Sundart

Sundart International Holdings Limited
承達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2288

Interim Report 2009

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

CHAN William *(Chairman)*
NG Tak Kwan *(Chief Executive Officer)*
LEUNG Kai Ming
WONG Kim Hung, Patrick
YIP Chun Kwok

Independent Non-executive Directors

TO King Yan, Adam
WONG Hoi Ki
WONG Kwok Wai, Albert

AUDIT COMMITTEE

WONG Kwok Wai, Albert *(Chairman)*
TO King Yan, Adam
WONG Hoi Ki

REMUNERATION COMMITTEE

CHAN William *(Chairman)*
WONG Kwok Wai, Albert
WONG Hoi Ki

NOMINATION COMMITTEE

CHAN William *(Chairman)*
WONG Kwok Wai, Albert
WONG Hoi Ki

AUTHORISED REPRESENTATIVES

WONG Kim Hung, Patrick
YIP Chun Kwok

COMPANY SECRETARY

YIP Chun Kwok

AUDITORS

Deloitte Touche Tohmatsu

COMPLIANCE ADVISOR

ICBC International Capital Limited

LEGAL ADVISOR

P. C. Woo & Co.

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Guangdong Development Bank Co., Ltd.
Industrial and Commercial Bank of China (Asia) Limited
Oversea-Chinese Banking Corporation Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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370 Kwun Tong Road
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

STOCK CODE

2288

COMPANY'S WEBSITE

www.sundart.com

Dear Shareholders,

I am delighted to present to you the interim report of Sundart International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six-month period ended 30 September 2009 (the "Period").

REVIEW AND OUTLOOK

Overview

For the Period, it has been one of the most significant and memorable half-year for the Company, for the Company successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 21 August 2009 (the "IPO"). The IPO not only provided net proceeds of approximately HK$457 million which have since been a strong growth driver for the Group's development, but also a powerful platform for the Group to gain access to international capital markets. Furthermore, being the first publicly listed fitting-out business among its peers, the Company enjoyed great enhancement in its corporate image, which will be very helpful in its global development.

Apart from that, the first audited interim results after listing recorded encouraging results, in which the net profit literally exceeded the forecasted figure stated in the prospectus dated 11 August 2009 issued by Company during the IPO. During the Period, the Group recorded a revenue of approximately HK$1,212 million (for the six-month period ended 30 September 2008 ("1H 2008/09"): HK$594 million), while profit for the period attributable to owners of the Company was approximately HK$120 million (1H 2008/09: HK$61 million). On 10 December 2009, the board of directors (the "Board") declared the payment of an interim dividend of HK8.5 cents per share for the Period.

OPERATION AND BUSINESS REVIEW

Hong Kong and Macau

We have a strong market position in Hong Kong and Macau with proven track records in the fitting-out markets. In the aftermath of the financial tsunami, the Group was able to maintain its strong market position and capture new opportunities such as building usage conversion and renovation in addition to those in the existing and reviving property market. The recovering gaming and hospitality industry in Macau also served as a strong support to the Group's performance. During the Period, the Group recorded a revenue of approximately HK$1,163 million (1H 2008/09: HK$573 million) from these fitting-out markets.

The People's Republic of China (the "PRC")

The robust economic development in the PRC catalyzed the flourishing of the property market. Developers nowadays are promoting apartments and buildings with sophisticated and classy interior fitting-out, rather than bare-shell units like years ago. Enormous potential demand, therefore, exists in the PRC market. Scalable and professional integrated fitting-out contractors like the Group shall be welcomed by the market. Therefore, the Group strived to increase its exposure in the PRC, especially in cities with high growth potentials.

Leveraging on its long-term relationships with Hong Kong and international developers, the Group became a major partner of these developers for their projects in the PRC. As a result, the Group was able to establish a strong foothold in the PRC for various landmark projects.

During the Period, the Group undertook renowned projects like Ritz-Carlton Hotel and the Hong Kong Pavilion of World Expo in Shanghai. Revenue from the PRC fitting-out market was approximately HK$39 million during the Period.

Other markets

In May 2009, the Group formed a joint venture in Qatar in order to capture the opportunities in the Middle East market. The Group already submitted tender for a number of fitting-out projects and already secured several purchase orders of pre-fabricated finishing components during the Period.

FUTURE PROSPECTS

Hong Kong

There are a number of positive factors driving the property market. Besides the ten mega infrastructures, the residential market, especially the luxurious apartment market, has been robust recently, and as the land supply is limited we expect the market will remain strong. Also, it is becoming a common trend for developers to adopt high quality fitting-out in new projects in order to add value to the property, so we expect that we will encounter ample opportunities in the local market.

Apart from the existing fitting-out segment, we are also actively exploring the building usage conversion and renovation market. In the latest Policy Address, the Government of the Hong Kong Special Administrative Region has stated that it will promote the "adaptive-reuse" of old industrial buildings into modern residential apartments, offices and hotels. Under the leadership of the government and with our technical capability and extensive experience, we are confident that we can capture this market and generate profitable results. In that case, our strong position in the market will be further enhanced.

Macau

The recovering gaming and hospitality market in Macau reintroduces opportunities to us with several suspended projects being resumed at Cotai. Also, several casino operators have undergone initial public offerings to acquire funding, which we believe will help in inducing the rise of new luxurious casinos and hotels in Macau. With the long-established relationships with the casino operators and hotel owners, we are confident of obtaining tenders and winning the majority of these upcoming projects, thus consolidating our strong position in the market.

The PRC

The PRC will undoubtedly be a major arena of Hong Kong and even international developers in the future. We will also capture the huge potential in the PRC market by working closely with the developers in new as well as in building usage conversion projects in the market and we recently secured a new project in Chongqing. We believe that promising and sustainable revenue will be generated in future.

Other markets and business segments

In order to widen our revenue foundation, we are actively yet prudently looking for opportunities in high-growth countries and regions with large demand for high quality fitting-out services, such as in Abu Dhabi and Qatar in the Middle East. Our target is to secure one to two sizeable projects that are owned by the local government or reputable property developers at the beginning stage. Also, we are actively preparing for the setting up of prefabrication facilities, and we are setting up a procurement office at Shenzhen at the initial stage.

Looking forward, the Group will strive to create classy, comfortable and satisfactory lifestyle and bring impressive returns to our shareholders.

Finally, I would like to represent the Board to express gratitude to our management, staff and personnel for their hard work towards contributing to the growth of the Group in the past two decades and during the IPO. Also, we are grateful to the support of our shareholders, business partners and investors.

CHAN William
Chairman

Hong Kong, 10 December 2009

OVERALL PERFORMANCE

For the Period, the Group recorded a consolidated revenue and gross profit of approximately HK$1,212 million (1H 2008/09: HK$594 million) and HK$194 million (1H 2008/09: HK$89 million) respectively, whilst gross profit margin was approximately 16.0% (1H 2008/09: 15.0%). The basic earnings per share were HK 31 cents (1H 2008/09: HK 17 cents).

As at 30 September 2009, total assets of the Group were approximately HK$1,233 million (31 March 2009: HK$704 million) of which current assets were approximately HK$1,218 million (31 March 2009: HK$697 million), representing approximately 2.6 times of current liabilities. The equity attributable to owners of the Company was approximately HK$756 million (31 March 2009: HK$263 million).

During the Period, the Group raised approximately HK$457 million from the IPO. Cash and cash equivalents of the Group was approximately HK$592 million as at 30 September 2009 (31 March 2009: HK$191 million), whilst net cash inflow from operating activities during the Period was approximately HK$62 million (1H 2008/09: HK$35 million).

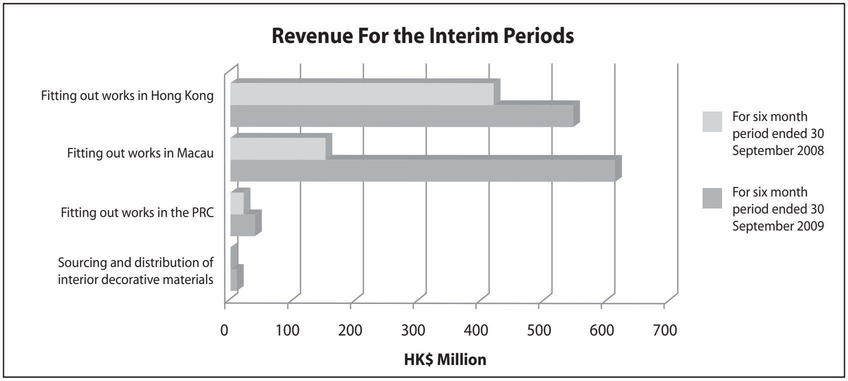
REVENUE AND GROSS PROFIT

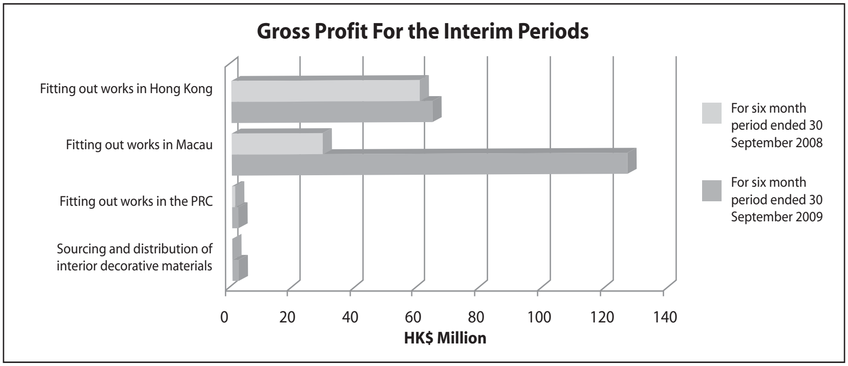
During the Period, the Group recorded a revenue of approximately HK$1,212 million (1H 2008/09: HK$594 million) and achieved a gross profit of approximately HK$194 million (1H 2008/09: HK$89 million). The revenue from fitting-out works was approximately HK$1,202 million (1H 2008/09: HK$594 million), whilst approximately HK$10 million (1H 2008/09: Nil) was contributed from the sourcing and distribution of interior decorative materials.

