>	2,730
– loan from a director	–	60
– other loan	–	52
– finance leases	<b>429</b>	141
	<b>2,330</b>	2,983
Finance costs, net	<b>1,997</b>	2,109

## 7 Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the period. The amount of taxation credited to the condensed consolidated income statement represents:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Hong Kong profits tax		
Current taxation	–	2,340
Deferred taxation ( <i>note 15</i> )	<b>(4,162)</b>	(3,792)
	<b>(4,162)</b>	(1,452)

## 8 Dividends

The Directors do not recommend the payment of dividend in respect of the six months ended 30 September 2008 (2007: nil).

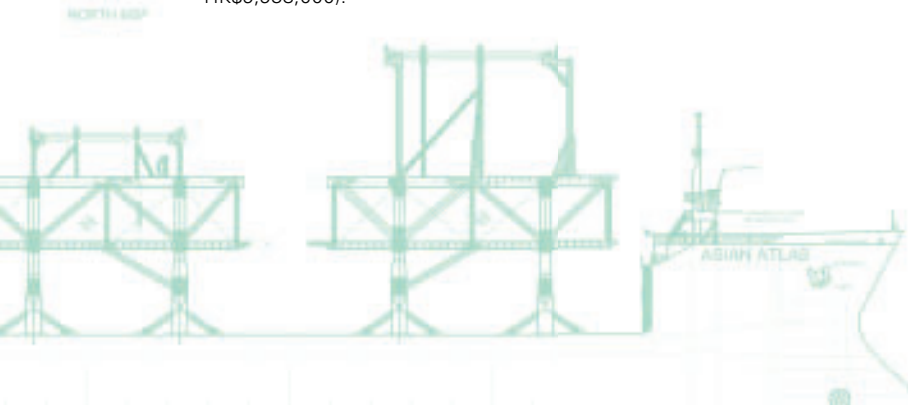
## 9 Earnings per share

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

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	<b>2007</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit attributable to shareholders	<b>5,710</b>	21,223
Number of shares		
Weighted average number of ordinary shares for calculation of basic earnings per share	<b>3,020,000,000</b>	3,016,775,960
Effect of dilutive potential ordinary shares – share options	–	4,626,440
Weighted average number of ordinary shares for calculation of diluted earnings per share	<b>3,020,000,000</b>	3,021,402,400
Basic earnings per share	<b>HK0.189 cents</b>	HK0.703 cents
Diluted earnings per share	<b>HK0.189 cents</b>	HK0.702 cents

## 10 Capital expenditure

During the six months ended 30 September 2008, the Group acquired plant and equipment totaling HK\$13,117,000 (six months ended 30 September 2007: HK\$34,000) and disposed plant and equipment of net book value HK\$877,000 (six months ended 30 September 2007: HK\$9,938,000).



## 11 Trade receivables

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
Trade receivables		
– Third parties	<b>33,592</b>	15,195
– A related party	<b>40</b>	1,044
Retention receivables	<b>1,570</b>	1,570
	<b>35,202</b>	17,809
Less: Provision for impairment	<b>(10,503)</b>	(10,832)
	<b>24,699</b>	6,977

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

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
0 to 90 days	<b>21,058</b>	2,661
91 to 180 days	–	–
181 to 365 days	–	1,861
More than one year	<b>14,144</b>	13,287
	<b>35,202</b>	17,809

**12 Cash and cash equivalents**

	<b>Unaudited 30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Cash at bank and in hand	<b>4,810</b>	3,954
Short-term bank deposits	<b>39,915</b>	38,943
	<b>44,725</b>	42,897
Less: Cash at bank and in hand – restricted	<b>(39,287)</b>	(38,805)
	<b>5,438</b>	4,092

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

	<b>Unaudited 30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Cash and bank balances – unrestricted	<b>5,438</b>	4,092
Bank overdrafts	<b>(46,423)</b>	(47,171)
	<b>(40,985)</b>	(43,079)

**13 Share capital**

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each	<b>100,000</b>	100,000
Number of shares	<b>10,000,000,000</b>	10,000,000,000
Issued:		
Ordinary shares of HK\$0.01 each	<b>30,200</b>	30,200
Number of shares	<b>3,020,000,000</b>	3,020,000,000

## 14 Long-term liabilities

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
Bank loans, secured (note (a))	<b>1,163</b>	1,393
Obligations under finance leases (note (b))	<b>24,746</b>	13,761
Wholly repayable within five years	<b>25,909</b>	15,154
Less: amounts due within one year included under current liabilities	<b>(9,229)</b>	(5,779)
	<b>16,680</b>	9,375

Notes:

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

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
Within one year	<b>480</b>	466
In the second year	<b>508</b>	494
In the third to fifth years	<b>175</b>	433
	<b>1,163</b>	1,393

Interest is charged on the balances at 5.76% and was secured by the certain of the Group's motor vehicles.

