

# SAM WOO HOLDINGS LIMITED

# 三和集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 2322)

# ANNOUNCEMENT OF RESULTS FOR YEAR ENDED 31ST MARCH 2007

The board (the "Board") of directors (the "Directors") of Sam Woo Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31st March 2007, together with comparative figures for the previous financial year, as follows:

# CONSOLIDATED INCOME STATEMENT For the year ended 31st March 2007

| For the year ended 31st March 2007                                |      |                     |                    |
|-------------------------------------------------------------------|------|---------------------|--------------------|
|                                                                   | Note | 2007                | 2006               |
| Turnover                                                          | 2    | HK\$'000<br>122,601 | HK\$'000<br>96,760 |
| Cost of sales                                                     | -    | (86,699)            | (83,793)           |
| Gross profit                                                      | 2    | 35,902              | 12,967             |
| Other income<br>Administrative expenses                           | 3    | 27,717<br>(21,876)  | 24,765<br>(23,754) |
| Transfer from deferred income                                     |      |                     | 936                |
| Operating profit                                                  | 4    | 41,743              | 14,914             |
| Finance costs                                                     | 5    | (10,648)            | (12,517)           |
| Profit before income tax<br>Income tax (charge)/credit            | 6    | 31,095<br>(1,922)   | 2,397<br>1,979     |
| Profit for the year                                               |      | 29,173              | 4,376              |
| Attributable to:                                                  |      |                     |                    |
| Equity holders of the Company                                     |      | 29,173              | 4,376              |
| Earnings per share attributable to the equity holders of          |      |                     |                    |
| the Company during the year Basic and diluted                     | 7    | HK9.72 cents        | HK1.46 cents       |
|                                                                   |      |                     |                    |
| Dividends                                                         | 8    | 6,040               |                    |
| CONSOLIDATED BALANCE SHEET<br>As at 31st March 2007               |      |                     |                    |
|                                                                   | Note | 2007<br>HK\$'000    | 2006<br>HK\$'000   |
| ASSETS                                                            |      | HK\$ 000            | HK\$ 000           |
| Non-current assets                                                |      | 220 ((0             | 255 (02            |
| Plant and equipment Deferred tax assets                           |      | 220,660<br>950      | 255,603<br>1,401   |
|                                                                   |      | 221,610             | 257,004            |
| Current assets                                                    |      |                     |                    |
| Trade receivables                                                 | 9    | 11,345              | 20,875             |
| Deposits, prepayments and other receivables<br>Inventories        |      | 4,230<br>10,417     | 5,849<br>9,822     |
| Amounts due from customers for contract work                      |      | 13,231              | 15,105             |
| Cash and bank balances Unrestricted                               |      | 10,096              | 1,928              |
| Restricted                                                        |      | 38,401              | 46,782             |
|                                                                   |      | 87,720              | 100,361            |
| Total assets                                                      |      | 309,330             | 357,365            |
| FOULTV                                                            |      |                     |                    |
| EQUITY Capital and reserves attributable to the                   |      |                     |                    |
| Company's equity holders Share capital                            |      | 30,000              | 30,000             |
| Other reserves                                                    |      | 125,878             | 102,745            |
| Proposed final dividend                                           |      | 6,040               |                    |
| Total equity                                                      |      | 161,918             | 132,745            |
| LIABILITIES                                                       |      |                     |                    |
| Non-current liabilities  Loan from a director                     |      | _                   | 40,152             |
| Long-term liabilities                                             |      | 15,187              | 727                |
| Deferred tax liabilities                                          |      | 25,125              | 29,436             |
|                                                                   |      | 40,312              | 70,315             |
| Current liabilities                                               |      |                     |                    |
| Trade payables Accruals and other payables                        | 10   | 2,193<br>9,541      | 5,425<br>9,048     |
| Amounts due to a customer for contract work                       |      | 51                  | _                  |
| Amounts due to related companies Amounts due to directors         |      | 493<br>2,415        | 3,598<br>17,655    |
| Loan from a director                                              |      | 11,621              | 39.040             |
| Short-term borrowings<br>Current portion of long-term liabilities |      | 26,124<br>6,043     | 39,040<br>17,523   |
| Taxation payable<br>Bank overdrafts                               |      | 3,464               | 1,576              |
| Dank overgrans                                                    |      | 45,155              | 60,440             |
|                                                                   |      | 107,100             | 154,305            |
| Total liabilities                                                 |      | 147,412             | 224,620            |
| Total equity and liabilities                                      |      | 309,330             | 357,365            |
| Net current liabilities                                           |      | (19,380)            | (53,944)           |
|                                                                   |      |                     |                    |

