



# SKY ONE HOLDINGS LIMITED

(Company Registration No: 198602949M)

## Full-Year Unaudited Financial Statement And Dividend Announcement for the Year ended 31 March 2011

### 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		% Increase/ (Decrease)
	FY2011 HK\$'000	FY2010 HK\$'000	
<b>Revenue</b>	160,256	161,749	(0.92)
Cost of sales	(129,317)	(128,265)	0.82
<b>Gross profit</b>	30,939	33,484	(7.60)
Other income	697	840	(17.02)
Distribution and selling expenses	(8,519)	(9,130)	(6.69)
Administrative expenses	(20,547)	(24,401)	(15.79)
Finance costs	(270)	(203)	(33.00)
<b>Profit before taxation</b>	2,300	590	>100.00
Income tax expenses	(663)	(546)	21.43
<b>PROFIT AFTER TAXATION</b>	1,637	44	>100.00
<b>Other comprehensive loss:</b>			
Currency translation differences	(1,256)	(933)	34.62
<b>TOTAL COMPREHENSIVE INCOME /(LOSS)</b>	<b>381</b>	<b>(889)</b>	>100.00
<u>Profit attributable to :</u>			
Shareholders of the Company	1,637	44	
<u>Total comprehensive income/(loss) attributable to :</u>			
Shareholders of the Company	381	(889)	
<b>Earning per share (HK cents)</b>			
Basic	0.67	0.02	
Diluted	0.67	0.02	

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

	Group		% Increase/ (Decrease)
	FY2011 HK\$'000	FY2010 HK\$'000	
Foreign exchange gain	(836)	(609)	37.27
Depreciation of property, plant and equipment	2,615	2,587	1.08
Bad trade receivables written-off	54	18	>100.00
Gain on disposal of property, plant and equipment	(173)	(420)	(58.81)
Rental of office premises	1,180	1,468	(19.62)
Interest expense	270	203	33.00

**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-11 HK\$'000	31-Mar-10 HK\$'000	31-Mar-11 HK\$'000	31-Mar-10 HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment	5,810	8,234	-	-
Investments in subsidiaries	-	-	77,789	77,740
Deferred tax assets	84	-	-	-
Goodwill	22,493	22,493	-	-
	<u>28,387</u>	<u>30,727</u>	<u>77,789</u>	<u>77,740</u>
<b>Current assets</b>				
Amount owing from subsidiary	-	-	965	-
Trade and other receivables	31,852	39,884	76	87
Income tax recoverable	-	98	-	-
Inventories	100	-	-	-
Pledged bank deposit	1,400	600	-	-
Cash and cash equivalents	16,988	17,412	2,547	5,760
	<u>50,340</u>	<u>57,994</u>	<u>3,588</u>	<u>5,847</u>
<b>Total assets</b>	<u><b>78,727</b></u>	<u><b>88,721</b></u>	<u><b>81,377</b></u>	<u><b>83,587</b></u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	298,323	298,323	298,323	298,323
Reserves	(283,385)	(282,178)	(1,415)	(208)
Accumulated profits/(losses)	47,355	47,897	(233,079)	(233,471)
<b>Total equity</b>	<u>62,293</u>	<u>64,042</u>	<u>63,829</u>	<u>64,644</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	3,433	509	-	-
Deferred tax liabilities	-	149	-	-
	<u>3,433</u>	<u>658</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	8,544	13,458	914	1,266
Income tax payable	205	-	-	-
Investor deposit pending new share issue	-	6,662	-	6,662
Interest-bearing loans and borrowings	4,252	3,901	-	-
Amounts owing to subsidiaries	-	-	16,634	11,015
	<u>13,001</u>	<u>24,021</u>	<u>17,548</u>	<u>18,943</u>
<b>Total liabilities</b>	<u>16,434</u>	<u>24,679</u>	<u>17,548</u>	<u>18,943</u>
<b>Total equity and liabilities</b>	<u><b>78,727</b></u>	<u><b>88,721</b></u>	<u><b>81,377</b></u>	<u><b>83,587</b></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 2011		As at 31 Mar 2010	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
4,252	-	3,901	-

**(b) Amount repayable after one year**

As at 31 Mar 2011		As at 31 Mar 2010	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
3,433	-	509	-

**(c) Details of any collateral**

Certain plant and equipment with an aggregate carrying amount of HK\$913,000 are pledged under finance lease arrangements (2010: HK\$1,283,000).

