



SKY ONE HOLDINGS LIMITED

(Company Registration No: 198602949M)

Full-Year Unaudited Financial Statement And Dividend Announcement for the Year ended 31 March 2010

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		%
	FY2010 HK\$'000	FY2009 HK\$'000	Increase/ (Decrease)
Revenue	161,749	106,983	51.19
Cost of sales	(128,265)	(69,995)	83.25
Gross profit	33,484	36,988	(9.47)
Other income	840	1,035	(18.84)
Selling and distribution expenses	(9,130)	(5,911)	54.46
Administrative expenses	(24,401)	(29,892)	(18.37)
Finance costs	(203)	(163)	24.54
Profit before taxation	590	2,057	(71.32)
Taxation	(546)	(971)	(43.77)
PROFIT AFTER TAXATION	44	1,086	(95.95)
Other comprehensive income:			
Currency translation differences	(933)	734	N.M.
TOTAL COMPREHENSIVE (LOSS)/INCOME	(889)	1,820	N.M.
<u>Profit attributable to:</u>			
Shareholders of the Company	44	1,086	
<u>Total comprehensive (loss)/income attributable to:</u>			
Shareholders of the Company	(889)	1,820	
Earning per share (cents)			
Basic	0.02	0.45	
Diluted	0.02	0.45	

N.M. – Not Meaningful

1(a)(i) Profit before taxation is stated after charging / (crediting) the following:-

	Group		%
	FY2010 HK\$'000	FY2009 HK\$'000	Increase/ (Decrease)
Foreign exchange adjustment (gain)/loss	(609)	617	N.M.
Depreciation of property, plant and equipment	2,587	2,595	(0.31)
Bad trade receivables written off	18	160	(88.75)
Gain on disposal of property, plant and equipment	(420)	(756)	(44.44)
Rental of office premises	1,468	1,621	(9.44)
Interest expense	203	163	24.54

N.M. – Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31-Mar-10 HK\$'000	31-Mar-09 HK\$'000	31-Mar-10 HK\$'000	31-Mar-09 HK\$'000
Non-current assets				
Property, plant and equipment	8,234	9,232	-	-
Investments in subsidiaries	-	-	217,740	217,740
Goodwill	22,493	22,493	-	-
	<u>30,727</u>	<u>31,725</u>	<u>217,740</u>	<u>217,740</u>
Current assets				
Trade and other receivables	39,884	40,529	87	1,573
Tax recoverable	98	599	-	-
Pledged bank balance	600	-	-	-
Cash and cash equivalents	17,412	6,514	5,760	87
	<u>57,994</u>	<u>47,642</u>	<u>5,847</u>	<u>1,660</u>
Total assets	<u>88,721</u>	<u>79,367</u>	<u>223,587</u>	<u>219,400</u>
Equity attributable to equity holders of the Company				
Share capital	298,323	298,323	298,323	298,323
Reserves	(282,178)	(281,245)	(208)	725
Accumulated profits/(losses)	47,897	47,853	(93,471)	(91,268)
Total equity	<u>64,042</u>	<u>64,931</u>	<u>204,644</u>	<u>207,780</u>
Non-current liabilities				
Interest-bearing loans and borrowings	509	861	-	-
Deferred tax liabilities	149	295	-	-
	<u>658</u>	<u>1,156</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	20,120	11,650	7,928	4,012
Interest-bearing loans and borrowings	3,901	1,630	-	-
Amounts owing to subsidiaries	-	-	11,015	7,608
	<u>24,021</u>	<u>13,280</u>	<u>18,943</u>	<u>11,620</u>
Total liabilities	<u>24,679</u>	<u>14,436</u>	<u>18,943</u>	<u>11,620</u>
Total equity and liabilities	<u>88,721</u>	<u>79,367</u>	<u>223,587</u>	<u>219,400</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

As at 31 Mar 2010		As at 31 Mar 2009	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
3,901	-	1,630	-

(b) Amount repayable after one year

As at 31 Mar 2010		As at 31 Mar 2009	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
509	-	861	-

(c) Details of any collateral

Certain plant and equipment with an aggregate carrying amount of HK\$1,283,000 are pledged under finance lease arrangements (2009: HK\$832,000).