The consolidated financial statements of the Group have been prepared under the historical cost convention and in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

(i) Amendments and interpretations to existing standards effective in 2006

In 2006, the Group adopted the following amendments and interpretations to existing standards which are relevant to

202,230

203,060

In 2006, the Group adopted th its operations: HKAS 19 Amendment HKAS 39 Amendment HKAS 39 and HKAS 39 and HKFRS 4 (Amendment) HK(IFRIC)-Int 4 Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures Cash Flow Hedge Accounting of Forecast Intragroup Transactions The Fair Value Option

HKAS 39 and
HKFRS 4 (Amendment) Financial Guarantee Contracts
HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease
The adoption of these amendments and interpretations had no material impact on the consolidated financial statements.

New standards, amendments and interpretations to existing standards, which are relevant to the Group's operations but are not yet effective and have not been early adopted by the Group

Certain new standards, amendments and interpretations to existing standards that are relevant to the Group's operation and mandatory for accounting periods beginning on or after 1st May 2006 or later periods that the Group has not early adopted, are as follows:

HKAS 1 Amendment Presentation of Financial Statements - Capital Disclosures

HKFRS 7 HK(IFRIC)-Int 8 HK(IFRIC)-Int 10 Financial instruments: Disclosures Scope of HKFRS 2 Interim Reporting and Impairment

The Group has not early adopted these new standards but has already commenced an assessment of their impact. It is not expected that these new standards will have any significant impact on the consolidated financial statements.

#### Segmental information

Business segments – primary reporting format

| Year ended 31st March 2007                                        | Foundation<br>works<br><i>HK\$</i> '000 | Trading of machinery and equipment HK\$'000             | Vessel<br>chartering<br>HK\$'000 | Total<br><i>HK\$</i> '000     |
|-------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------|----------------------------------|-------------------------------|
| Turnover                                                          | 51,086                                  | 2,926                                                   | 68,589                           | 122,601                       |
| Segment results                                                   | 3,409                                   | 24,555(1)                                               | 23,751                           | 51,715                        |
| Interest income<br>Unallocated expenses                           |                                         |                                                         |                                  | 1,958<br>(11,930)             |
| Operating profit<br>Finance costs<br>Income tax charge            |                                         |                                                         |                                  | 41,743<br>(10,648)<br>(1,922) |
| Profit attributable to equity holders of the Company              |                                         |                                                         |                                  | 29,173                        |
| As at 31st March 2007<br>Segment assets<br>Unallocated assets     | 165,030                                 | 9,036                                                   | 85,453                           | 259,519<br>49,811             |
| Total assets                                                      |                                         |                                                         |                                  | 309,330                       |
| Segment liabilities<br>Unallocated liabilities                    | 43,640                                  | 70                                                      | 25,828                           | 69,538<br>77,874              |
| Total liabilities                                                 |                                         |                                                         |                                  | 147,412                       |
| Year ended 31st March 2007<br>Capital expenditure<br>Depreciation | 4,251<br>14,888                         |                                                         | 13,876<br>3,377                  | 18,127<br>18,265              |
|                                                                   | Foundation<br>works<br>HK\$'000         | Trading of<br>machinery<br>and<br>equipment<br>HK\$'000 | Vessel<br>chartering<br>HK\$'000 | Total<br><i>HK\$</i> '000     |
| Year ended 31st March 2006<br>Turnover                            | 43,649                                  | 2,488                                                   | 50,623                           | 96,760                        |
| Segment results                                                   | 1,678                                   | 7,757(1)                                                | 15,012                           | 24,447                        |
| Interest income<br>Unallocated expenses                           |                                         |                                                         |                                  | 1,253<br>(10,786)             |
| Operating profit<br>Finance costs<br>Income tax credit            |                                         |                                                         |                                  | 14,914<br>(12,517)<br>1,979   |
| Profit attributable to equity holders of the Company              |                                         |                                                         |                                  | 4,376                         |
| As at 31st March 2006<br>Segment assets<br>Unallocated assets     | 224,651                                 | 9,149                                                   | 73,141                           | 306,941<br>50,424             |
| Total assets                                                      |                                         |                                                         |                                  | 357,365                       |
| Segment liabilities<br>Unallocated liabilities                    | 45,610                                  | 70                                                      | 66,859                           | 112,539<br>112,081            |
| Total liabilities                                                 |                                         |                                                         |                                  | 224,620                       |
| Year ended 31st March 2006<br>Capital expenditure<br>Depreciation | 806<br>19,502                           |                                                         | 2,441                            | 806<br>21,943                 |