Outstanding bank loans of HK\$7,000,000 (2010: HK\$2,000,000) are secured by a corporate guarantee given by the Company and a cash pledge of HK\$1,400,000 (2010: 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	
	FY2011 HK\$'000	FY2010 HK\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,300	590
Adjustments for :		
Depreciation of property, plant and equipment	2,615	2,587
Bad trade receivables written-off	54	18
Gain on disposal of property, plant and equipment	(173)	(420)
Employee options granted	49	-
Interest expenses	270	203
Unrealised exchange gain	(1,239)	(734)
<b>Operating profit before working capital changes</b>	3,876	2,244
Decrease in trade and other receivables	7,986	729
(Decrease)/increase in trade and other payables	(5,027)	1,381
Increase in inventories	(100)	-
<b>Cash generated from operations</b>	6,735	4,354
Interest paid	(270)	(203)
Income taxes paid	(593)	(190)
<b>Net cash generated from operating activities</b>	5,872	3,961

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	
	FY2011 HK\$'000	FY2010 HK\$'000
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	535	420
Purchases of property, plant and equipment	(235)	(564)
<b>Net cash generated from/(used in) investing activities</b>	<b>300</b>	<b>(144)</b>
<b>Cash flows from financing activities</b>		
Investor deposit pending new share issue (returned)/received	(7,008)	6,662
Payment of dividends	(2,179)	-
Pledged bank balance	(800)	(600)
Repayment of interest-bearing loans and borrowings	(2,044)	(2,007)
Proceeds from interest-bearing loans and borrowings	5,000	2,900
<b>Net cash (used in)/generated from financing activities</b>	<b>(7,031)</b>	<b>6,955</b>
Net (decrease)/increase in cash and cash equivalents	(859)	10,772
Cash and cash equivalents at beginning of year	17,412	6,514
Effect of exchange rate changes on cash and cash equivalents	435	126
<b>Cash and cash equivalents at end of year</b>	<b>16,988</b>	<b>17,412</b>

The Group has undrawn bank borrowing facilities amounting to HK\$5,000,000 as at 31 March 2011 (31 March 2010: HK\$5,000,000).

Non-cash transaction

During the financial year, the Group acquired plant and equipment with an aggregate cost of HK\$553,000 (2010: HK\$1,589,000) of which HK\$318,000 (2010: HK\$1,025,000) was acquired by means of finance lease. Cash payment of HK\$235,000 (2010: HK\$564,000) 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	Share option reserve HK\$'000	Capital reserve HK\$'000	Currency translation reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 April 2009	298,323	-	(281,970)	725	47,853	64,931
Total comprehensive (loss)/income for the year	-	-	-	(933)	44	(889)
<b>At 31 March 2010</b>	<b>298,323</b>	<b>-</b>	<b>(281,970)</b>	<b>(208)</b>	<b>47,897</b>	<b>64,042</b>
Total comprehensive (loss)/income for the year	-	-	-	(1,256)	1,637	381
Employee share options granted	-	49	-	-	-	49
Interim dividend paid	-	-	-	-	(2,179)	(2,179)
<b>At 31 March 2011</b>	<b>298,323</b>	<b>49</b>	<b>(281,970)</b>	<b>(1,464)</b>	<b>47,355</b>	<b>62,293</b>

### Statement of Changes in Equity

COMPANY	Share capital HK\$'000	Share option reserve HK\$'000	Currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2009	298,323	-	725	(91,268)	207,780
Total comprehensive loss for the year	-	-	(933)	(142,203)	(143,136)
<b>At 31 March 2010</b>	<b>298,323</b>	<b>-</b>	<b>(208)</b>	<b>(233,471)</b>	<b>64,644</b>
Total comprehensive (loss)/income for the year	-	-	(1,256)	2,571	1,315
Employee share options granted	-	49	-	-	49
Interim dividend paid	-	-	-	(2,179)	(2,179)
<b>At 31 March 2011</b>	<b>298,323</b>	<b>49</b>	<b>(1,464)</b>	<b>(233,079)</b>	<b>63,829</b>

**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.**

	<b>No. of Ordinary Shares</b>
<b>At 1 April 2010</b>	<u>243,199,998</u>
<b>At 31 March 2011</b>	<u><b>243,199,998</b></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 to the Company.