Increase in revenue for the Period as compared with the corresponding period in 2008/09 was attributed to the completion of certain sizable projects such as City of Dreams at Cotai and Serviced Apartments for Parcel 2 Cotai Resort development in Macau and Residential Development Project at Ho Man Tin (Phase 2) in Hong Kong.

The increase in gross profit of the Group for the Period as compared with the corresponding period in 2008/09 was attributed to the increase in revenue and slight improvement in overall gross profit margin from approximately 15.0% for the period in 2008/2009 to approximately 16.0%.

BY SEGMENTS


Revenue For the Interim Periods
Fitting out works in Hong Kong
Fitting out works in Macau
Fitting out works in the PRC
Sourcing and distribution of interior decorative materials
0
100
200
300
400
500
600
700
HK$ Million
For six month period ended 30 September 2008
For six month period ended 30 September 2009


Gross Profit For the Interim Periods
Fitting out works in Hong Kong
Fitting out works in Macau
Fitting out works in the PRC
Sourcing and distribution of interior decorative materials
0
20
40
60
80
100
120
140
HK$ Million
For six month period ended 30 September 2008
For six month period ended 30 September 2009

During the Period, revenue was mainly generated from fitting-out works in Hong Kong and Macau. The fitting-out works in Hong Kong and Macau contributed approximately HK$548 million and HK$615 million to the Group's revenue respectively. The revenue from the fitting-out works in Hong Kong increased by approximately 30.2%, while the revenue from the fitting-out works in Macau increased by approximately 304.6% as compared to the corresponding period in 2008/09. The revenue from the fitting-out works in the PRC also increased by approximately 85.7% to approximately HK$39 million as compared to the corresponding period in 2008/09. The revenue from the sourcing and distribution of interior decorative materials contributed approximately HK$10 million to the Group during the Period.

(i) Fitting-out works in Hong Kong

During the Period, revenue from the fitting-out works in Hong Kong increased by approximately 30.2% from approximately HK$421 million for the six-month period ended 30 September 2008 to approximately HK$548 million for the Period. While the gross profit increased by approximately 6.7% from approximately HK$60 million for the six-month period ended 30 September 2008 to approximately HK$64 million for the Period, the gross profit margin slightly decreased from approximately 14.3% for the six-month period ended 30 September 2008 to approximately 11.7% for the Period because of the higher project costs incurred to implement the design and specification of certain residential projects, such as Residential Development Project at Ho Man Tin (Phase 1) and Residential Development at Tseung Kwan O Area 86 Package II (Phase 1).

(ii) Fitting-out works in Macau

The revenue from the fitting-out works in Macau increased by approximately 304.6% from approximately HK$152 million for the six-month period ended 30 September 2008 to approximately HK$615 million for the Period and become the major revenue contributor to the Group, which contributed approximately 50.7% of the overall revenue (1H 2008/09: 25.6%) and was attributed to the completion of certain sizable projects such as City of Dreams at Cotai and Serviced Apartments for Parcel 2 Cotai Resort development.

The gross profit contributed by the Macau projects was approximately HK$126 million for the Period (1H 2008/09: HK$29 million), with an increment of approximately 334.5% as compared to the corresponding period in 2008/09. The gross profit margin increased from approximately 19.1% for the six-month period ended 30 September 2008 to approximately 20.5% for the Period because of the effective project management that reduced the project costs on implementing the projects.

(iii) Fitting-out works in the PRC

The revenue contributed by fitting-out works in the PRC increased by approximately 85.7% from approximately HK$21 million for the six-month period ended 30 September 2008 to approximately HK$39 million for the Period which was due to the commencement of Ritz-Carlton Hotel project.

The achievement for the increase in revenue for the fitting-out works in the PRC enables the Group to improve the PRC segment result by approximately HK$2 million during the Period.

(iv) Sourcing and distribution of interior decorative materials

During the Period, the Group recommences the sourcing and distribution of interior decorative materials business. The revenue and gross profit contributed from the sourcing and distribution of interior decorative materials was approximately HK$10 million and HK$2 million respectively. Revenue was contributed by orders from Qatar, USA, Hong Kong and Macau.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately 94.1% from approximately HK$17 million for the six-month period ended 30 September 2008 to approximately HK$33 million for the Period. The increase was mainly attributed to the non-cash transactions on share-based payment of approximately HK$10 million to Mr. LEUNG Kai Ming, a director of the Company, as mentioned in note 32 of the notes to the consolidated financial statements. The increase was also attributable to the increase in staff cost and trip expenses incurred for the expansion of the Group's business in the PRC market and the setting up of the new office in Qatar.

LISTING EXPENSES

Listing expenses represent one-off expense of approximately HK$19 million in connection with the IPO that was charged to the consolidated statement of comprehensive income. For details, please refer to note 10 of the notes to the consolidated financial statements.

FINANCE COSTS

Due to continuous improvement in the net cash position of the Group during the Period as compared to the corresponding period in 2008/09, the finance costs decreased by approximately 78.9% from approximately HK$1.9 million to approximately HK$0.4 million as compared to the corresponding period in 2008/09.

EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the periods attributable to owners of the Company and on the weighed average number of ordinary shares issued during the periods. For details, please refer to note 16 of the notes to the consolidated financial statements.

PROJECTS IN PROGRESS

As at 30 September 2009, the Group had estimated value of contracts on hand amounting to approximately HK$3,893 million and the value of contracts outstanding was approximately HK$885 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total debt to total assets ratio was approximately 0.41% (31 March 2009: 3.98%). The gearing ratio (net debt to equity attributable to owners of the Company) was nil as at 30 September 2009 and 31 March 2009 as the Group has net cash (bank balances and cash less total debt) of approximately HK$587 million as at 30 September 2009 (31 March 2009: HK$163 million). The gearing structure is set out below:

	As at 30 September 2009	As at 31 March 2009
Total debt (HK$ million) (note)	**5**	28
Net debt (HK$ million) (note)	**–**	–
Total assets (HK$ million)	**1,233**	704
Equity attributable to the owners of the Company (HK$ million)	**756**	263
Total debt/ Total assets	**0.41%**	3.98%
Net debt/ Equity attributable to the owners of the Company	**–**	–

Note: Total debt represents the total interest-bearing borrowings. Net debt is defined as total debt less bank balances and cash. A zero balance of net debt represents that the bank balances and cash exceeded total debt at the end of reporting period.

The management and control of the Group's financial, capital management and external financing functions are centralized at the headquarters in Hong Kong. The Group has been adhering to the principle of prudent financial management in order to minimize the financial and operational risks.

The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion. The net proceeds of approximately HK$457 million raised from the IPO has enlarged the capital base of the Group and strengthened the Group's financial position thereby facilitating the expansion of the fitting-out business in markets outside Hong Kong and Macau and setting up of pre-fabrications facilities.

As at 30 September 2009, the Group had bank balances and cash of approximately HK$592 million (31 March 2009: HK$191 million) while bank borrowings was approximately HK$5 million (31 March 2009: HK$28 million). The Group's total current assets increased from approximately HK$697 million as at 31 March 2009 to approximately HK$1,218 million as at 30 September 2009, while total current liabilities increased from approximately HK$438 million as at 31 March 2009 to approximately HK$476 million as at 30 September 2009. As a result, the current ratios was improved from approximately 1.6 as at 31 March 2009 to approximately 2.6 as at 30 September 2009.

As at 30 September 2009, the Group had net cash of approximately HK$587 million, together with the unutilized banking facilities (including the bank guarantee, trade credit, short term loan and term loan facilities), the Group has sufficient financial resources to meet the funding requirements for business development opportunities in Hong Kong, Macau, the PRC and overseas markets. The Group will cautiously seek for the development opportunity with a view to balancing the risk and opportunity in maximizing shareholders' value.

PLEDGE OF ASSETS

The Group had pledged certain trade receivables, retentions receivable and bank deposits to secure the general banking facilities including bank borrowings, bills payable, performance bonds and advance payment bonds granted to the Group. The aggregate carrying value of the pledged assets was approximately HK$30 million (31 March 2009: HK$64 million).

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group did not have any significant contingent liabilities or capital commitments as at 30 September 2009 and 31 March 2009.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND INTEREST RATES AND CORRESPONDING HEDGING ARRANGEMENT

The Group's bank borrowings have been made at floating rates.

The Group operates in various regions with different foreign currencies including Macau Pataca, US Dollar, Renminbi and Qatar Riyal. The exchange rates for the foresaid currencies are relatively stable. The Group reviews exchange risk regularly and monitors closely the fluctuation of foreign currencies and will make proper adjustment if necessary.

CREDIT EXPOSURE

The Group has adopted prudent credit policies to deal with credit exposure. In connection with projects in progress (no matter in Hong Kong, Macau, the PRC or overseas), the major customers are the local governments, institutional organizations and reputable property developers. Therefore, the Group is not exposed to significant credit risk.

Even though there is no significant credit risk exposure and no overdue trade receivables written-off during the Period, the Group's management reviews from time to time the recoverability of trade receivables and closely monitors the financial position of the customers in order to keep a very low credit risk exposure of the Group.

RISK MANAGEMENT

Though the global markets have been seriously affected by the financial tsunami, there are signs of recovery. In order to widen the revenue foundation of the Group, the Group is actively looking for opportunities in high-growth countries and regions with strong demand for high quality fitting-out services, such as Abu Dhabi and Qatar in the Middle East. The Group will evaluate the market conditions and adjust its strategy in a timely manner and make decisions so as to ensure the effective implementation of the Group's expansion plan. The Group will continue to strengthen the internal control system and risk control system of the overseas operations by regularly reviewing the market risk, legal risk, contract risk and credit risk of the customers of the overseas markets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2009, the Group had approximately 259 full-time employees and the total remuneration of the employees (including the directors' remuneration) were approximately HK$47 million for the Period (1H 2008/09: approximately HK$36 million). The increase in total remuneration of the employees was mainly due to the share-based payment expenses and increase in number and average salaries of the employees. The Group offered attractive remuneration packages for employees and granted bonuses with reference to employees' performance during the Period according to the general rules of the Group's remuneration policy. The Group also provides external training programmes which are complementary to certain job functions.