An outstanding bank loan of HK\$1,351,000 (2009: HK\$2,040,000) is secured by a corporate guarantee given by a subsidiary.

An outstanding bank loan of HK\$2,000,000 (2009: Nil) is secured by a corporate guarantee given by the Company and a cash pledge of HK\$600,000 held in a savings account with the lender bank.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY2010 HK\$'000	FY2009 HK\$'000
Cash flows from operating activities		
Profit before taxation	590	2,057
Adjustments for :		
Depreciation of property, plant and equipment	2,587	2,595
Bad trade receivables written off	18	160
Gain on disposal of property, plant and equipment	(420)	(756)
Interest expenses	203	163
Unrealised exchange (gain)/loss	(734)	487
Operating profit before working capital changes	2,244	4,706
Decrease in trade and other receivables	729	6,788
Increase/(decrease) in trade and other payables	1,381	(119)
Cash generated from operations	4,354	11,375
Interest paid	(203)	(163)
Income taxes paid	(190)	(9,356)
Net cash generated from operating activities	3,961	1,856

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (continued).**

	Group	
	FY2010 HK\$'000	FY2009 HK\$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	420	1,208
Purchases of property, plant and equipment	(564)	(1,969)
Net cash used in investing activities	(144)	(761)
Cash flows from financing activities		
Investor deposit pending new share issue	6,662	-
Payment of dividends	-	(1,790)
Pledged bank balance	(600)	-
Repayment of interest-bearing loans and borrowings	(2,007)	(1,386)
Proceeds from interest-bearing loans and borrowings	2,900	3,000
Net cash generated from / (used in) financing activities	6,955	(176)
Net increase in cash and cash equivalents	10,772	919
Cash and cash equivalents at beginning of year	6,514	5,593
Effect of exchange rate changes on cash and cash equivalents	126	2
Cash and cash equivalents at end of year	17,412	6,514

The Group has undrawn bank borrowing facilities amounting to HK\$5,000,000 as at 31 March 2010 (31 March 2009: Nil).

Non-cash transaction

During the financial year, the Group acquired plant and equipment with an aggregate cost of HK\$1,589,000 (2009: HK\$2,113,000) of which HK\$1,025,000 (2009: HK\$144,000) was acquired by means of finance lease. Cash payment of HK\$564,000 (2008: HK\$1,969,000) were made to purchase plant and equipment.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

GROUP	Share capital HK\$'000	Capital reserve HK\$'000	Currency translation reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 April 2008	298,323	(281,970)	(9)	48,557	64,901
Total comprehensive income for the year	-	-	734	1,086	1,820
Dividends paid	-	-	-	(1,790)	(1,790)
At 31 March 2009	298,323	(281,970)	725	47,853	64,931
Total comprehensive (loss)/income for the year	-	-	(933)	44	(889)
At 31 March 2010	298,323	(281,970)	(208)	47,897	64,042

Statement of Changes in Equity

COMPANY	Share capital HK\$'000	Currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2008	298,323	-	(87,508)	210,815
Total comprehensive income/(loss) for the year	-	725	(1,970)	(1,245)
Dividends paid	-	-	(1,790)	(1,790)
At 31 March 2009	298,323	725	(91,268)	207,780
Total comprehensive loss for the year	-	(933)	(2,203)	(3,136)
At 31 March 2010	298,323	(208)	(93,471)	204,644

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Ordinary Shares
At 1 April 2009	<u>243,199,998</u>
At 31 March 2010	<u>243,199,998</u>

On 18 January 2010, the Company announced that it had, on 15 January 2010, entered into a Subscription and Share Lending Agreement with the Investors. Capitalised terms used herein shall have the same meaning as defined in the Company's announcement dated 18 January 2010.

On 25 January 2010 in accordance with the terms of the Subscription and Share Lending Agreement the Investors had paid the Deposit of a sum of S\$1,200,000 (a Hong Kong Dollar equivalent of HK\$6,662,000 is shown in the cash flow statement) to the Company.