On 3 August 2010 it was announced that the terms of the Subscription and Share Lending Agreement had been amended to inter alia, reduce the number of Subscription Shares and Option Shares.

On 18 February 2011, the Subscription and Share Lending Agreement was formally terminated as the conditions precedents to the Proposed Share Issue were not fulfilled by the Long Stop Date of 31 December 2010. Consequently, no new shares have been issued in relation to the Subscription and Share Lending Agreement.

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.

On 23 December 2010 ('grant date'), the Company granted 9,600,000 share options under the Sky One Holdings Limited Employee Share Option Scheme (the "Scheme") which were vested immediately. No option under the Scheme has been exercised since grant date and the 9,600,000 share options remain outstanding.

The Company has no other 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 2011, 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 2011 and as at 31 March 2010.

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 has adopted the following new/amended Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which are relevant to the Group with effect from 1 April 2010:

<b>FRS</b>	<b>Title</b>
FRS 7 (Amendment)	Cash Flow Statements
FRS 102 (Amendment)	Group Cash-settled Share-based Payment Transactions
FRS 103	Business Combinations
FRS 27 (Amendment)	Consolidated and Separate Financial Statements

The adoption of the above 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.**

	<b>Group</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>Hong Kong cents</b>	<b>Hong Kong cents</b>
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 (2010:243,199,998)	0.67	0.02
On a fully diluted basis: Based on weighted average 243,199,998 ordinary shares (2010:243,199,998)	0.67 <sup>#</sup>	0.02

<sup>#</sup> In relation to the employee share options granted during the year, relevant accounting standards require that a comparison be made between the exercise price of share options (S\$0.035 per share) and the average market price of the existing shares for the year (approximately S\$0.029 per share). As the exercise price is greater than the average market price, the options are anti-dilutive. Hence, diluted earnings per share is equal to basic earnings per share.

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-11 Hong Kong cents	31-Mar-10 Hong Kong cents	31-Mar-11 Hong Kong cents	31-Mar-10 Hong Kong cents
Net Asset Value per ordinary share based on issued share capital of 243,199,998 (2010:243,199,998)	25.61	26.33	26.25	26.58

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	FY2011		FY2010		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	73,949	46.14	84,822	52.44	(10,873)	(12.82)
Airfreight	86,307	53.86	76,927	47.56	9,380	12.19
<b>Total</b>	<b>160,256</b>	<b>100.00</b>	<b>161,749</b>	<b>100.00</b>	<b>(1,493)</b>	<b>(0.92)</b>

Express Land Transport revenue had decreased due to lower volume (FY2011: 4.37 million kilograms, FY2010 7.11 million kilograms) of goods moved, offset by higher Airfreight revenue leading a slightly decreased overall Group revenue compared to FY2010 by 0.92%.

The decrease in 2.74 million kilograms of goods moved in FY2011 was the result of the Group's price increases as a response to higher direct costs. The average price per kilogram in FY2011 was HK\$16.92 compared to HK\$11.93 in FY2010, a 41.82% increase.

Airfreight revenue in FY2010 was lower by HK\$9.38 million at HK\$76.93 million as the new staff and customers were acquired only in August 2009.

