有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00406)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2009

HIGHLIGHTS

The Group reported turnover of HK$3,413,878,000 for the year, an increase by 124% compared with the turnover in prior year.

The Group reported gross profit of HK$229,507,000 in the current year compared with a gross loss of HK$240,202,000 in 2008.

Profit for the year was HK$10,623,000, compared with HK$422,357,000 in the prior year. Profit in the prior year included profit from discontinued operations of HK$795,409,000.

The net asset value of the Group as at 31 March 2009 was HK$1,248,147,000 (2008: HK$1,284,307,000) equivalent to HK$2.85 (2008: HK$2.91) per share based on the 438,053,600 (2008: 440,949,600) ordinary shares in issue.

At 31 March 2009, the Group's total cash in hand was HK$888,492,000 (2008: HK$957,631,000) while total borrowings have reduced to HK$72,897,000 (2008: HK$166,271,000) this year.

** For identification purpose only*

The Board of Directors (the "Directors") of Yau Lee Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31 March 2009 together with comparative figures for the year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2009

	Note	2009 HK$'000	2008 HK$'000
Continuing operations			
Revenue	3	**3,413,878**	1,526,015
Cost of sales	5	**(3,184,371)**	(1,766,217)
Gross profit/(loss)		**229,507**	(240,202)
Other income and gains	4	**22,140**	37,117
Administrative expenses	5	**(197,968)**	(129,475)
Other operating expenses	5	**(9,785)**	(7,992)
Operating profit/(loss)		**43,894**	(340,552)
Finance costs	6	**(9,481)**	(32,588)
Share of profit of associates		**111**	–
Share of (loss)/profit of jointly controlled entities/operation		**(18,186)**	1,430
Profit/(loss) before income tax		**16,338**	(371,710)
Income tax expense	7	**(5,715)**	(1,342)
Profit/(loss) for the year from continuing operations		**10,623**	(373,052)
Discontinued operations			
Profit for the year from discontinued operations	3	**–**	795,409
Profit for the year		**10,623**	422,357
Attributable to:			
Equity holders of the Company		**10,652**	422,360
Minority interests		**(29)**	(3)
		10,623	422,357
Dividends	8	**4,249**	44,095
Earnings/(loss) per share (basic and diluted)	9		
– from continuing operations		**2.42 cents**	(84.60) cents
– from discontinued operations		**–**	180.39 cents
		2.42 cents	95.79 cents

BALANCE SHEETS

As at 31 March 2009

	Note	2009 Group HK$'000	2009 Company HK$'000	2008 Group HK$'000	2008 Company HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment		**110,380**	**–**	97,007	–
Investment properties		**24,727**	**–**	–	–
Leasehold land		**34,732**	**–**	35,655	–
Intangible assets	*13*	**20,228**	**–**	–	–
Goodwill	*13*	**15,905**	**–**	–	–
Subsidiaries		**–**	**491,615**	–	361,075
Associates		**1,929**	**–**	39	–
Jointly controlled entities/operation		**7,987**	**–**	26,170	–
Deferred income tax assets		**689**	**–**	41	–
Other non-current assets		**20,494**	**–**	34,122	–
		237,071	**491,615**	193,034	361,075
Current assets					
Cash and bank balances		**888,492**	**42,636**	957,631	410
Trade debtors, net	*10*	**577,658**	**–**	184,048	–
Prepayments, deposits and other receivables		**137,731**	**349**	103,787	313
Inventories		**21,350**	**–**	23,107	–
Prepaid income tax		**530**	**–**	273	–
Due from customers on construction contracts		**327,353**	**–**	302,915	–
Financial assets at fair value through profit or loss		**15,147**	**9,854**	15,244	9,774
Derivative financial assets		**–**	**–**	6,489	–
Due from associates		**8,774**	**1,028**	8,523	1,023
Due from subsidiaries		**–**	**1,061,159**	–	377,698
Due from jointly controlled entities/operation		**14,988**	**–**	6,095	–
Due from related parties		**–**	**–**	30	30
		1,992,023	**1,115,026**	1,608,142	389,248
Total assets		**2,229,094**	**1,606,641**	1,801,176	750,323
EQUITY					
Share capital	*11*	**87,611**	**87,611**	88,190	88,190
Other reserves		**416,824**	**414,135**	418,933	415,789
Retained profits					
Proposed final dividends		**4,249**	**4,249**	44,095	44,095
Others		**738,867**	**1,000,547**	732,464	92,531
Attributable to equity holders		**1,247,551**	**1,506,542**	1,283,682	640,605
Minority interests		**596**	**–**	625	–
Total equity		**1,248,147**	**1,506,542**	1,284,307	640,605