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF
SUNDART INTERNATIONAL HOLDINGS LIMITED
承達國際控股有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sundart International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 15 to 78, which comprise the consolidated statement of financial position as at 30 September 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 September 2009 and of the Group's profit and cash flows for the six-month period then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Without qualifying our opinion, we draw attention to the fact that the comparative consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period ended 30 September 2008 and the relevant explanatory notes disclosed in the consolidated financial statements have not been audited in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
10 December 2009

	NOTES	**1.4.2009 to 30.9.2009 HK$'000**	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Revenue	*7*	**1,212,237**	593,816
Cost of sales		**(1,017,787)**	(504,435)
Gross profit		**194,450**	89,381
Other income	*9*	**2,331**	787
Administrative expenses		**(33,276)**	(17,233)
Other expenses		**(909)**	(302)
Listing expenses	*10*	**(19,327)**	–
Finance costs	*11*	**(393)**	(1,893)
Profit before taxation		**142,876**	70,740
Income tax expenses	*13*	**(23,325)**	(9,512)
Profit for the period attributable to owners of the Company	*14*	**119,551**	61,228
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**65**	1,052
Total comprehensive income for the period attributable to the owners of the Company		**119,616**	62,280
Earnings per share			
Basic (HK cents)	*16*	**31**	17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	NOTES	30.9.2009 HK$'000	31.3.2009 HK$'000
Non-current assets			
Property, plant and equipment	*17*	**6,322**	6,000
Goodwill	*18*	***746***	*746*
Other intangible assets	*19*	**7,596**	–
		14,664	6,746
Current assets			
Inventories	*21*	**1,417**	–
Amounts due from related companies	*22*	**22,276**	5,128
Trade and other receivables	*23*	**383,836**	314,919
Amounts due from customers for contract work	*24*	**72,813**	70,056
Retentions receivable	*23*	**145,912**	114,914
Tax recoverable		**40**	43
Pledged bank deposits	*25*	**–**	809
Bank balances and cash	*25*	**592,178**	191,074
		1,218,472	696,943
Current liabilities			
Trade and other payables	*26*	**376,845**	353,520
Bills payable	*26*	**238**	2,291
Amounts due to related companies	*27*	**16,807**	5,181
Amount due to a jointly controlled entity	*28*	**7,955**	–
Amounts due to customers for contract work	*24*	**18,049**	15,512
Tax payable		**51,559**	35,017
Bank borrowings	*29*	**5,000**	26,667
		476,453	438,188
Net current assets		**742,019**	258,755
Total assets less current liabilities		**756,683**	265,501

	NOTES	30.9.2009 HK$'000	31.3.2009 HK$'000
Capital and reserves			
Share capital	31	**4,800**	40
Reserves		**751,524**	263,437
		756,324	263,477
Non-current liabilities			
Bank borrowings	29	**–**	1,667
Deferred taxation	30	**359**	357
		359	2,024
		756,683	265,501

The consolidated financial statements on pages 15 to 78 were approved and authorised for issue by the Board of Directors on 10 December 2009 and are signed on its behalf by:

CHAN William
DIRECTOR

WONG Kim Hung, Patrick
DIRECTOR

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Legal reserve HK$'000 (Note a)	Translation reserve HK$'000	Shareholders' contribution reserve HK$'000	Other reserve HK$'000	Special reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
At 1 April 2008 (audited)	40	66,799	49	4,218	–	–	–	160,858	231,964
Exchange differences arising on translation of foreign operations	–	–	–	806	–	–	–	–	806
Profit for the year	–	–	–	–	–	–	–	143,707	143,707
Total recognised income for the year	–	–	–	806	–	–	–	143,707	144,513
Dividends paid	–	–	–	–	–	–	–	(113,000)	(113,000)
At 31 March 2009 (audited)	40	66,799	49	5,024	–	–	–	191,565	263,477
Exchange differences arising on translation of foreign operations	–	–	–	65	–	–	–	–	65
Profit for the period	–	–	–	–	–	–	–	119,551	119,551
Total comprehensive income for the period	–	–	–	65	–	–	–	119,551	119,616
Issue of shares on 27 April 2009 (Note 31)	–	–	–	–	–	–	–	–	–
Issue of shares on 3 August 2009 (Note b)	700	–	–	–	–	–	(700)	–	–
Reserve arising from group reorganisation completed on 3 August 2009 (Note b)	(40)	(66,799)	–	–	–	–	66,839	–	–
Capitalisation of share premium (Note 31)	2,900	(2,900)	–	–	–	–	–	–	–
Issue of shares on 21 August 2009 (Note 31)	1,200	500,400	–	–	–	–	–	–	501,600
Transaction costs attributable to issue of new shares	–	(25,247)	–	–	–	–	–	–	(25,247)
Dividends paid (Note 15)	–	–	–	–	–	–	–	(120,000)	(120,000)
Shareholders' contribution (Note 32)	–	–	–	–	6,615	–	–	–	6,615
Recognition of equity settled share-based payments (Note 32)	–	–	–	–	–	10,263	–	–	10,263
At 30 September 2009 (audited)	4,800	472,253	49	5,089	6,615	10,263	66,139	191,116	756,324

	Attributable to owners of the Company								
	Share capital	Share premium	Legal reserve	Translation reserve	Shareholders' contribution reserve	Other reserve	Special reserve	Accumulated profits	Total
	HK$'000	HK$'000	HK$'000 (Note a)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2008 (audited)	40	66,799	49	4,218	–	–	–	160,858	231,964
Exchange difference arising on translation of foreign operations	–	–	–	1,052	–	–	–	–	1,052
Profit for the period	–	–	–	–	–	–	–	61,228	61,228
Total comprehensive income for the period (unaudited)	–	–	–	1,052	–	–	–	61,228	62,280
At 30 September 2008 (unaudited)	40	66,799	49	5,270	–	–	–	222,086	294,244

Notes:

(a) In accordance with the provisions of the Macao Commercial Code, one of the subsidiaries of the Company in Macao is required to transfer a minimum of 25% of its profit for the year to a legal reserve before appropriation of dividends until the legal reserve equals half of the quota capital of that subsidiary. This reserve is not distributable to the shareholders.

(b) Pursuant to a deed for sale and purchase dated 3 August 2009 entered into between Tiger Crown Limited ("Tiger Crown"), Scenemay Holdings Limited, Mr. Ng Tak Kwan ("Mr. Ng"), Mr. Leung Kai Ming ("Mr. Leung") and Mr. Wong Kim Hung, Patrick ("Mr. Wong") as vendors (collectively referred to as the "Vendors"), and the Company as purchaser, the Company issued 69,990,000 shares of HK$0.01 each amounting to approximately HK$700,000 to the Vendors for acquiring the entire issued capital of Sundart Holdings Limited ("Sundart Holdings") in proportion to their respective holding in Sundart Holdings. Sundart Holdings then became a wholly-owned subsidiary of the Company. Special reserve of the Group amounting to approximately HK$66,139,000 represents the difference between the nominal value of the shares issued by the Company and the issued share capital and share premium of Sundart Holdings at the date of the share swap.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 September 2009

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Operating activities		
Profit before taxation	**142,876**	70,740
Adjustments for:		
Depreciation of property, plant and equipment	**440**	321
Amortisation of other intangible assets	**842**	–
Loss (gain) on disposal of property, plant and equipment	**97**	(8)
Interest income	**(365)**	(540)
Interest expense	**393**	1,893
Share-based payment expenses	**10,263**	–
Operating cash flows before movements in working capital	**154,546**	72,406
Increase in inventories	**(1,417)**	–
(Increase) decrease in amounts due from related companies	**(17,148)**	2,554
Increase in trade and other receivables	**(68,917)**	(14,013)
Increase in amounts due from customers for contract work	**(2,757)**	(45,813)
Increase in retentions receivable	**(30,998)**	(11,772)
Increase (decrease) in trade and other payables	**23,325**	(42,525)
(Decrease) increase in bills payable	**(2,053)**	3,111
Increase in amounts due to related companies	**11,626**	2,710
Increase in amounts due to customers for contract work	**2,537**	75,241
Cash generated from operations	**68,744**	41,899
Interest paid	**(393)**	(1,893)
Income tax paid	**(6,780)**	(5,239)
Net cash generated from operating activities	**61,571**	34,767

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Investing activities		
Purchases of property, plant and equipment	**(846)**	(1,340)
Purchases of other intangible assets	**(1,823)**	–
Proceeds from disposal of property, plant and equipment	**–**	16
Interest received	**365**	540
Decrease in pledged bank deposits	**809**	69,989
Net cash (used in) generated from investing activities	**(1,495)**	69,205
Financing activities		
New bank borrowings raised	**94,958**	51,177
Repayments of bank borrowings	**(118,292)**	(127,507)
Net proceeds from issue of shares	**476,353**	–
Dividends paid	**(120,000)**	–
Advance from a jointly controlled entity	**7,955**	–
Net cash generated from (used in) financing activities	**340,974**	(76,330)
Net increase in cash and cash equivalents	**401,050**	27,642
Cash and cash equivalents at the beginning of the reporting period	**191,074**	81,064
Effect of foreign exchange rate changes	**54**	904
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	**592,178**	109,610

1. GROUP RESTRUCTURING AND BASIS OF PREPARATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 27 April 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 7th Floor, Millennium City 3, 370 Kwun Tong Road, Kowloon, Hong Kong, respectively.

Pursuant to the group reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing"), the Company became the holding company of the Group on 3 August 2009. The group reorganisation was completed by interspersing the Company between Sundart Holdings and the shareholders of Sundart Holdings. The Group comprising the Company and its subsidiaries resulting from the group reorganisation is regarded as a continuing entity. Details of the group reorganisation were set out in the section headed "History, Reorganisation and Group Structure" of the prospectus dated 11 August 2009 issued by the Company.

The shares of the Company have been listed on the Stock Exchange since 21 August 2009.

The Company acts as an investment holding company and provides corporate management services. The principal activities of its subsidiaries are set out in note 38.

The consolidated financial statements are presented in Hong Kong Dollars ("HKD"), which is also the functional currency of the Company.