Inclusive of other income from disposal of plant and equipment.

Geographical segments – secondary reporting format

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

|                                                                                                               | 2007<br>HK\$'000   | 2006<br>HK\$'000         |
|---------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Interest income Gain on disposal of plant and equipment Write-back of provision for impairment of receivables | 1,958<br>22,813    | 1,253<br>8,134<br>15,000 |
| Write-off of trade payables<br>Maintenance service income                                                     | 596<br>-           | 118                      |
| Sales of scrap material<br>Sundries                                                                           | $\frac{2,324}{26}$ | 229<br>31                |
|                                                                                                               | 27,717             | 24,765                   |

# Operating profit

| •  | operating profit                                         |                  |                  |
|----|----------------------------------------------------------|------------------|------------------|
|    |                                                          | 2007<br>HK\$'000 | 2006<br>HK\$'000 |
|    | Operating profit is stated after charging:               |                  |                  |
|    | Cost of inventories sold                                 | 1,900            | 3,272            |
|    | Direct cost of vessel chartering                         | 44,213           | 32,869           |
|    | Staff costs, excluding directors' emoluments             |                  |                  |
|    | <ul> <li>wages and salaries</li> </ul>                   | 10,402           | 13,135           |
|    | <ul> <li>contributions to retirement scheme</li> </ul>   | 469              | 501              |
|    | Auditors' remuneration                                   |                  |                  |
|    | <ul> <li>current year</li> </ul>                         | 838              | 800              |
|    | <ul> <li>under provision in prior year</li> </ul>        | 100              | _                |
|    | Depreciation                                             |                  |                  |
|    | owned plant and equipment                                | 16,276           | 18,432           |
|    | <ul> <li>leased plant and equipment</li> </ul>           | 1,989            | 3,511            |
|    | Operating lease rentals in respect of land and buildings | 3,481            | 3,429            |
|    | Vessel hiring expense                                    | 3,115            | 3,200            |
| i. | Finance costs                                            |                  |                  |
| •  | Time Cooks                                               | 2005             | 2006             |
|    |                                                          | 2007             | 2006             |
|    |                                                          | HK\$'000         | HK\$'000         |
|    | Interest expense:                                        |                  |                  |
|    | <ul> <li>bank loans and overdrafts</li> </ul>            | 3,980            | 5,472            |
|    | <ul> <li>loan from a director</li> </ul>                 | 2,377            | 2,693            |
|    | <ul> <li>other loan, secured</li> </ul>                  | 3,724            | 3,366            |
|    | - finance leases                                         | 567              | 986              |
|    |                                                          | 10.648           | 12.517           |

#### Income tax charge/(credit)

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year.

|                                                                               | HK\$'000    | HK\$'000 |
|-------------------------------------------------------------------------------|-------------|----------|
| Hong Kong profits tax<br>Current income tax<br>Under-provision in prior years | 5,740<br>42 | 1,902    |
| Deferred income tax                                                           | (3,860)     | (3,881)  |
|                                                                               | 1,922       | (1,979)  |