**14 Long-term liabilities (Continued)**

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

	Present value		Minimum payment	
	Unaudited 30 September 2008 HK\$'000	Audited 31 March 2008 HK\$'000	Unaudited 30 September 2008 HK\$'000	Audited 31 March 2008 HK\$'000
Within one year	8,749	5,313	9,725	5,827
In the second year	8,396	4,607	8,981	4,890
In the third to fifth years	7,601	3,841	7,864	3,921
	<b>24,746</b>	13,761	<b>26,570</b>	14,638
Finance charges			<b>(1,824)</b>	(877)
			<b>24,746</b>	13,761

Interest is charged on the outstanding balances of finance leases at rates ranging from 6.8% to 1 month HIBOR plus 2.2%. The finance leases are secured by certain of the Group's machinery and equipment.

**15 Deferred taxation**

Deferred taxation is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2007: 17.5%). The movement of the net deferred tax liabilities is as follows:

	Unaudited 30 September 2008 HK\$'000	Audited 31 March 2008 HK\$'000
At beginning of the period/year	(21,337)	(24,175)
Recognised in the income statement (note 7)	4,162	2,838
At end of the period/year	<b>(17,175)</b>	(21,337)



## 15 Deferred taxation (Continued)

The movements in deferred tax liabilities and assets (prior to offsetting of balances within the same taxation jurisdiction) during the period/year are as follows:

### Deferred tax liabilities

	Accelerated Depreciation allowances	
	Unaudited 30 September 2008 HK\$'000	Audited 31 March 2008 HK\$'000
At beginning of the period/year	(21,498)	(25,125)
Recognised in the income statement	3,286	3,627
At end of the period/year	<b>(18,212)</b>	(21,498)

### Deferred tax assets

	Tax losses	
	Unaudited 30 September 2008 HK\$'000	Audited 31 March 2008 HK\$'000
At beginning of the period/year	161	950
Recognised in the income statement	876	(789)
At end of the period/year	<b>1,037</b>	161

## 16 Trade payables

Retention payable included in trade payables as at 30 September 2008 amounted to HK\$41,000 (31 March 2008: HK\$113,000). The ageing analysis of the remaining trade payables is as follows:

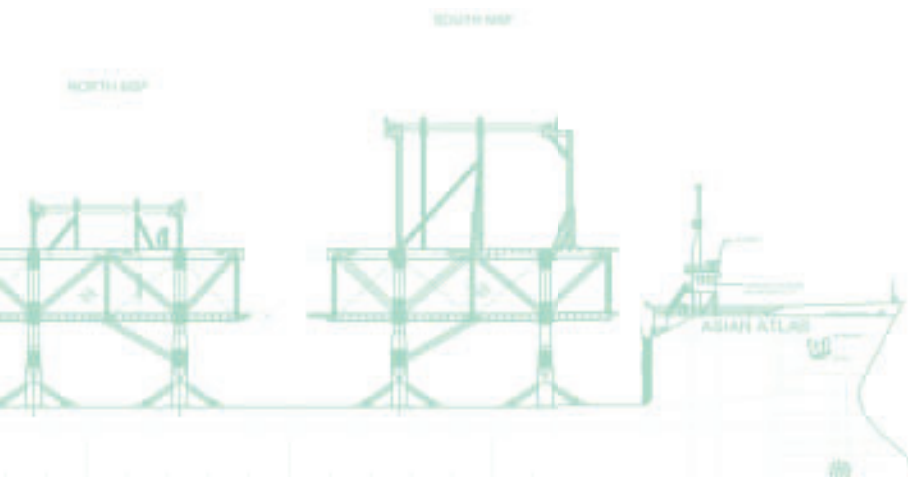
	<b>Unaudited</b> <b>30 September</b> <b>2008</b> <b>HK\$'000</b>	Audited 31 March 2008 HK\$'000
0 to 90 days	<b>14,099</b>	9,873
91 to 180 days	<b>53</b>	–
181 to 365 days	–	809
More than one year	<b>1,392</b>	583
	<b>15,544</b>	11,265

## 17 Amounts due from/to related companies

Amounts due from/to related companies are unsecured, interest free and have no fixed terms of repayment.

## 18 Amounts due to directors

The amounts payable to directors are unsecured, interest free and have no fixed terms of repayment.