The Proposed Share Issue is conditional upon, inter alia, approval of the Company's shareholders. In addition, section 161 of the Companies Act (Chapter 50) requires that the issue of new shares pursuant to the Share Issue be approved by the Company's shareholders at a general meeting. Accordingly, the Company will convene an extraordinary general meeting to seek the requisite shareholders' approvals. A Circular to Shareholders together with a notice of extraordinary general meeting will be despatched to shareholders of the Company in due course.

Consequently, no new shares have yet been issued in relation to the Subscription and Share Lending Agreement at the date of this report. Please refer to the Company's announcements on 18 January 2010 and 26 January 2010 for further details.

Furthermore, there were no changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

The Company has no outstanding convertibles or treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please see information disclosed in 1(d) (ii) above.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 31 March 2010, the Company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares.

There were no treasury shares as at 31 March 2010 and as at 31 March 2009.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard or practice).**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements of the preceding financial year.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009.

FRSs and INT FRSs that are issued and effective for the Group's financial year ending 31 March 2010 are as follows:

FRS 1 (revised 2008) Presentation of financial statements which became effective as of 1 January 2009 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. statement of comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. Comparative information has been re-presented so that it also is in conformity with the revised standard. The Company has adopted the single statement of comprehensive income for its presentation.

FRS 107 (amendment) Improving disclosures about financial instruments which became effective as of 1 January 2009 requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. There is no impact on the accounting policies and measurement on the financial statements as the adoption of the amendment results only in additional disclosures.

FRS 108 Operating segments which became effective from 1 January 2009 requires a operating segments to be identified on the basis of internal reports about components of the Group that are generally reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The adoption of the FRS did not result in any substantial changes to the Group's accounting policies and there is no material impact on the financial statement.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	FY2010 Hong Kong cents	FY2009 Hong Kong cents
Earnings per ordinary share of the Group for the period based on net profit attributable to shareholders : -		
Basic: Based on weighted average 243,199,998 ordinary shares (2009:243,199,998)	0.02	0.45
On a fully diluted basis: Based on weighted average 243,199,998 ordinary shares (2009:243,199,998)	0.02	0.45

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31-Mar-10 Hong Kong cents	31-Mar-09 Hong Kong cents	31-Mar-10 Hong Kong cents	31-Mar-09 Hong Kong cents
Net Asset Value per ordinary share based on issued share capital of 243,199,998 (2009:243,199,998)	26.33	26.70	84.15	85.44

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

a) Revenue

Revenue by division	FY2010		FY2009		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	84,822	52.44	101,944	95.29	(17,119)	(16.79)
Airfreight	76,927	47.56	5,039	4.71	71,888	>100.00
Total	161,749	100.00	106,983	100.00	54,769	51.19

Total revenue increased by HK\$54.77 million to HK\$161.75 million this year mainly due to improved business activities from the Airfreight division. In August 2009, the Group has strengthened its Airfreight division in terms of additional staff force, and new and larger customers were acquired, resulting in an HK\$71.89 million increase in revenue from airfreight. Barring unforeseen circumstances, the Group sees potential in this sector and will continue to identify logistics related markets for potential business development.

Revenue from the Express Land Transport division was lower compared to the prior year as the effects of the global financial crisis continued to affect the Group. Total volume of goods moved in FY2010 was 7.1 million kilograms compared to 9.0 million kilograms in FY2009, a 21.11% drop. As mentioned in the full year results announcement for the financial year ended 31 March 2009, the slowing of the global economy, including the Chinese economy, due to the financial crisis, had caused many manufacturing and trading customers of the Group to cease or decrease production and trading, resulting in a drop in demand for the Group's services. The effects continued into the first half of FY2010 resulting in a period of loss. However, the regional economy has picked up in the second half of FY2010 and the Group was able to trade profitably to cover losses earlier in the year.