**b) Cost of Sales**

Cost of sales by nature	FY2011		FY2010		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
<b><u>Express Land Transport:</u></b>						
Customs declaration and handling costs	36,647	28.34	38,967	30.38	(2,320)	(5.95)
Transportation costs	15,564	12.04	21,543	16.79	(5,979)	(27.75)
Packing materials	194	0.14	164	0.13	30	18.29
<b>Total Express Land Transport</b>	<b>52,405</b>	<b>40.52</b>	<b>60,674</b>	<b>47.30</b>	<b>(8,269)</b>	<b>(13.63)</b>
<b><u>Airfreight:</u></b>						
Transportation costs	76,912	59.48	67,591	52.70	9,321	13.79
<b>Total Airfreight</b>	<b>76,912</b>	<b>59.48</b>	<b>67,591</b>	<b>52.70</b>	<b>9,321</b>	<b>13.79</b>
<b>TOTAL</b>	<b>129,317</b>	<b>100.00</b>	<b>128,265</b>	<b>100.00</b>	<b>1,052</b>	<b>0.82</b>

Transportation costs of the Express Land Transport division had decreased by 27.75%, mainly in line with the 38.54% decrease in the volume of goods transported. However, customs declaration and handling costs only fell by 5.95%. This was due to changes in regulations; a large category of previously non-dutiable goods now attract customs duties in the People's Republic of China, which had led to increased customs and handling charges per kilogram. As such, customs declaration and handling costs remained relatively high despite lower volumes. Overall, the average cost per kilogram in FY2011 was HK\$11.99 compared to HK\$8.53 in FY2010.

Airfreight costs had increased largely in line with the increase in revenue.

**c) Gross Profit**

Gross Profit by division	FY2011		FY2010		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	21,544	69.63	24,148	72.12	(2,604)	(10.78)
Airfreight	9,395	30.37	9,336	27.88	59	0.63
<b>Total</b>	<b>30,939</b>	<b>100.00</b>	<b>33,484</b>	<b>100.00</b>	<b>(2,545)</b>	<b>(7.60)</b>

Gross Margin by division	FY2011		FY2010		Variance	
	%		%		%	
Express Land Transport	29.13		28.47		0.66	
Airfreight	10.89		12.14		(1.25)	
<b>Total</b>	<b>19.31</b>		<b>20.70</b>		<b>(1.39)</b>	

Gross profit from the Express Land Transport had decreased by HK\$2.60 million mainly due to a fall in revenue as explained above. However, unit price increases in response to higher unit costs had contributed to increased gross margin by 0.66 percentage points.

Airfreight business was somewhat more competitive this year leading to lower margins. However, as management expected general industry margins to be between 9% and 12%, so the margin has remained in line with industry norms.

On the whole, the overall drop in the Group's gross margin by 1.39 percentage points was mainly attributable to the higher proportion of Airfreight revenue in Group revenue. Airfreight revenue constituted 53.86% of Group revenue in FY2011 compared to only 47.56% in FY2010.

**d) Other Income**

Other income decreased mainly due to lower gains from disposals of motor vehicles of HK\$173,000 in FY2011 compared to HK\$420,000 in FY2010. Included in other income was HK\$319,000 (2010:HK\$239,000) compensation received from service providers for damaged/lost goods in transit. The rest of other income were HK\$205,000 (2010: HK\$181,000) comprised mainly of non-trade related receipts.

**e) Distribution and Selling Expenses**

Distribution and selling expenses decreased by 6.69% mainly due to lower gross profit on which commissions were based.

**f) Administrative Expenses**

Group administrative expenses decreased by HK\$3.85 million, or 15.79%, largely due to a HK\$2.53 million decrease in wages and salaries. Arising from lower volumes, the Group had rationalised a number of working processes to reduce staff numbers. At the beginning of the year there were 73 employees whereas at the end of the year there were 53 employees. Associated with this was a fall in rental costs by HK\$0.29 million as we no longer required the additional office space.

Another significant movement was a HK\$0.53 million decrease in fees paid to professionals as the Group was more active in the prior year due to efforts at the time to acquire the JET International Group.

**g) Finance costs**

There was an increase in finance costs mainly due to the effect of a full 12 months interest on a HK\$2.0 million revolving credit drawdown. There was an additional drawdown of a HK\$5.0 million medium term loan but the impact on finance costs was small as it was only drawn down late in FY2011.

**h) Taxation**

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

**i) Profit**

In summary, the year was profitable mainly due to maintenance of top-line profitability while having reduced staff numbers. Most non-essential staff were cut as well as sales staff who were underperforming.