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax

|                                                                                                                                                                                        | 2007<br>HK\$'000                       | 2006<br>HK\$'000                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit before income tax                                                                                                                                                               | 31,095                                 | 2,397                                  |
| Calculated at statutory rate of 17.5% (2006: 17.5%) Under-provision in prior years Income not subject to tax Expenses not deductible for tax purposes Tax losses not recognised Others | 5,442<br>42<br>(13,060)<br>9,433<br>65 | 419<br>(9,450)<br>7,352<br>32<br>(332) |
| Tax charge/(credit)                                                                                                                                                                    | 1,922                                  | (1,979)                                |

#### Earnings per share

Basic earnings per share is calculated by dividing the consolidated profit attributable to equity holders of the Company of approximately HK\$29,173,000 (2006: HK\$4,376,000) by 300,000,000 (2006: 300,000,000) ordinary shares in issue during the

The exercise of share options would have no dilutive effect on the earnings per share for the years ended 31st March 2006 and

#### Dividends

A dividend in respect of the year ended 31st March 2007 of HK\$0.02 per share, amounting to a total dividend of HK\$6,040,000 is to be proposed at the Annual General Meeting on 6th September 2007. These financial statements do not reflect this dividend payable.

|                                                                    | 2007<br>HK\$'000 | 2006<br>HK\$'000 |
|--------------------------------------------------------------------|------------------|------------------|
| Proposed final dividend of HK\$0.02 (2006: Nil) per ordinary share | 6,040            | _                |

### Trade receivables

Receivables in respect of contracting work in progress are usually received within one month after the issuance of architects' certificates

|                                                                                | 2007<br>HK\$'000         | 2006<br>HK\$'000             |
|--------------------------------------------------------------------------------|--------------------------|------------------------------|
| Trade receivables<br>Retention receivables<br>Receivables from a related party | 7,183<br>3,118<br>1,044  | 15,372<br>5,503<br>–         |
|                                                                                | 11,345                   | 20,875                       |
| The aging analysis of the trade receivables is as follows:                     |                          |                              |
|                                                                                | 2007<br>HK\$'000         | 2006<br>HK\$'000             |
| 0 to 90 days<br>91 to 180 days<br>181 to 365 days<br>More than one year        | 5,460<br>-<br>-<br>1,723 | 9,983<br>801<br>953<br>3,635 |
|                                                                                | 7,183                    | 15,372                       |

#### 10. Trade payables

Retention payable included in trade payables amounted to HK\$167,000 (2006: HK\$149,000). The ageing analysis of the remaining trade payables is as follow

|                                       | 2007<br>HK\$'000 | 2006<br>HK\$'000 |
|---------------------------------------|------------------|------------------|
| 0 to 90 days<br>91 to 180 days        | 1,404<br>31      | 3,149<br>194     |
| 181 to 365 days<br>More than one year |                  | 360<br>1,573     |
|                                       | 2,026            | 5,276            |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

The Group recorded notable improvement in its turnover and results for the year ended 31st March 2007 (the "Year") as a result of its strategic re-positioning. Turnover for the year amounted to HK\$122.6 million, an increase of 27% from that for the year ended 31st March 2006 (the "Previous Year"), and the profit for the Year had a remarkable growth to HK\$29.2 million from Previous Year's HK\$4.4 million. The gross profit ratio for the Year more than doubled to 29% from that of 13% for the Previous Year. The rise in turnover and gross profit ratio are attributable to improvement in operational efficiency of m/v Asian Atlas and settlement received for variation works on a previously completed construction project. The Group enjoyed solid cash flow from the trading of machinery and equipment and vessel chartering, which lessened the Group's reliance on external financing and led to a reduction of HK\$1.9 million, or 15%, in finance cost for the Year.

Further analysis on the performance by business segments is set out in respective sections as follow.

## Vessel Chartering

Since the Group's acquisition of m/v Asian Atlas in March 2006, the vessel chartering operation has grown into the major revenue contributor, accounting for over 50% of the Group's turnover. M/v Asian Atlas had undergone overhaul during part of the Year and only attained a utilisation rate of approximately 30% for the Year. Management envisages the vessel's operating efficiency can be improved and a utilisation rate of over 70% can be achieved in the current year following completion of the overhaul works.