b) Cost of Sales

Cost of sales by nature	FY2010		FY2009		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
<u>Express Land Transport:</u>						
Customs declaration and handling costs	38,967	30.38	42,120	60.18	(3,153)	(7.49)
Transportation costs	21,543	16.79	23,439	33.49	(1,893)	(8.08)
Packing materials	164	0.13	192	0.27	(28)	(14.58)
Total Express Land Transport	60,674	47.30	65,751	93.94	(5,074)	(7.72)
<u>Airfreight:</u>						
Transportation costs	67,591	52.70	4,244	6.06	63,347	>100.00
Total Airfreight	67,591	52.70	4,244	6.06	63,347	>100.00
TOTAL	128,265	100.00	69,995	100.00	58,273	83.25

In line with the increase in revenue from the Airfreight division, airfreight transport costs have increased from HK\$4.24 million in FY2009 to HK\$67.59 million in FY2010, contributing to 52.70% of total cost of sales compared to only 6.06% last year.

Express Land Transport costs have decreased slightly relative to the decrease in volume moved due to the lack of economies of scale in transportation cost. Customs declaration and handling costs have decreased less than proportionately to the decrease in revenue due to more high tax value items moved this year.

c) Gross Profit

Gross Profit by division	FY2010		FY2009		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	24,148	72.12	36,193	97.85	(12,045)	(33.28)
Airfreight	9,336	27.88	795	2.15	8,541	>100.00
Total	33,484	100.00	36,988	100.00	(3,504)	(9.47)

Gross Margin by division	FY2010		FY2009		Variance	
	%		%		%	
Express Land Transport	28.47		35.50		(7.03)	
Airfreight	12.14		15.78		(3.64)	
Total	20.70		34.57		(13.87)	

Gross profit from the Express Land Transport division has decreased by HK\$12.04 million mainly due to a fall in gross margin by 7.03 percentage points arising from lower economies of scale of transportation costs and more high customs tax value items moved during the year.

Gross profit from the Airfreight division has increased by HK\$8.54 million arising from the increase in airfreight revenue from new customers secured in August 2009. Airfreight revenues in FY2010 are dominated by these new customers whose margins are comparatively lower, which contributed to the drop in gross profit margin by 3.64 percentage points on a year to year basis.

d) Other Income

Other income decreased mainly due to lower gains of disposals of motor vehicles of HK\$420,000 compared to HK\$756,000 in the prior year. Other components of other income are mainly compensation received from service suppliers for damaged or lost goods and fees for charges collect service.

e) Selling and Distribution Expenses

The Group had engaged new experienced staff to boost the Airfreight division; bringing in and servicing more business. This has led to a HK\$3.22 million increase in selling and distribution expenses.

f) Administrative Expenses

Group administrative expenses decreased by 18.37% due to a combination of overall austerity measures implemented during the period and unrealised foreign exchange retranslation gains on HK\$ denominated liabilities payable by the Company. In addition, in the prior year of FY2009, legal costs and claims on 2 significant legal cases were incurred whereas there was only one settlement of HK\$650,000 with Sinoway System Limited this year.

The foreign exchange adjustment gain arose mainly from the re-measurement of the Company's monetary liabilities denominated in HK\$ into the Company's S\$ functional currency at the exchange rate ruling at the balance sheet date. Owing to the depreciation of HK\$ relative to S\$ from HK\$5.1 per S\$ to HK\$ 5.55 per S\$, the Company and the Group reported an exchange adjustment gain of HK\$609K on the HK\$ denominated liabilities as at 31 March 2010. The reverse was reported in FY 2009 since at that balance sheet date the HK\$ was appreciating relative to S\$ from HK\$5.64 to HK\$5.10 per S\$, resulting in a loss on foreign exchange adjustment of HK\$617K.

g) Finance costs

There was an increase in finance costs mainly due to the HK\$2.0 million drawdown of a new HK\$7.0 million bank facility during the year.

h) Taxation

The effective tax rate is high on a group basis as there is no taxable income at the Company level to offset its corporate expenses. The tax expenses arises solely from the Group's Hong Kong subsidiaries' taxable profits.