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period ended 30 September 2008 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the period presented, or since the respective dates of incorporation of the relevant entity, where this is a shorter period. The consolidated statement of financial position as at 31 March 2009 presents the assets and liabilities of the companies comprising the Group which had been incorporated/established as at 31 March 2009 as if the current group structure had been in existence on 31 March 2009.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current period, the Group has applied a number of new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Except as described below, the adoption of these new or revised HKFRSs had no material effect on the consolidated financial statements of the Group.

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and has resulted in a number of changes in presentation and disclosure.

HKAS 23 (Revised 2007) Borrowing costs

HKAS 23 (Revised 2007) removes the option available under the previous version of the standard to recognise all borrowing costs as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. As the Group did not incur borrowing costs for qualifying assets, the change has had no impact on amounts reported in prior and current accounting periods.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 24	Related party disclosures[3]
HKAS 27 (Revised 2008)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of right issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[5]
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions[5]
HKFRS 3 (Revised 2008)	Business combinations[1]
HKFRS 9	Financial instruments[6]
HK(IFRIC)-INT 17	Distributions of non-cash assets to owners[1]

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (Continued)

[1] Effective for annual periods beginning on or after 1 July 2009.

[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

[3] Effective for annual periods beginning on or after 1 January 2011.

[4] Effective for annual periods beginning on or after 1 February 2010.

[5] Effective for annual periods beginning on or after 1 January 2010.

[6] Effective for annual periods beginning on or after 1 January 2013.

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 April 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis and in accordance with HKFRS issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

The acquisition of a business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill, the Group has discontinued amortisation from 1 April 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial period. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Joint ventures

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The Group recognises its interests in jointly controlled entities using proportionate consolidation. The Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entities are combined with the Group's similar line items, line by line, in the consolidated financial statements. Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a business or a jointly controlled entity (see above).

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

Revenue from fixed price supply and installation contracts including fitting-out works is recognised on the percentage of completion method, measured by reference to the value of work certified during the period. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Revenue from sales of goods including sourcing and distribution of interior decorative materials is recognised when goods are delivered and title has been passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Supply and installation contracts including fitting-out works

When the outcome of a supply and installation contract including fitting-out works can be estimated reliably, contract costs are charged to the consolidated statement of comprehensive income by reference to the stage of completion of the contract activity at the end of each reporting period on the same basis as contract revenue.

When the outcome of a supply and installation contract including fitting-out works cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs incurred are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supply and installation contracts including fitting-out works (Continued)

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as other payables. Amounts billed for work performed but not yet paid by the customers are included in the consolidated statement of financial position under trade and other receivables.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as and included in finance costs in the consolidated statement of comprehensive income in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") and other defined contribution retirement benefit schemes are charged as an expense when employees have rendered services entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair values of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are mainly loans and receivables. The accounting policies adopted in respect of loans and receivables are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from related companies, retentions receivable, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period or observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence of impairment and is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The carrying amount is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account (if any). Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables, bills payable, amounts due to related companies, amount due to a jointly controlled entity and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by a group entity are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) at the rate of exchange prevailing at the end of each reporting period, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Equity-settled share-based payment transactions

Where a shareholder transferred the equity instruments of a subsidiary of the Company to an employee in return for service provided to the Group, the transaction is accounted for as equity-settled share-based payment transaction of the Group which does not incur a liability to the shareholder. The fair value of services received is determined by reference to the difference between the fair value of the equity instruments and the consideration given by the employee, if any, on the transaction date. It is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (other reserve).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the period in which the item is derecognised.

Other intangible assets

On initial recognition, other intangible assets acquired separately are recognised at cost. After initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for other intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Gains or losses arising from derecognition of other intangible assets are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty and critical judgments that can significantly affect the amounts recognised in the consolidated financial statements are set out below.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgment on determination of functional currency of the Company

The Group operates in Hong Kong, Macau and the People's Republic of China (the "PRC"). Its revenue and expenses are denominated in the respective local currency of the subsidiaries it operates which includes HKD, Macau Pataca ("MOP") and Renminbi ("RMB") which are the functional currencies of the respective subsidiaries. In determining the functional currency of the Company, the management has carefully considered the currencies that mainly affect its revenue and operating expenses and the currency of funds from financing activities. The management considered that HKD is able to represent most faithfully the economic environment the Group operates because substantial revenue and financing activity of the Group are denominated in HKD and therefore selected HKD as the functional currency of the Company.

Estimation uncertainty on supply and installation contracts including fitting-out works

The Group's contract profit or loss arising from supply and installation contracts is estimated by reference to the latest available budgets of individual supply and installation contracts prepared by the management of the Company. The estimation of budget contract costs is based on management's best estimates and judgments. Contract costs include costs for interior decorative materials, labour costs and subcontracting fees. If the price of interior decorative materials or the wages of labour or the subcontracting fees varied significantly in the coming months from the budgets, the contract profit for each of the individual projects will differ significantly from the estimated contract profit. If estimated costs exceed contract revenue, a contract loss will be recognised.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes bank borrowings disclosed in note 29 and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profits.

5. CAPITAL RISK MANAGEMENT (Continued)

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, issuance of new share as well as the issue of new debts or the repayment of existing debts. The Group's overall strategy remains unchanged from prior financial year.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Financial assets		
Loans and receivables		
(including cash and cash equivalents)	**1,116,056**	593,712
Financial liabilities		
Amortised cost	**380,212**	269,171

Financial risk management objectives and policies

The Group's major financial instruments include trade and receivables, retentions receivable, amounts due from related companies, pledged bank deposits, bank balances, trade and other payables, bills payable, amounts due to related companies, amount due to a jointly controlled entity and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

Currency risk

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The directors of the Company consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities are as follows:

	Assets		**Liabilities**	
	30.9.2009	31.3.2009	**30.9.2009**	31.3.2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
HKD against MOP	**208,274**	82,493	**17,370**	17,471
Qatar Riyal ("QAR") against HKD	**17,038**	–	**7,955**	–
Euro against HKD	**6,552**	10,737	**550**	2,377
United States Dollars ("USD") against HKD, MOP and QAR	**4,511**	870	**901**	1,248

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Currency risk (Continued)

Sensitivity analysis

As HKD and QAR are pegged to USD and the exchange rate of HKD/MOP and USD/MOP is relatively stable, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the USD/HKD, USD/MOP, USD/QAR, QAR/HKD and HKD/MOP exchange rates. As a result, the directors of the Company consider that the sensitivity of the Group's exposures towards the change in foreign exchange rates between USD/HKD, USD/MOP, USD/QAR, QAR/HKD and HKD/MOP is minimal.

The following table details the Group's sensitivity to a 5% increase and decrease in Euro against HKD. 5% is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period includes only outstanding Euro denominated monetary items. A positive number below indicates an increase in profit for the current period/year where Euro strengthens 5% against HKD. For a 5% weakening of Euro against HKD, there would be an equal and opposite impact on the profit for the current period/year below:

	Euro Impact	
	30.9.2009	31.3.2009
	HK$'000	HK$'000
Increase in post-tax profit	**251**	349

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the period/year end exposure does not reflect the exposure during the reporting period.

Interest rate risk

The Group's interest rate risk arises from pledged bank deposits, bank balances and bank borrowings. The Group is exposed to the fair value interest rate risk in relation to the fixed-rate pledged bank deposits. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings (see Note 29 for details). The Group does not have an interest rate hedging policy. However, the management of the Company monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank balances and bank borrowings, the analysis is prepared assuming the amount of liability outstanding net of bank balances at the end of each reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the six-month period ended 30 September 2009 would increase/decrease by approximately HK$1,380,000 and (for the year ended 31 March 2009: HK$722,000).

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable and other receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Most of the customers and trade receivables of the Group are located in Hong Kong and Macau. At 30 September 2009, other than concentration of credit risks on certain bank balances of approximately HK$240,096,000 (31 March 2009: HK$38,167,000) which are deposited with a local bank in Macau and certain trade receivables of approximately HK$86,319,000 (31 March 2009: HK$17,286,000) due from a single customer located in Hong Kong, which were subsequently settled, the Group does not have any other significant concentration of credit risk.

The Group's bank balances are deposited with banks with high credit-ratings, so the Group has limited credit risk on liquid funds.

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Company monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at 30 September 2009, the Group has available unutilised short-term bank loan facilities of approximately HK$321,818,000 (31 March 2009: HK$268,723,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. It has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average interest rate %	Less than 4 months HK$'000	Between 4 to 6 months HK$'000	Between 7 to 12 months HK$'000	Between 1 to 3 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
As at 30 September 2009							
Non-derivative financial liabilities							
Trade and other payables	-	323,999	4,146	16,366	14,537	359,048	359,048
Bills payable	-	238	-	-	-	238	238
Amounts due to related companies	-	7,971	-	-	-	7,971	7.971
Amount due to a jointly controlled entity	-	7,955	-	-	-	7,955	7,955
Bank borrowings	1.21%	1,682	1,677	1,671	-	5,030	5,000
		341,845	5,823	18,037	14,537	380,242	380,212

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average interest rate %	Less than 4 months HK$'000	Between 4 to 6 months HK$'000	Between 7 to 12 months HK$'000	Between 1 to 3 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
As at 31 March 2009							
Non-derivative financial liabilities							
Trade and other payables	–	204,392	7,446	11,028	15,680	238,546	238,546
Bills payable	–	2,291	–	–	–	2,291	2,291
Bank borrowings	1.73%	9,783	13,732	3,372	1,675	28,562	28,334
		216,466	21,178	14,400	17,355	269,399	269,171

Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. REVENUE

Revenue represents the net amounts received and receivable for sourcing and distribution of interior decorative materials and fitting-out works rendered by the Group to outside customers, net of discounts.

An analysis of the Group's revenue for the period is as follows:

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Fitting-out works	**1,202,226**	593,816
Sourcing and distribution of interior decorative materials	**10,011**	–
	1,212,237	593,816

8. 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 regularly reviewed by the chief operating decision makers in order to allocate resources to segments and to assess its performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns 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.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Company's executive directors are the chief operating decision makers as they collectively make strategic decisions towards the Group's operations. The Group is principally operating in three geographical areas – Hong Kong, Macau and the PRC.