**j) Other comprehensive expense**

Other comprehensive expense consisted of translation of Singapore Dollar ('S\$') denominated balances into Hong Kong Dollars ('HK\$') which is the Group's reporting currency. An expense was recorded for FY2011 as the US\$ (on which the HK\$ is effectively pegged) depreciated against the S\$. Hence, the Group's S\$ liabilities increased in HK\$ terms. The exchange rate used as at 31 March 2011 was S\$1.00:HK\$6.17 compared to S\$1.00:HK\$5.55 as at 31 March 2010. A similar expense was recorded for FY2010 when the exchange rate used at 31 March 2010 was S\$1.00:HK\$5.55 compared to S\$1.00:HK\$5.10 as at 31 March 2009.

**k) Property, plant and equipment**

Property, plant and equipment decreased by HK\$2.42 million mainly due to depreciation charges of HK\$2.62 million offset by net additions and disposals of HK\$0.20 million.

**l) Deferred tax assets and liabilities**

The Group was in a deferred tax asset position in FY2011 due to a low level of plant and equipment purchases, leading to lower tax allowances compared to depreciation. The Group was in a deferred tax liability position in FY2010 as higher purchases of plant and equipment that year attracted higher tax allowances compared to depreciation.

**m) Trade and other receivables**

	Group	
	FY2011 HK\$'000	FY2010 HK\$'000
Trade receivables	20,331	26,614
Other receivables	11,521	13,270
	<u>31,852</u>	<u>39,884</u>

Trade and other receivables dropped by HK\$8.03 million mainly due to the Group's continuation of its focus on cash collections and credit management implemented during the financial crisis of the previous years.

**n) Income tax payable/recoverable**

The Group was in a tax payable position as at 31 March 2011 due to higher profitability in FY2011. The Group was in a tax recoverable position as at 31 March 2010 due to prepaid taxes being higher than actual tax payable during the year ended 31 March 2010.

**o) Inventories**

The Express Land Transport division took title to some commodity items during the year for eventual resale.

**p) Cash and Cash Equivalents**

	Group	
	FY2011 HK\$'000	FY2010 HK\$'000
Cash flows from Operating Activities	5,872	3,961
Cash flows from Investing Activities	300	(144)
Cash flows from Financing Activities	<u>(7,031)</u>	<u>6,955</u>
Net (decrease)/increase in cash and cash equivalents	<u>(859)</u>	<u>10,772</u>

**Cash flow from operating activities**

Increase in cash from operating activities for FY2011 was mainly due to increase in operating profit before working capital changes by \$1.63million and improvement of working capital (less tax paid) by \$0.35 million.

**Cash flow from investing activities**

The Group generated a net cash inflow of HK\$0.30 million for FY2011 (FY2010: the Group used a net cash of HK\$0.14 million) from the normal disposal and replacement of old vehicles.

**Cash flow from financing activities**

During the year, the Group returned the entire S\$1.20 million Deposit from Investors received last year when the Subscription and Share Lending Agreement was formally terminated. In HK\$ terms, the return was HK\$7.01 million compared to receipt of HK\$6.66 million last year due to the stronger S\$ this year.

During the year, the Group also took a HK\$5.00 million medium term loan and pledged an additional HK\$0.80 million in cash to the bank as security. Other outflows consist of payment of interim dividends of HK\$2.18 million and repayment of outstanding loans and finance leases of HK\$2.04 million.

**q) Interest-bearing loans and borrowings**

Total interest-bearing loans and borrowings increased by HK\$3.28 million mainly due to drawdown of a new HK\$5.0 million medium term loan and additional finance lease taken of HK\$0.32 million. These were offset by loan and lease repayments totaling HK\$2.04 million.

**r) Trade and other payables**

	Group	
	FY2011 HK\$'000	FY2010 HK\$'000
Trade payables	5,982	9,993
Other payables	2,562	3,465
	<u>8,544</u>	<u>13,458</u>

Arising from better collections from customers, payment to suppliers was accelerated as good business practice, hence, trade payables have decreased. Other payables have decreased mainly due to clearing of accruals of expenses.