Since commencement of shipping operations two years ago, the Group has provided transportation solution to over-sized Since commencement of shipping operations two years ago, the Group has provided transportation solution to over-sized and heavy cargoes for clients including state-owned enterprises and contractors servicing large-scale infrastructure and oil exploration projects. While management is optimistic on accomplishing an improved utilisation of m/v Asian Atlas with an established client base, a key constraint to the vessel operation, at present, is the routing flexibility associated with a single vessel. Operating with a single vessel poses great challenge on managing the routing logistics, a process which is vital to the profitability of vessel charter. High level of re-positioning costs, in terms of both expenditures and time, might be involved to incept a charter should the locality of successive voyages are mismatched. The Group is therefore actively seeking opportunities to enhance its capacity in the shipping business with the acquisition of additional semi-submersible vessel(s) for added routing flexibility and efficiency, as well as expanded operating scale and profitability. The semi-submersible shipping market had undergone hectic development in the past two years since the Group's entry into the field. Nonetheless, the heavy transportation capacity in supply remained insufficient, by far, to satisfy existing demand. Transportation rates are at lucrative level and on the rising, while voyage schedule of operators are lined up to year 2008 and beyond. High oil and gas prices are driving up demand for exploration and excavation facilities. The migration of such facilities between activity zones and service centers generates the majority of business opportunities for heavy transportation operators, with additional driving force from large-scale and international infrastructure projects. With a positive market outlook, proven operation track record, satisfied client base and potential synergies with its planned shipyard and marine engineering ventures, the Group sees great room for expansion and bright prospects ahead for its heavy transportation

#### **Construction Projects**

The local construction market remained highly competitive during the Year. Project prices are unattractive, despite a gradually increasing level of construction activities. The Group has completed all of its construction projects on hand with satisfactory results and has not contracted for any new projects during the Year. We have also successfully collected favourable settlement for variation works on a previously completed project during the Year, while settlement on another project has been collected subsequent to end of the Year.

The Group has shifted its focus onto construction business opportunities in the south-east Asia region, where infrastructure construction activities are booming. As a first step, the Group's has engaged a technology transfer agreement with a contractor, under which the Group will provide the required machinery, technical and supervisory personnel, on site, to a Malaysian infrastructure project. Should the Group's planned shipyard project in Vietnam currently under negotiation become crystallized, it shall also serve as a showcase for both its marine and land-based construction capability to pave way for participation in local infrastructure projects.

#### **Machinery Trading**

The fast economic growth in mainland China, south-east Asian region and the Middle East continued to bring on great demand for construction expertise and machinery. The relatively long lead time and rising material cost for production of heavy machinery further drove up the demand and prices of pre-owned equipment.

The Group is in an advantageous position to benefit from its reserve of construction equipment, trading network and technical expertise. The results from machinery trading for the Year amounted to over HK\$24 million, more than triple of that for the Previous Year. The Group's planned expansion in transportation fleet and overseas construction ventures will provide a solid foundation for further growth in its machinery trading business.

#### Liquidity, Financial Resources, Capital Structure and Gearing

As at 31st March 2007, the Group had cash and bank balances of HK\$48.5 million (2006: HK\$48.7 million) and total borrowings of HK\$104.1 million (2006: HK\$157.9 million). Current portion of long term borrowings, short term borrowings and bank overdrafts as at 31st March 2007 amounted to HK\$88.9 million (2006: HK\$117.0 million). The Group's gearing ratio, calculated by dividing net borrowings by total equity, was 34% as at end of the Year (2006: 82%). Interest on the Group's borrowings was mainly on floating rate basis. The improvement in gearing was mainly attributable to operating cash flow from shipping business and proceeds from sale of plant and equipment.

The Group has administered procedures to alleviate pressure on its short term cash flow. Additional banking facilities has been arranged to provide buffer for short term financing needs, while the shipping and machinery trading operations can generate a stable stream of operating cash flow to meet funding requirement on a continuous basis.

Operations of the Group are mainly conducted in Hong Kong Dollars ("HK\$") and United States Dollars ("US\$") and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$ and US\$, which do not pose significant foreign currency risk at present.