i) Profit

In summary, the global financial crisis began to affect the Group in the last half of FY2009 ("2H2009"), lowering the overall volume of trade in the regional economy on which the Group depends. The effect has continued into the first half of FY2010 ("1H2010"), leading to losses in the 2H2009 and 1H2010 periods. Since the end of 1H2010, the Greater China region showed a slight pick-up in volume and the Group was able to generate profits to mitigate losses incurred earlier in 1H2010. A combination of a strong performance from the Airfreight division, austerity measures and exchange rate retranslation gains also helped to overcome the loss in 1H2010.

j) Trade and other receivables

Trade and other receivables dropped slightly by HK\$0.65 million despite the increase in overall revenue mainly due to the Group's continued focus on cash collections and credit management in light of the financial crisis.

k) Tax recoverable

Tax recoverable decreased from HK\$0.60 million in FY2009 to HK\$0.10 million in FY2010 mainly due to tax refunded (less current year tax liabilities) by the Inland Revenue authorities in Hong Kong.

l) Cash and Cash Equivalents

	Group	
	FY2010 HK\$'000	FY2009 HK\$'000
Cash flows from Operating Activities	3,961	1,856
Cash flows from Investing Activities	(144)	(761)
Cash flows from Financing Activities	6,955	(176)
Net increase in cash and cash equivalents	10,772	919

Cash flow from operating activities

Despite lower profits, cash generated from operations was a positive HK\$4.35 million (FY2009: HK\$11.38 million) as a large part of expenses is mainly depreciation charges. The lower cash generated from operations for FY2010 as compared to FY2009 is attributable to the lower profits

In the current year, tax paid is low compared to tax expense as it is netted off against tax refunds from prior year prepaid taxes. Tax paid last year was high due to higher profitability in the prior year.

Cash flow from investing activities

The Group used a net of HK\$0.14 million (2009: HK\$0.76 million) for the normal disposal and replacement of old vehicles and equipment.

Cash flow from financing activities

Increase in cash from financing is primarily due to the receipt of HK\$6.66 million in deposits from investors in relation to the Subscription and Share Lending Agreement announced on 18 January 2010 and 25 January 2010. The Group also obtained a HK\$7.0 million revolving credit facility during the current financial year and had drawdown HK\$2.0 million. The Group continues to service its existing term loan drawn in the prior financial year for the purpose of payment of tax. There were new finance lease arrangements amounting to HK\$1.03 million for the purchase of motor vehicles during the year.

As a result of the above cash flows, cash and cash equivalents increased to HK\$17.4 million

m) Interest-bearing loans and borrowings and pledged bank balance

Total interest-bearing loans and borrowings increased by HK\$1.92 million mainly due to a HK\$2.0 million drawdown of a HK\$7.0 million revolving credit, net of repayments of existing term loans. There is a cash deposit pledge of 30% of the amount drawdown on the revolving credit. Also included are new finance leases amounting to HK\$1.03 million less repayment of existing obligations.

Non-current interest-bearing loans and borrowings decreased from HK\$0.86 million in FY2009 to HK\$0.51 million in FY2010 due to capital repayments becoming due in less than 12 months. The additional drawdown of a revolving credit during the year is due on a short-term basis, hence the increase in current interest-bearing loans and liabilities by HK\$2.27 million.

n) Deferred tax liabilities

Deferred tax liabilities decreased by HK\$0.15 million mainly due to effect of temporary differences between accounting depreciation and tax depreciation.

o) Trade and other payables

	Group	
	FY2010	FY2009
	HK\$'000	HK\$'000
Trade payables	9,993	7,069
Other payables	10,127	4,581
	<u>20,120</u>	<u>11,650</u>

Trade payables in FY2010 is higher as compared to FY2009 mainly due to the increase in cost of sales from the Airfreight Division.