Information reported to the Company's executive directors for the purpose of resources allocation and assessment of performance focuses on the geographical areas (e.g. Hong Kong, Macau and the PRC) for fitting-out works. During the period, the Group recommences sourcing and distribution of interior decorative materials which was operated separately from the fitting-out business. In view of its uniqueness, the financial information of the sourcing and distribution of interior decorative materials is reported separately to the chief operating decision makers. The Group's reportable segments under HKFRS 8 are therefore as follows:

(a) Fitting-out works in Hong Kong;
(b) Fitting-out works in Macau;
(c) Fitting-out works in the PRC; and
(d) Sourcing and distribution of interior decorative materials.

8. SEGMENT INFORMATION (Continued)

For the six-month period ended 30 September 2009

	Fitting-out works in Hong Kong HK$'000	Fitting-out works in Macau HK$'000	Fitting-out works in the PRC HK$'000	Sourcing and distribution of interior decorative materials HK$'000	Elimination HK$'000	Consolidated HK$'000
Revenue						
External revenue	548,539	614,702	38,985	10,011	–	1,212,237
Inter-segment revenue	–	–	–	39,420	(39,420)	–
Total	548,539	614,702	38,985	49,431	(39,420)	1,212,237
Segment result	54,352	121,294	(1,332)	3,774	–	178,088
Unallocated corporate expenses						(35,618)
Unallocated corporate income						799
Finance costs						(393)
Profit before taxation						142,876
Income tax expenses						(23,325)
Profit for the period						119,551

8. SEGMENT INFORMATION (Continued)

For the six-month period ended 30 September 2008 (Unaudited)

	Fitting-out works in Hong Kong HK$'000	Fitting-out works in Macau HK$'000	Fitting-out works in the PRC HK$'000	Consolidated HK$'000
Revenue	421,480	152,000	20,336	593,816
Segment result	54,392	25,722	(3,071)	77,043
Unallocated corporate expenses				(4,952)
Unallocated corporate income				542
Finance costs				(1,893)
Profit before taxation				70,740
Income tax expenses				(9,512)
Profit for the period				61,228

Segment result represents the profit earned by each segment, excluding income and expenses of the corporate function, including administrative expenses, other expenses, listing expenses and finance costs. This is the measure reported to the Company's executive directors for the purpose of resource allocation and assessment of segment performance.

8. SEGMENT INFORMATION (Continued)

As at 30 September 2009

	Fitting-out works in Hong Kong HK$'000	Fitting-out works in Macau HK$'000	Fitting-out works in the PRC HK$'000	Sourcing and distribution of interior decorative materials HK$'000	Consolidated HK$'000
ASSETS					
Segment assets	368,167	202,981	46,741	21,558	639,447
Unallocated corporate assets					593,689
					1,233,136
LIABILITIES					
Segment liabilities	224,262	147,002	30,628	8,894	410,786
Unallocated liabilities					66,026
					476,812

As at 31 March 2009

	Fitting-out works in Hong Kong HK$'000	Fitting-out works in Macau HK$'000	Fitting-out works in the PRC HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	287,417	187,748	29,502	504,667
Unallocated corporate assets				199,022
				703,689
LIABILITIES				
Segment liabilities	181,800	163,298	30,199	375,297
Unallocated liabilities				64,915
				440,212

8. SEGMENT INFORMATION (Continued)

The unallocated assets include certain property, plant and equipment, certain other receivables, tax recoverable, pledged bank deposits and bank balances and cash which are used by all segments or used for corporate operation. Unallocated liabilities include certain other payables, amount due to a jointly controlled entity, tax payable, bank borrowings and deferred taxation.

Other information for the six-month period ended 30 September 2009

	Fitting-out works in Hong Kong HK$'000	**Fitting-out works in Macau HK$'000**	**Fitting-out works in the PRC HK$'000**	**Sourcing and distribution of interior decorative materials HK$'000**	**Unallocated HK$'000**	**Consolidated HK$'000**
Additions of property, plant and equipment	**234**	**–**	**133**	**50**	**429**	**846**
Additions of other intangible assets	**–**	**–**	**–**	**8,438**	**–**	**8,438**
Depreciation of property, plant and equipment	**163**	**122**	**140**	**4**	**11**	**440**
Amortisation of other intangible assets	**–**	**–**	**–**	**842**	**–**	**842**
Share-based payment expenses	**–**	**–**	**–**	**–**	**10,263**	**10,263**

Other information for the six-month period ended 30 September 2008 (Unaudited)

	Fitting-out works in Hong Kong HK$'000	Fitting-out works in Macau HK$'000	Fitting-out works in the PRC HK$'000	Consolidated HK$'000
Additions of property, plant and equipment	319	636	385	1,340
Depreciation of property, plant and equipment	115	75	131	321

8. SEGMENT INFORMATION (Continued)

The management has categorised the sales by location of customers as follows:

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Hong Kong	**549,501**	421,480
Macau	**618,143**	152,000
The PRC	**38,985**	20,336
United States of America ("USA")	**4,365**	–
Qatar	**1,243**	–
	1,212,237	593,816

Included in the revenue by location of customers, approximately HK$3,441,000 (six-month period ended 30 September 2008: Nil), HK$4,365,000 (six-month period ended 30 September 2008: Nil) and HK$1,243,000 (six-month period ended 30 September 2008: Nil) from Macau, USA and Qatar respectively are attributed to customers from foreign countries of respective group entity.

All non-current assets of the Group are located in the respective group entity's country of domicile.

Major customer information

During the six-month period ended 30 September 2009, revenue of approximately HK$377,909,000, HK$376,340,000 and HK$202,319,000 were contributed by three customers and were categorised under fitting-out works in Macau, Hong Kong and Macau segment respectively.

During the six-month period ended 30 September 2008, revenue of approximately HK$277,709,000 and HK$95,185,000 were contributed by two customers and were categorised under fitting-out works in Hong Kong and Macau segment respectively.

9. OTHER INCOME

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Net foreign exchange gain	**1,259**	72
Interest income	**365**	540
Others	**707**	175
	2,331	787

10. LISTING EXPENSES

The amount represents professional fees and other expenses related to the listing of the Company's shares on the Stock Exchange. Pursuant to HKAS 32 Financial Instruments: Presentation, the transaction costs of an equity transaction are accounted for as an deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs are recognised as an expense when incurred.

11. FINANCE COSTS

Finance costs represent interest on bank borrowings wholly repayable within five years.

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

The emoluments of directors of the Company are analysed as follows:

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Salaries and other benefits		
Executive directors:		
Mr. Chan William ("Mr. Chan")	**480**	480
Mr. Ng	**600**	600
Mr. Leung (Note)	**10,863**	–
Mr. Wong	**420**	420
Mr. Yip Chun Kwok, Sunny	**437**	360
Independent non-executive directors:		
Mr. To King Yan, Adam	**14**	–
Mr. Wong Hoi Ki	**14**	–
Mr. Wong Kwok Wai, Albert	**14**	–
	12,842	1,860
Retirement benefit scheme contributions		
Executive directors:		
Mr. Chan	**6**	6
Mr. Ng	**6**	6
Mr. Leung (Note)	**6**	–
Mr. Wong	**6**	6
Mr. Yip Chun Kwok, Sunny	**6**	6
Independent non-executive directors:		
Mr. To King Yan, Adam	**–**	–
Mr. Wong Hoi Ki	**–**	–
Mr. Wong Kwok Wai, Albert	**–**	–
	30	24

Note: Mr. Leung was appointed as an executive director of Sundart Holdings and the Company on 1 April 2009 and 27 April 2009 respectively. Including in the salaries and other benefits paid to Mr. Leung, there is an amount of HK$10,263,000 (six-month period ended 30 September 2008: Nil) related to share-based payment expenses for the six-month period ended 30 September 2009. Details of which are set out in note 32.

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (Continued)

The emoluments for the five individuals with the highest emoluments in the Group included two executive directors of the Company for the six-month period ended 30 September 2009 (six-month period ended 30 September 2008: One). The emoluments of these executive directors are included in the disclosure set out above. The emoluments of the remaining individuals were as follows:

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Salaries and other benefits	**2,013**	3,047
Retirement benefit scheme contributions	**18**	18
	2,031	3,065

The emoluments were within the following bands:

	No. of individuals	
	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008 (Unaudited)
Nil to HK$1,000,000	**3**	3
HK$1,000,001 to HK$1,500,000	**–**	1

During the six-month period ended 30 September 2009 (six-month period ended 30 September 2008: Nil), no emolument was paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office, other than the transfer of shares by Golden Tiger Group Limited ("Golden Tiger") to Mr. Leung as an inducement to join the Group which is set out in note 32. None (six-month period ended 30 September 2008: None) of the directors waived any emoluments during the six-month period ended 30 September 2009.

13. INCOME TAX EXPENSES

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Current tax		
Hong Kong Profits Tax	**8,730**	6,508
Macau Profits Complementary Tax	**14,595**	3,102
	23,325	9,610
Deferred taxation (Note 30)		
Current period	**–**	(98)
	23,325	9,512

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (six-month period ended 30 September 2008: 16.5%) of the estimated assessable profits for the six-month period ended 30 September 2009.

Macau Profits Complementary Tax is calculated at the progressive rates from 9% to 12% of the estimated assessable profits for both periods.

The applicable tax rate for Sundart Engineering & Contracting (Beijing) Limited ("Sundart Beijing") is 25% for both periods.

13. INCOME TAX EXPENSES (Continued)

The tax charge for the current period can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Profit before taxation	**142,876**	70,740
Tax at the weighted average tax rate (Note)	**17,988**	10,233
Tax effect of expenses not deductible for tax purpose	**4,886**	48
Tax effect of income not taxable for tax purpose	**(4)**	(2)
Tax effect of tax losses not recognised	**310**	712
Utilisation of tax losses previously not recognised	**–**	(1,400)
Others	**145**	(79)
Tax charge for the period	**23,325**	9,512

Note: The weighted average applicable tax rate for different jurisdictions for the six-month period ended 30 September 2009 is approximately 13% (six-month period ended 30 September 2008: 14%). The weighted average applicable tax rate represents the weighted average tax rate in different jurisdictions in which the Group operates and is calculated on the basis of the profit or loss before taxation arising in these jurisdictions and on the statutory rates applicable.