The net book value of machinery and equipment held under finance leases and pledged for long-term bank loans amounted to HK\$23.7 million and HK\$1.8 million respectively. A vessel with net book value of HK\$76.7 million is pledged to secure for other loan. Certain banking facilities are secured by bank deposits of HK\$38.4 million.

#### **Employees and Remuneration Policies**

The Group has about 47 staff members (excluding directors) as at 31st March 2007 and provides competitive remuneration packages to employees which commensurate with individual job nature and performance.

The Group adopted a share option scheme to eligible persons as incentive for their contribution to the Group.

#### **Contingent Liabilities**

As at 31st March 2007, the Group had contingent liabilities of approximately HK\$5.1 million (2006: HK\$5.1 million) in respect of a number of litigations arising in the normal course of its business. These include both claims against the Group and counterclaims made by defendants of actions initiated by the Group. The directors of the Company are of the opinion that the ultimate liability under these proceedings, if any, would not have a material impact on the financial position of the Group.

### Event after the balance sheet date

On 11 April 2007, an action was lodged against a subsidiary of the Company, as owner of the vessel Asian Atlas ("ex-American Cormorant"), to claim for damages, indemnity or contribution against any liability, loss, damage or expenses suffered or to be suffered by a launchway-owner. The incident leading to the claim involved a collision between m/v Asian Atlas and a sub-surface launchway in the United States that happened in 2004 and prior to the Group's gaining ownership of the vessel. The ex-owner (ie. seller) of vessel has filed an action in the United States claiming various parties, including the launchway-owner, for damages to the vessel from the collision. The launchway-owner, in defence, asserted a claim against the vessel itself as above-mentioned for a total sum of US\$4.5 million. As a result of this claim, the vessel Asian Atlas was arrested and the Group had placed a deposit of US\$4.5 million with the High Court of the Hong Kong Special Administrative Region for its release. The denosit was funded nartly by the Group's internal resources and partly by an interest-free advance Region for its release. The deposit was funded partly by the Group's internal resources and partly by an interest-free advance by a director amounting to US\$2.0 million.

The Company has sought the advice of a number of legal advisors and assessed that, based on legal principles and factual circumstances, the possibility of the vessel being adjudged any liability from the legal action is remote, and that the amount of deposit placed should be recovered in full. Furthermore, as provided for in the agreement for the purchase and sale of m/v Asian Atlas, the buyer of the vessel was indemnified by the seller of any liability pertaining to liens and encumbrances on the vessel prior to the buyer gaining ownership. Accordingly, the action against m/v Asian Atlas unlikely to give rise to any material losses to the Group and therefore, no provision has been made.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

### CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules throughout the Year, except there is no written terms on division of responsibilities between the Chairman and the Chief Executive Officer, which is a deviation from Code Provision A.2.1 of the CG Code which stipulates that the division of responsibilities should be clearly established and set out in writing. The Board considers that the responsibilities of the two positions are fundamentally distinct and therefore written terms of division are not necessary. division are not necessary.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee, comprising three independent non-executive directors, has reviewed the audited consolidated financial statements of the Group for the Year. The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditors, PricewaterhouseCoopers and Lau & Au Yeung C.P.A. Limited, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers and Lau & Au Yeung C.P.A. Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricawaterhouseCoopers and Lau. Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers and Lau & Au Yeung C.P.A. Limited on the preliminary announcement.

# PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited ("HKEx") at www.hkex.com.hk under "Latest Listed Company Information" and on the Company's website at www.samwoogroup.com under the section "Investor Relation". The annual report for the Year containing all the information required by the Listing Rules will be published on the HKEx website and the Company's website and dispatched to the Company's shareholders in due course.

> By order of the Board of SAM WOO HOLDINGS LIMITED LAU Chun Ming Chairman

Hong Kong, 6 July 2007

\* For identification purposes only

As at the date of this announcement, the executive Directors are Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka, Ms. Leung Lai So, Mr. Hsu Kam Yee, Simon and Mr. Chan Sun Kwong; the non-executive Director is Mr. Chiu Kam Kun, Eric; the independent non-executive Directors are Dr. Lee Peng Fei, Allen, Professor Wong Sue Cheun, Roderick and Mr. Chan Wai Dune.