Other payables increased from HK\$4.58 million in FY2009 to HK\$10.13 million in FY2010 mainly due to the HK\$6.66 million in deposits from investors in relation to the Subscription and Share Lending Agreement. The deposits are treated as a liability until the Company receives the necessary approvals to issue new shares to the investors in accordance with the Subscription and Share Lending Agreement. Please refer to the Company's earlier announcements dated 18 January 2010 and 26 January 2010 for further details on the Subscription and Share Lending Agreement.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite some pick up in the third quarter of FY2010 and encouraging signs of improvement in the global economy, the next 12 months will remain challenging for the Group. Revenues from the newly expanded Airfreight division are expected to be stronger as the current year revenue represents only 8 months of business.

The Group wishes to reiterate that the above expectations are based on continuing signs of a gradual improvement in current business activity, and on expectation that the improving global economies, especially in the Greater China region, will sustain the trend.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial year reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding year of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for this financial year ended 31 March 2010.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

13(a) Business segments

	<u>Express Land Transport</u>		<u>Airfreight</u>		<u>Corporate</u>		<u>TOTAL</u>	
	FY2010 HK\$'000	FY2009 HK\$'000	FY2010 HK\$'000	FY2009 HK\$'000	FY2010 HK\$'000	FY2009 HK\$'000	FY2010 HK\$'000	FY2009 HK\$'000
Revenue	84,822	101,944	76,927	5,039	-	-	161,749	106,983
Results:								
Segment results	24,148	36,193	9,336	795	-	-	33,484	36,988
Other income	839	1,035	1	-	-	-	840	1,035
Selling and Distribution expenses	(5,500)	(5,911)	(3,630)	-	-	-	(9,130)	(5,911)
Administrative expenses	(21,335)	(25,846)	(737)	-	(2,329)	(4,046)	(24,401)	(29,892)
Finance costs	(168)	(163)	(35)	-	-	-	(203)	(163)
Taxation ¹							(546)	(971)
Profit attributable to shareholders							44	1,086
Assets:								
Segment assets	36,201	47,403	11,830	785	87	1,574	48,118	49,762
Unallocated assets ²							40,603	29,605
Total assets							88,721	79,367
Liabilities:								
Segment liabilities	4,801	7,406	8,451	685	7,927	4,012	21,179	12,103
Unallocated liabilities ²							3,500	2,333
Total liabilities							24,679	14,436
Other information:								
Capital expenditure	1,309	2,113	280	-	-	-	1,589	2,113
Depreciation and amortisation	2,568	2,595	19	-	-	-	2,587	2,595

¹Tax is not allocated to individual segments as management reviews segmental information on a pre-tax basis.

²The Group is unable to allocate these assets and liabilities to the respective business segments as the same assets and liabilities were used/incurred in the services rendered. The main components of unallocated assets and liabilities are cash, cash equivalents and general bank borrowings, which the Group considers as pooled resources, and goodwill, which is associated with the Group as a whole. Accordingly, these assets and liabilities including other segment information were not allocated to the respective segments of the Group.

13(b) Geographical segments

All the Group's assets and liabilities are substantially located in Hong Kong and all of the activities and customers of the Group are substantially based in Hong Kong. Accordingly, no geographical segment information is presented.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see information disclosed in Item 8.

15. A breakdown of sales.

	Group		%
	FY2010 HK\$'000	FY2009 HK\$'000	Increase/ (Decrease)
(a) Revenue for first half of the financial year	62,295	64,818	(3.89)
(b) (Loss)/profit after tax for the first half of the financial year	(1,226)	5,596	N.M.
(c) Revenue for second half of the financial year	99,454	42,165	>100.00
(d) Profit/(loss) after tax for the second half of the financial year	1,270	(4,510)	N.M.

N.M – Not meaningful

Please also see information disclosed in Item 8.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total annual Dividend

	Latest Full Year 2010	Previous Full Year 2009
	HK\$'000	HK\$'000
Ordinary	0	0
Total	0	0

17. Interested Person Transaction

For this financial year, there were no interested person transactions pursuant to Rule 920 (excluding transactions less than S\$100,000).

By Order of the Board

Dicky Suen Yiu Chung
Chief Executive Officer
26 May 2010

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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