14. PROFIT FOR THE PERIOD

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Auditor's remuneration	**935**	350
Depreciation of property, plant and equipment	**440**	321
Amortisation of other intangible assets	**842**	–
Total depreciation and amortisation	**1,282**	321
Loss (gain) on disposal of property, plant and equipment	**97**	(8)
Operating lease payments in respect of rented properties	**2,337**	2,561
Staff costs		
– Share-based payment expenses (included in administrative expenses)	**10,263**	–
– Gross staff costs (including directors' emoluments)	**36,994**	35,503
Less: Staff costs capitalised to contract costs	**(23,482)**	(24,917)
	23,775	10,586

15. DIVIDENDS

Pursuant to the directors' meeting of Sundart Holdings on 30 July 2009, interim dividends of approximately HK$23,529 per share amounting to HK$120,000,000 in total, were declared and distributed to the then shareholders according to their respective shareholdings on 5 August 2009.

An interim dividend of HK8.5 cents per share amounting to HK$40,800,000 has been approved in the directors' meeting on 10 December 2009.

16. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the consolidated profit attributable to owners of the Company and on the weighted average number of shares as follows:

	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008 (Unaudited)
Weighted average number of ordinary shares issued	**386,842,398**	359,948,571

Note: The number of shares for the purpose of calculating basic earnings per share is based on the weighted average number of shares in issue after taking into account the effect of the share swap under which 69,990,000 shares of the Company were issued in exchange for the 5,100 shares of Sundart Holdings pursuant to the group reorganisation and adjusted for the 290,000,000 shares of the Company issued pursuant to the capitalisation issue on 3 August 2009.

17. PROPERTY, PLANT AND EQUIPMENT

	Land and building HK$'000	**Leasehold improvements** HK$'000	**Furniture, fixtures and equipment** HK$'000	**Motor vehicles** HK$'000	**Total** HK$'000
COST					
At 1 April 2008	4,407	451	4,897	577	10,332
Exchange adjustments	103	–	8	5	116
Additions	–	925	326	265	1,516
Disposals	–	(52)	(23)	(300)	(375)
At 31 March 2009	4,510	1,324	5,208	547	11,589
Exchange adjustments	14	–	–	–	14
Additions	–	85	593	168	846
Disposals	–	(145)	(24)	–	(169)
At 30 September 2009	4,524	1,264	5,777	715	12,280

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and building HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
DEPRECIATION					
At 1 April 2008	39	448	4,314	396	5,197
Exchange adjustments	1	–	3	2	6
Provided for the year	102	249	298	104	753
Eliminated on disposals	–	(52)	(15)	(300)	(367)
At 31 March 2009	142	645	4,600	202	5,589
Exchange adjustments	1	–	–	–	1
Provided for the period	52	135	182	71	440
Eliminated on disposals	–	(58)	(14)	–	(72)
At 30 September 2009	195	722	4,768	273	5,958
CARRYING VALUES					
At 30 September 2009	4,329	542	1,009	442	6,322
At 31 March 2009	4,368	679	608	345	6,000

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method, at the following rates per annum:

Land and building	2% or over the remaining term of lease, if shorter
Leasehold improvements	$33^1/_3$% or over the remaining term of lease, if shorter
Furniture, fixtures and equipment	20% - 25%
Motor vehicles	20% - $33^1/_3$%

The land and building is situated in the PRC under medium term leases.

18. GOODWILL

	HK$'000
Carrying amount as at 1 April 2008, 31 March 2009 and 30 September 2009	746

Goodwill represents the excess of consideration paid over the fair value of net assets taken over on the acquisition of a subsidiary, Sundart Timber Products Company Limited ("Sundart Timber").

For the purpose of impairment test, the carrying amount of goodwill has been allocated to the fitting-out works in Hong Kong cash generating unit ("CGU") of Sundart Timber.

The recoverable amount of CGU has been determined based on a value in use calculation. For the six-month period ended 30 September 2009 and year ended 31 March 2009, the calculation uses cash flow projections based on the most recent financial budgets approved by management covering a 2-year period and discount rate of 10%. Another key assumption for the value in use calculation is the budgeted gross margin, which is determined based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of CGU to exceed the aggregate recoverable amount of CGU.

19. OTHER INTANGIBLE ASSETS

	Registrations and patents
	HK$'000
COST	
At 1 April 2008 and 31 March 2009	–
Additions	8,438
At 30 September 2009	8,438
AMORTISATION	
At 1 April 2008 and 31 March 2009	–
Charge for the period	842
At 30 September 2009	842
CARRYING VALUES	
At 30 September 2009	7,596
At 31 March 2009	–

The Group's registrations and patents related to door products and timber panels ("Patents") were acquired from Sundart Products Group Limited ("SPG"") and Dongguan Sundart Timber Products Co., Ltd. ("DSTP"), which were beneficially owned by Mr. Leung. Details of this transaction are set out in note 32.

The above other intangible assets are amortised on a straight-line basis over 5-year.

20. INTEREST IN A JOINTLY CONTROLLED ENTITY

As at 30 September 2009, the Group had interests in the following jointly controlled entity:

Name of entity	Form of business structure	Place/ Country of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group as at 30.9.2009	Proportion of voting power held as at 30.9.2009	Principal activity
Sundart Interior Contracting (Middle East) L.L.C. ("Sundart Interior")	Incorporated	Qatar	Qatar	Ordinary	47%	50% (Note)	Interior fitting-out works

Note: Pursuant to the joint venture agreement and amendment agreement dated 14 May 2009 and 15 July 2009 respectively, entered into between Sundart Investments (Middle East) Limited ("Sundart Middle East"), a subsidiary of the Company, and three other shareholders, Sundart Middle East occupies two out of four directorships in Sundart Interior. Any decision of the Board shall be made by a simple majority of votes at a duly constituted meeting and every director shall have one vote. As a result, the proportion of voting power held by Sundart Middle East is 50%. Nevertheless, certain key financial and operating activities of Sundart Interior including all tenders, commercial contracts, tax and government documents and single payment of more than QAR50,000 require joint authorisation of Sundart Middle East and Abdullateef M. A Al-Kuwari ("Abdullateef"), the 47% and 51% equity holders of Sundart Interior respectively. Hence, Sundart Middle East together with Abdullateef jointly control Sundart Interior.

20. INTEREST IN A JOINTLY CONTROLLED ENTITY (Continued)

The summarised financial information in respect of the Group's share of interest in the jointly controlled entity which is accounted for using proportionate consolidation with the line-by-line reporting format is set out below:

	30.9.2009 **HK$'000**
Current assets	**9,915**
Non-current assets	**416**
Current liabilities	**292**
Non-current liabilities	**–**
Income	**–**
Expenses	**824**

21. INVENTORIES

	30.9.2009 **HK$'000**	31.3.2009 HK$'000
Finished goods-in-transit	**1,417**	–

22. AMOUNTS DUE FROM RELATED COMPANIES

	30.9.2009 HK$'000	31.3.2009 HK$'000
Trade receivables:		
– Giant World Corporation Limited ("Giant World") (Note 1)	**7,340**	–
– Waldo Hotel Limited ("Waldo") (Note 2)	**–**	5,128
	7,340	5,128
Retentions receivable:		
– Giant World	**1,644**	–
Purchase deposits paid:		
– DSTP (Note 3)	**13,292**	–
Amounts due from related companies	**22,276**	5,128

Notes:

(1) This is a company in which Mr. Chan has beneficial interest that gives him significant influence over this company.

(2) Waldo is controlled by Ms. Li Wing Yin, a beneficial shareholder of the Company.

(3) This is a company in which Mr. Leung, has beneficial interest that gives him control over this company.

The Group allows a credit period of 30 days to its trade receivables due from related companies. All receivables due from related companies are aged within 30 days and not yet fall due at the end of the reporting period.

As at 30 September 2009, all retentions receivable from a related company are expected to be recovered within twelve months.

22. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

The Group's amounts due from related companies denominated in HKD which is foreign currency of the group entity are as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade receivables	**–**	5,128

23. OTHER FINANCIAL ASSETS

Trade and other receivables and retentions receivable at the end of the reporting period comprise receivables from third parties as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade and other receivables		
Trade receivables	**341,684**	237,122
Other receivables	**42,152**	77,797
	383,836	314,919

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of each reporting period:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
1 - 30 days	**330,058**	218,674
31 - 60 days	**475**	7,185
61 - 90 days	**945**	5,865
Over 90 days	**10,206**	5,398
	341,684	237,122

23. OTHER FINANCIAL ASSETS (Continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly.

As at 30 September 2009, included in the Group's trade receivable balances are receivables with aggregate carrying amount of approximately HK$8,080,000 (31 March 2009: HK$18,549,000) which are past due at the reporting date for which the Group has not provided for impairment loss as the balances were either subsequently settled or there has not been a significant change in credit quality and the amounts are still considered recoverable. Accordingly, the directors believe that there is no provision for doubtful debts required. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Overdue		
1 - 30 days	**766**	10,376
31 - 60 days	**386**	2,237
61 - 90 days	**57**	692
Over 90 days	**6,871**	5,244
	8,080	18,549

23. OTHER FINANCIAL ASSETS (Continued)

Other receivables

Other receivables comprise receivables from third parties and deposits paid to suppliers and are unsecured, interest free and recoverable within one year. All balances are neither past due nor impaired as at 30 September 2009 and 31 March 2009.

Retentions receivable

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Retentions receivable which:		
– will be recovered within twelve months	**113,040**	88,699
– will be recovered more than twelve months after the end of the reporting period	**32,872**	26,215
	145,912	114,914

The Group's trade and other receivables and retentions receivable denominated in foreign currencies of the group entities are as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade receivables		
Denominated in:		
HKD (against MOP)	**33,339**	43,626
Other receivables		
Denominated in:		
USD	**2,701**	–
HKD (against MOP)	**2,134**	6,644
Euro	**656**	337
Retentions receivable		
Denominated in:		
HKD (against MOP)	**7,547**	11,196

Certain trade receivables and retentions receivable were pledged to banks to secure banking facilities granted to the Group. Details are set out in note 36.

24. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

	30.9.2009 HK$'000	31.3.2009 HK$'000
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	**3,079,699**	1,880,735
Less: Progress billings	**(3,024,935)**	(1,826,191)
	54,764	54,544
Analysed for reporting purposes as:		
Amounts due from customers for contract work	**72,813**	70,056
Amounts due to customers for contract work	**(18,049)**	(15,512)
	54,764	54,544

24. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK (Continued)

The Group's retentions held by customers (including related companies) and advances received from customers (including related companies) for contract work are as follows:

	30.9.2009 HK$'000	31.3.2009 HK$'000
Retentions receivable for contract work		
External customers (included in retentions receivable)	**145,912**	114,914
Related companies (included in amounts due from related companies)	**1,644**	–
	147,556	114,914
Advances received for contract work		
External customers (included in trade and other payables)	**12,818**	105,519
Related companies (included in amounts due to related companies)	**8,836**	5,181
	21,654	110,700

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

The pledged bank deposits as at 31 March 2009 represented deposits pledged to secure performance bonds and were therefore classified as current assets. At 31 March 2009, the pledged bank deposits carried interest at the market rate of 1.98% per annum and were released upon the expiry of the performance bonds.

The bank balances carried interest at prevailing market interest rates.

As at 30 September 2009, the bank balances amounting to approximately HK$21,641,000 (31 March 2009: aggregate amounts of pledged bank deposits and bank balances amounting to HK$31,714,000) were denominated in RMB which is not freely convertible into other currencies.

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH (Continued)

The Group's bank balances and cash denominated in foreign currencies of the relevant group entities are as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Bank balances and cash		
Denominated in:		
HKD (against MOP)	**165,254**	15,899
QAR	**17,038**	–
Euro	**5,896**	10,400
USD	**1,810**	870

26. OTHER FINANCIAL LIABILITIES

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The average credit period taken for trade purchase is 30 days.

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade and other payables		
Contract creditors and suppliers	**265,902**	167,751
Retentions payable	**75,999**	58,728
	341,901	226,479
Other payables	**17,147**	12,067
Trade and other payables classified as financial liabilities	**359,048**	238,546
Non-financial liabilities	**17,797**	114,974
Total	**376,845**	353,520

As at 30 September 2009, retentions payable of approximately HK$14,533,000 (31 March 2009: HK$15,680,000) are expected to be paid after more than one year.

26. OTHER FINANCIAL LIABILITIES (Continued)

The Group's trade and other payables and bills payable denominated in foreign currencies of the relevant group entities are as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade and other payables		
Denominated in:		
HKD (against MOP)	**17,370**	17,471
USD	**901**	1,248
Euro	**312**	86
Bills payable		
Denominated in:		
Euro	**238**	2,291

The aged analysis of contract creditors and suppliers is stated as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade payables:		
– Within 30 days	**251,910**	152,817
– 31 – 60 days	**7,521**	6,689
– 61 – 90 days	**1,361**	1,780
– Over 90 days	**5,110**	6,465
	265,902	167,751

All bills payable are repayable within 90 days and are secured by pledged assets and directors' guarantee set out in notes 36 and 37 respectively.

27. AMOUNTS DUE TO RELATED COMPANIES

	30.9.2009 HK$'000	31.3.2009 HK$'000
Trade payables:		
– DSTP	6,907	–
– Sundart International (Macau) Limited ("SI Macau") (Note)	780	–
– Win Venture Trading Limited ("Win Venture") (Note)	284	–
	7,971	–
Deposits received for fitting-out works:		
– Waldo	8,836	–
– Giant World	–	5,181
	8,836	5,181
Amounts due to related companies	16,807	5,181

Note: These are companies in which Mr. Leung has beneficial interests that give him significant influence over these companies.

The average credit period taken by the Group for trade purchases from its related companies is 30 days. The following is an aged analysis of trade payables to related companies at the end of each reporting period:

	30.9.2009 HK$'000	31.3.2009 HK$'000
1 – 30 days	6,907	–
31 – 60 days	526	–
61 – 90 days	538	–
	7,971	–

28. AMOUNT DUE TO A JOINTLY CONTROLLED ENTITY

The amount is unsecured, non-interest bearing and repayable on demand. The balance is non-trading in nature, and is denominated in QAR which is foreign currency of the relevant group entity.

29. BANK BORROWINGS

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Unsecured bank loans	**5,000**	28,334
Carrying amount repayable:		
Within one year	**5,000**	26,667
More than one year, but not exceeding two years	**–**	1,667
	5,000	28,334
Less: Amounts due within one year shown under current liabilities	**(5,000)**	(26,667)
Non-current liabilities	**–**	1,667

At 30 September 2009, the bank loans are variable-rate borrowings which bear interest at 1.00% per annum (31 March 2009: 1.00% to 1.25% per annum) over the Hong Kong interbank offer rate and interest is repriced every one to three months. At 30 September 2009, the average effective interest rate (which is also equal to contracted interest rate) on the Group's bank loans is approximately 1.21% per annum (31 March 2009: 1.73% per annum). All bank borrowings are denominated in functional currency of the relevant group entity.

Details of the pledge of assets and directors' guarantee to secure banking facilities are set out in notes 36 and 37 respectively.

30. DEFERRED TAXATION

The followings are the major deferred tax balances recognised and movements thereon:

	HK$'000
At 1 April 2008	445
Exchange adjustments	10
Charge to profit or loss	(98)
At 31 March 2009	357
Exchange adjustments	2
At 30 September 2009	359

Deferred taxation represents the temporary differences between the carrying amounts of the property situated in the PRC and the corresponding tax bases.

At 30 September 2009, the Group had unused estimated tax losses of approximately HK$7,355,000 (31 March 2009: HK$6,098,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unrecognised estimated tax losses due to unpredictability of future profit streams. The unrecognised tax losses will expire on various dates up to 2014 as set out below:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Expired in:		
2011	**1,489**	1,484
2012	**1,010**	1,007
2013	**3,618**	3,607
2014	**1,238**	–
	7,355	6,098

31. SHARE CAPITAL

For the purpose of the preparation of the consolidated statement of financial position, the balance of share capital at 31 March 2009 represented the share capital of Sundart Holdings which consisted of 5,100 issued and fully paid ordinary shares of US$1 each.

	As at 30.9.2009	
	Number of shares	**Share capital HK$'000**
Ordinary share of HK$0.01 each		
Authorised:		
On the date of incorporation	**39,000,000**	**390**
Increased on 3 August 2009 (Note a)	**961,000,000**	**9,610**
At 30 September 2009	**1,000,000,000**	**10,000**
Issued and fully paid:		
On the date of incorporation (Note b)	**10,000**	**–**
Issued on 3 August 2009 (Note c)	**69,990,000**	**700**
Capitalisation on 3 August 2009 (Note d)	**290,000,000**	**2,900**
Issued on 21 August 2009 (Note e)	**120,000,000**	**1,200**
At 30 September 2009	**480,000,000**	**4,800**

Pursuant to the group reorganisation completed on 3 August 2009, the Company became the holding company of the companies comprising the Group.

Notes:

(a) Pursuant to the written resolutions passed on 3 August 2009, the authorised share capital of the Company was increased from HK$390,000 to HK$10,000,000 by the creation of an additional 961,000,000 shares.

(b) On 27 April 2009, one subscriber's share was transferred to Mr. Wong. On the same date, the Company issued and allotted for cash at par, 5,780 shares to Golden Tiger, 2,500 shares to Mr. Ng, 1,020 shares to Mr. Leung and 699 shares to Mr. Wong.

31. SHARE CAPITAL (Continued)

Notes: (Continued)

(c) Pursuant to a deed for sale and purchase dated 3 August 2009 entered into between the Vendors and the Company, the Company issued 69,990,000 shares of HK$0.01 each amounting to approximately HK$700,000 to the Vendors for acquiring the entire issued share capital of Sundart Holdings in proportion to their respective holding in Sundart Holdings. Sundart Holdings became a wholly-owned subsidiary of the Company.

(d) On 3 August 2009, the Company capitalised an amount of HK$2,900,000 standing to the credit of its share premium account in paying-up in full 290,000,000 shares, each of which was subsequently allotted and issued to the existing shareholders whose names appear on the register of members of the Company in proportion to their shareholding of the Company on that date.

(e) On 21 August 2009, the Company issued 120,000,000 new shares pursuant to the Listing and the Company's shares were listed on the Stock Exchange on the same date.

(f) All the shares issued during the period rank pari passu with the existing shares in all respects.

32. MAJOR NON-CASH TRANSACTIONS

Pursuant to the agreement dated 14 March 2009, Mr. Leung acquired 520 shares in the share capital of Sundart Holdings, representing approximately 10.2% interest in Sundart Holdings (the "Sale Shares"), from Golden Tiger, a then shareholder of Sundart Holdings, at a consideration of HK$26,874,710 ("Share Consideration"), which was determined based on and represented 10.2% of the net asset value of Sundart Holdings as at 31 March 2009. Mr. Leung was also required to procure SPG and DSTP to sell the Patents to the Group at a consideration of HK$1.8 million ("Patent Consideration"). According to the valuation conducted by an independent valuer, the fair values of the Sale Shares and the Patents are approximately HK$67.1 million and HK$8.4 million respectively. The fair value of the Sale Shares was estimated using a combination of income and market approach while the fair value of the Patents was valued by replacement cost approach.

As a condition of the above transaction, Mr. Leung signed a service contract with the Group and became a director of the Company and took the lead to develop the business of sourcing and distribution of interior decorative materials as well as to expand the interior fitting-out business to the Middle East.

32. MAJOR NON-CASH TRANSACTIONS (Continued)

Mr. Leung further agreed with Golden Tiger that if he ceases to hold any directorship in the Group under certain circumstances such as his resignation or breach of his obligations at any time before 1 April 2010, or between 1 April 2010 to 31 March 2011, or between 1 April 2011 to 31 March 2012, he will compensate Golden Tiger for HK$33 million, HK$22 million and HK$11 million respectively.