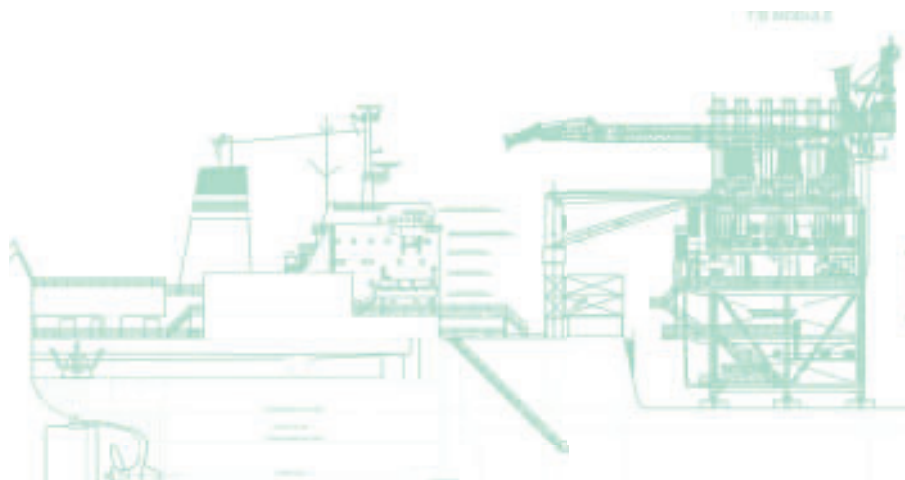
## 19 Short-term borrowings

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
Bank overdrafts, secured	<b>46,423</b>	45,911
Short-term bank loans, secured	<b>23,617</b>	36,390
	<hr/>	<hr/>
Short-term bank borrowings, secured	<b>70,040</b>	82,301
	<hr/>	<hr/>

## 20 Operating lease commitments

The future aggregate minimum lease rental expenses in respect of land and buildings under non-cancellable operating leases are payable in the following periods:

	<b>Unaudited 30 September 2008 HK\$'000</b>	Audited 31 March 2008 HK\$'000
Within one year	<b>2,594</b>	3,205
In the second to fifth years inclusive	<b>701</b>	360
	<hr/>	<hr/>
	<b>3,295</b>	3,565
	<hr/>	<hr/>



**21 Related party transactions**

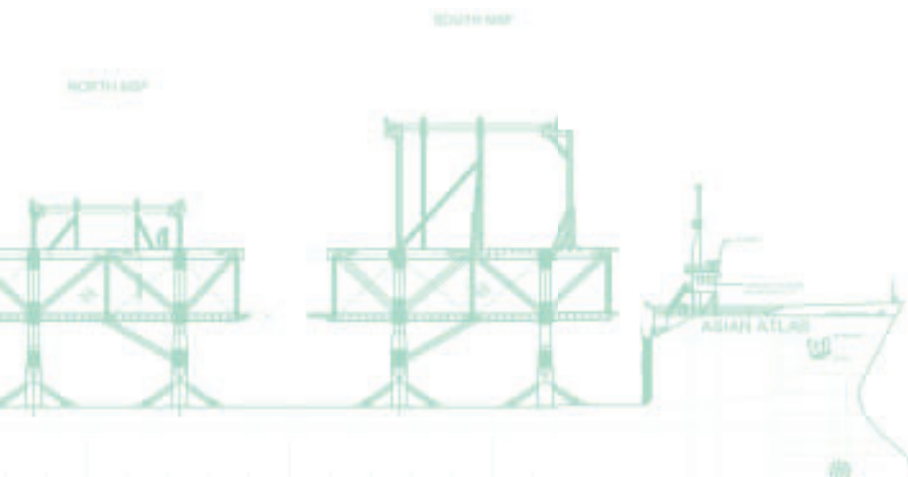
- (i) Significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Rental expense to related companies ( <i>note (a)</i> )	<b>1,488</b>	1,488
Consultancy fee paid to various companies ( <i>note (b)</i> )	<b>840</b>	840
Interest expense to a director	<b>-</b>	60
	<b>_____</b>	<b>_____</b>

*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.



## 21 Related party transactions (Continued)

(ii) Key management compensation

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Salaries and other short-term employee benefits	<b>3,060</b>	3,035
Retirement benefit scheme contribution	<b>50</b>	54
	<b>3,110</b>	3,089

(iii) Period/year end balance arising from above mentioned transactions are as follows:

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 March
	<b>2008</b>	2008
	<b>HK\$'000</b>	HK\$'000
Rental payable to related companies	<b>158</b>	158
Contracting income receivables from a related company	<b>40</b>	1,044
Salaries payable to directors	<b>292</b>	292
Advance from directors	<b>30,778</b>	12,659
	<b>31,268</b>	13,153

## 22 Comparative figures

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