**s) Investor deposit pending new share issue**

As mentioned in the commentary on Cash and Cash Equivalents above, the Group returned the entire S\$1.20 million Deposit from Investors received last year.

**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.**

There was a noticeable increase in costs per kilogram in the Express Land Transport Division due to new regulations from the People's Republic of China to impose customs duties on previously non-dutiable goods. The Group has managed to pass on these costs to the customer in the form of price increases but this has depressed overall demand for this service. Demand may drop further if the trend in customs duties continues. As expected, the Airfreight Division has grown and the gross margin from this segment of the logistics industry is fairly stable. As such the Group will continue to put more effort in this direction.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial year reported on?

Yes

<b>Name of Dividend</b>	Interim
<b>Dividend Type</b>	Cash
<b>Dividend rate</b>	0.15 Singapore cent per ordinary share (Tax Exempt – 1 Tier)
<b>Tax Rate</b>	Not applicable

The directors do not recommend payment of further dividends for the year.

**(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**

Paid on 14 December 2010.

**(d) Books closure date**

Not applicable. The closure dates of 26 November 2010 to 29 November 2010 have passed for the interim dividend. The directors do not recommend payment of further dividends for the year.

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

Not applicable.

**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>	
	FY2011 HK\$'000	FY2010 HK\$'000	FY2011 HK\$'000	FY2010 HK\$'000	FY2011 HK\$'000	FY2010 HK\$'000	FY2011 HK\$'000	FY2010 HK\$'000
<b>Revenue</b>	<b>73,949</b>	<b>84,822</b>	<b>86,307</b>	<b>76,927</b>	-	-	<b>160,256</b>	<b>161,749</b>
<b>Results:</b>								
Segment results	21,544	24,148	9,395	9,336	-	-	30,939	33,484
Other income	654	839	43	1	-	-	697	840
Distribution and selling expenses	(5,075)	(5,500)	(3,444)	(3,630)	-	-	(8,519)	(9,130)
Administrative expenses	(16,501)	(21,335)	(2,646)	(737)	(1,400)	(2,329)	(20,547)	(24,401)
Finance costs	(79)	(168)	(191)	(35)	-	-	(270)	(203)
Taxation <sup>1</sup>							(663)	(546)
<b>Profit attributable to shareholders</b>							<b>1,637</b>	<b>44</b>
<b>Assets:</b>								
Segment assets	27,860	36,201	9,822	11,830	80	87	37,762	48,118
Unallocated assets <sup>2</sup>							40,965	40,603
<b>Total assets</b>							<b>78,727</b>	<b>88,721</b>
<b>Liabilities:</b>								
Segment liabilities	2,162	3,742	5,468	8,451	914	7,927	8,544	20,120
Unallocated liabilities <sup>2</sup>							7,890	4,559
<b>Total liabilities</b>							<b>16,434</b>	<b>24,679</b>
<b>Other information:</b>								
Capital expenditure	550	1,309	3	280	-	-	553	1,589
Depreciation and amortisation	2,525	2,568	90	19	-	-	2,615	2,587

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

<sup>2</sup>Unallocated assets refer to deferred tax assets, income tax recoverable, goodwill and cash and cash equivalents. Unallocated liabilities refer to deferred tax liabilities, current tax payable and borrowings.

**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		%
	FY2011 HK\$'000	FY2010 HK\$'000	Increase/ (Decrease)
(a) Revenue for first half of the financial year	87,399	62,295	40.30
(b) Profit/(loss) after tax for the first half of the financial year	3,282	(1,226)	N.M.
(c) Revenue for second half of the financial year	72,857	99,454	(26.74)
(d) (Loss)/profit/ after tax for the second half of the financial year	(1,645)	1,270	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 2011	Previous Full Year 2010
	HK\$'000	HK\$'000
Interim	2,179	0
Total	2,179	0

**17. Interested Person Transaction**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Teo Chew Seng @ Peter Chang	HK\$967,800	Nil

By Order of the Board

Dicky Suen Yiu Chung  
Chief Executive Officer  
30 May 2011

*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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