The difference between the fair value of the Sale Shares of HK$67.1 million and Share Consideration of HK$26.9 million amounting to HK$40.2 million is allocated into two components for accounting purposes. The difference between the fair value of the Patents of HK$8.4 million and the Patent Consideration of HK$1.8 million amounting to HK$6.6 million represents contribution from the shareholder and is credited directly to equity in the current period. The remaining balance of HK$33.6 million represents share-based payment for the services to be provided by Mr. Leung as a director of the Company and is expensed over the vesting periods in accordance with the terms under the share transfer arrangement between Golden Tiger and Mr. Leung. During the current period, share-based payment expenses of HK$10,263,000 were charged to the consolidated statement of comprehensive income.

33. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Within one year	**3,259**	2,108
In the second to fifth years inclusive	**1,557**	902
	4,816	3,010

Leases for rented premises are negotiated for a period of one to three years with fixed rental.

34. PERFORMANCE BOND AND ADVANCE PAYMENT BOND

As at 30 September 2009, the Group had issued performance bonds and advance payment bonds in respect of supply and installation contracts through the banks amounting to approximately HK$157,348,000 (31 March 2009: HK$307,448,000). The bonds were secured by pledged assets and directors' guarantee set out in notes 36 and 37 respectively.

35. RETIREMENT BENEFITS PLANS

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes at the lower of HK$1,000 or 5% of the relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the subsidiaries operated in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. Those subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

Eligible employees in Macau currently participate in a defined contribution pension scheme operated by the local government which is a fixed amount for each employee.

The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the six-month period ended 30 September 2009, the total costs charged to the consolidated statement of comprehensive income are approximately HK$506,000 (six-month period ended 30 September 2008: HK$504,000) representing contributions payable to these plans by the Group in respect of approximately HK$950,000 (six-month period ended 30 September 2008: HK$985,000) less contributions capitalised to contract works which are subsequent charged to cost of sales of approximately HK$444,000 (six-month period ended 30 September 2008: HK$481,000).

36. PLEDGE OF ASSETS

The Group had pledged certain trade receivables, retentions receivable and bank deposits to secure the general banking facilities including bank borrowings, bills payable, performance bonds and advance payment bonds granted to the Group. The carrying values of the pledged assets are as follows:

	30.9.2009	31.3.2009
	HK$'000	HK$'000
Trade receivables	**21,222**	48,565
Retentions receivable	**9,188**	14,127
Pledged bank deposits	**–**	809

37. RELATED PARTY TRANSACTIONS

Apart from the amounts due from (to) related companies or a jointly controlled entity as set out in notes 22, 27 and 28, the Group had entered into the following significant transactions with related companies:

	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008
	HK$'000	HK$'000
		(Unaudited)
Revenue from fitting-out works		
Giant World	**35,525**	–
Waldo	**26,151**	32,956
	61,676	32,956
Purchases		
DSTP	**41,676**	–
SI Macau	**19,389**	–
Win Venture	**6,068**	–
	67,133	–
Purchases of other intangible assets		
DSTP & SPG (Note 32)	**1,800**	–

37. RELATED PARTY TRANSACTIONS (Continued)

Certain directors of the Company guaranteed the banking facilities of the Group. The directors did not charge the Group for such guarantee provided. Such guarantee was subsequently released before the date of this report.

Compensation of key management personnel

The remuneration of key management personnel of the Group is as follows:

	1.4.2009 to 30.9.2009 HK$'000	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Salaries and short-term benefits	**5,460**	5,010
Post-employment benefits	**78**	78
	5,538	5,088

The remuneration of key management personnel is determined by the directors of the Company having regard to the performance of individuals and market trends.

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries as at 30 September 2009 and 31 March 2009 are as follows:

Name of company	Place of incorporation/ establishment/ operations	Class of shares held	Fully paid-up issued/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
				30.9.2009 %	31.3.2009 %	
Sundart Holdings	British Virgin Island ("BVI")	Ordinary	US$5,100	**100%**	100%	Investment holding
Sundart Investments Limited *	Hong Kong	Ordinary	HK$1,000	**100%**	100%	Investment holding

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Name of company	Place of incorporation/ establishment/ operations	Class of shares held	Fully paid-up issued/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
				30.9.2009	31.3.2009	
				%	%	
Sundart Timber*	Hong Kong	Ordinary	HK$46,510,000	**100%**	100%	Investment holding and supply and installation of timber doors and floorsets and interior fitting-out works
Sundart Middle East *	Hong Kong	Ordinary	HK$17,000	**100%**	100%	Investment holding
Sundart International Supply Limited *	Hong Kong	Ordinary	HK$10,000	**100%**	100%	Sourcing and distribution of interior decorative materials
Sundart Beijing *#	The PRC	Registered Capital	HK$28,000,000	**100%**	100%	Supply and installation of timber doors and floorsets and interior fitting-out works
Sundart Engineering Services (Macau) Limited *	Macau	Ordinary	MOP$100,000	**100%**	100%	Supply and installation of timber doors and floorsets and interior fitting-out works
Sundart Products *	BVI	Ordinary	US$1	**100%**	100%	Investment and intellectual properties holding
Sundart Development Limited *	BVI	Ordinary	US$1	**100%**	100%	Investment holding

* These entities are indirectly held by the Company.

The entity is a wholly foreign owned enterprise established in the PRC.

INTERIM DIVIDEND

On 10 December 2009, the Board declared an interim dividend of HK8.5 cents per share to be payable to the shareholders of the Company whose names appear in the register of members of the Company on 28 December 2009. The interim dividend will be payable on 11 January 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 29 December 2009 to 30 December 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 28 December 2009.

USE OF NET PROCEEDS FROM LISTING

The shares of the Company became listed and commenced dealings on the Stock Exchange on 21 August 2009. The net proceeds from the IPO after deducting relevant listing expenses were approximately HK$457 million. Since IPO to 30 September 2009, approximately HK$40.7 million was used as working capital on daily operation and the remaining net proceeds have been deposited with licensed banks in Hong Kong and Macau.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2009, the interests and short positions of the directors and chief executives of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Name	Long/Short position	Capacity	Number of shares	Approximate percentage of the issued share capital of the Company
CHAN William	Long	Interest in a controlled corporation [1]	97,104,000	20.23
	Long	Other interest [2]	97,104,000	20.23
			194,208,000	40.46
NG Tak Kwan	Long	Beneficial owner	84,000,000	17.50
LEUNG Kai Ming	Long	Beneficial owner	34,272,000	7.14
WONG Kim Hung, Patrick	Long	Beneficial owner	23,520,000	4.90

Notes:

1. CHAN William, as the sole beneficial owner of Tiger Crown Limited, is deemed to be interested in the shares of the Company owned by Tiger Crown Limited.

2. Since Tiger Crown Limited, Scenemay Holdings Limited, CHAN William, LI Chu Kwan and LI Wing Yin are regarded as a group of controlling shareholders acting in concert to exercise their voting rights in the Company, pursuant to the provisions of the SFO, each of them is deemed to be interested in the 97,104,000 shares of the Company owned or deemed to be interested by each other. Hence, CHAN William is also deemed to be interested in the 97,104,000 shares of the Company owned by Scenemay Holdings Limited.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following substantial shareholders (other than the directors and chief executives of the Company) had notified the Company of relevant interests in the shares of the Company:

Name	Long/Short position	Capacity	Number of shares	Approximate percentage of the issued share capital of the Company
Tiger Crown Limited (1)	Long	Beneficial owner	97,104,000	20.23
	Long	Other interest (2)	97,104,000	20.23
			194,208,000	40.46
Scenemay Holdings Limited	Long	Beneficial owner	97,104,000	20.23
	Long	Other interest (2)	97,104,000	20.23
			194,208,000	40.46
LI Chu Kwan	Long	Interest in a controlled corporation (3)	97,104,000	20.23
	Long	Other interest (2)	97,104,000	20.23
			194,208,000	40.46
LI Wing Yin	Long	Interest in a controlled corporation (3)	97,104,000	20.23
	Long	Other interest (2)	97,104,000	20.23
			194,208,000	40.46

Notes:

1. CHAN William, as the sole beneficial owner of Tiger Crown Limited, is deemed to be interested in the shares in the Company owned by Tiger Crown Limited.

2. Since Tiger Crown Limited, Scenemay Holdings Limited, CHAN William, LI Chu Kwan and LI Wing Yin are regarded as a group of controlling shareholders acting in concert to exercise their voting rights in the Company, pursuant to the provisions of the SFO, each of them is deemed to be interested in the 97,104,000 shares of the Company owned or deemed to be interested by each other.

3. As the entire issued share capital of Scenemay Holdings Limited is owned by LI Chu Kwan and LI Wing Yin in equal shares, each of LI Chu Kwan and LI Wing Yin is deemed to be interested in the 97,104,000 shares of the Company owned by Scenemay Holdings Limited.

SHARE OPTION SCHEME

The Company adopted a share option scheme pursuant to the written resolutions of all the shareholders passed on 3 August 2009. As at 30 September 2009, no share option under the share option scheme had been granted.

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

Shares of the Company were listed on 21 August 2009 and the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the period from 21 August 2009 to 30 September 2009.

MAJOR ACQUISITIONS AND DISPOSALS OF THE SUBSIDIARIES

There were no major acquisitions and disposals of the subsidiaries during the Period by the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this report, the Company has maintained sufficient public float throughout the period from the date of listing to 30 September 2009 as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

CORPORATE GOVERNANCE

During the period from 21 August 2009 to 30 September 2009, the Company had complied with the code provisions and certain recommended best practices set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by directors and employees (the "Securities Code") with standards no less exacting than that of the Model Code set out in Appendix 10 of the Listing Rules. Having made specific enquiries, all directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code from 21 August 2009 to 30 September 2009.

AUDIT COMMITTEE REVIEW

The Audit Committee, which comprises all of the three independent non-executive directors, namely Mr. WONG Kwok Wai, Albert (Chairman of the Audit Committee), Mr. TO King Yan, Adam and Mr. WONG Hoi Ki, has reviewed with the management the Group's audited interim results for the Period.