BALANCE SHEETS *(Continued)*
As at 31 March 2009

		2009		2008	
		Group	**Company**	Group	Company
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
LIABILITIES					
Non-current liabilities					
Long-term borrowings		**17,721**	**–**	2,590	–
Deferred income tax liabilities		**7,522**	**–**	5,683	–
Other non-current liabilities		**9,349**	**–**	–	–
		34,592	**–**	8,273	–
Current liabilities					
Short-term bank loans – secured		**50,000**	**–**	158,800	–
Current portion of long-term borrowings		**5,176**	**–**	4,881	–
Derivative financial liabilities		**839**	**174**	12,160	–
Payables to suppliers and subcontractors	*12*	**299,914**	**–**	125,995	–
Accruals, retention payables and other liabilities		**198,430**	**907**	144,873	706
Income tax payable		**12,053**	**–**	7,264	–
Due to customers on construction contracts		**376,912**	**–**	54,623	–
Due to subsidiaries		**–**	**99,018**	–	109,012
Due to jointly controlled entities/operation		**3,031**	**–**	–	–
		946,355	**100,099**	508,596	109,718
Total liabilities		**980,947**	**100,099**	516,869	109,718
Total equity and liabilities		**2,229,094**	**1,606,641**	1,801,176	750,323
Net current assets		**1,045,668**	**1,014,927**	1,099,546	279,530
Total assets less current liabilities		**1,282,739**	**1,506,542**	1,292,580	640,605

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to equity holders of the Company							
	Share capital	**Other reserves**	**Capital redemption reserve**	**Currency translation reserve**	**Retained profits**	**Sub-total**	**Minority interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 April 2008	88,190	415,430	359	3,144	776,559	1,283,682	625	1,284,307
Profit/(loss) for the year	–	–	–	–	10,652	10,652	(29)	10,623
Currency translation differences	–	–	–	(455)	–	(455)	–	(455)
2008 final dividends	–	–	–	–	(44,095)	(44,095)	–	(44,095)
Shares repurchased	(579)	(1,654)	–	–	–	(2,233)	–	(2,233)
As at 31 March 2009	**87,611**	**413,776**	**359**	**2,689**	**743,116**	**1,247,551**	**596**	**1,248,147**
As at 1 April 2007	88,190	415,430	359	3,410	358,608	865,997	628	866,625
Profit/(loss) for the year	–	–	–	–	422,360	422,360	(3)	422,357
Currency translation differences	–	–	–	(266)	–	(266)	–	(266)
2007 final dividends	–	–	–	–	(4,409)	(4,409)	–	(4,409)
As at 31 March 2008	88,190	415,430	359	3,144	776,559	1,283,682	625	1,284,307

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Yau Lee Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") is principally engaged in the contracting of building construction, plumbing, maintenance and fitting-out projects and building materials trading. The Group is also engaged in other activities which mainly include computer software development, provision for website hosting services, architectural and engineering services as well as property investment.

The Group has completed a transaction to dispose of its wholly-owned properties at 33 Sharp Street East on 29 February 2008 at a total cash consideration of HK$1,580,000,000 to a third party.

The results of the property leasing and hotel operation for the period from 1 April 2007 to 29 February 2008 have been presented as discontinued operations in accordance with HKFRS 5 – "Non-current assets held for sale and discontinued operations". Prior period comparatives have been adjusted to conform with the current year classification.

On 30 May 2008, the Company completed the purchase of 50,000,000 shares of HK$1.00 each, being the entire share capital of REC Engineering Company Limited ("REC") and previously known as Ryoden Engineering Company Limited for a total cash consideration of HK$46,000,000 (excluding transaction expenses). The results derived from REC and its subsidiaries were disclosed as electrical, mechanical, ventilation and air conditioning, fire, plumbing and environmental engineering services (hereinafter referred to as electrical and mechanical installation) operation.

The Company is a limited liability company incorporated in Bermuda on 25 June 1991. The address of its registered office is Clarendon House, Church Street, Hamilton HM11, Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

These financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 21 July 2009.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinances and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Standards, interpretations and amendments to standards that are effective in 2009

The Group has adopted the following new standards, interpretations and amendments to standards which are relevant to the Group's operations, and mandatory for the financial year ended 31 March 2009:

HKAS 39, 'Financial instruments: Recognition and measurement', amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to HKFRS 7, 'Financial instruments: Disclosures', introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from 1 July 2008. This amendment does not have any impact on the Group's financial statements, as the Group has not reclassified any financial assets.

HK(IFRIC) – Int 11, "HKFRS 2 – Group and treasury share transactions", provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the Group's financial statements.

(b) Standards, interpretations and amendments to standards effective in 2009 but not relevant

The following standards, interpretations and amendments to published standards are mandatory for accounting periods beginning on or after 1 April 2008 but they are not relevant to the group's operations:

HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2009 or later periods, but the Group has not early adopted them:

		Effective for accounting periods beginning on or after
HKAS 1 (Revised)	Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKFRS 1 (Amendment)	First-time adoption of HKFRS and HKAS 27 – Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations	1 January 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC) – Int 15	Agreements for Construction of Real Estates	1 January 2009
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008

Improvements to HKFRSs – Amendments to:

HKAS 1 (Amendment)	Presentation of Financial Statements	1 January 2009
HKAS 16 (Amendment)	Property, plant and equipment	1 January 2009
HKAS 19 (Amendment)	Employee Benefits	1 January 2009
HKAS 23 (Amendment)	Borrowing Costs	1 January 2009
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements	1 January 2009
HKAS 28 (Amendment)	Investment in Associates	1 January 2009
HKAS 31 (Amendment)	Interests in Joint Ventures	1 January 2009

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

		Effective for accounting periods beginning on or after
HKAS 36 (Amendment)	Impairment of assets	1 January 2009
HKAS 38 (Amendment)	Intangible assets	1 January 2009
HKAS 39 (Amendment)	Financial instruments: Recognition and Measurement	1 January 2009
HKAS 40 (Amendment)	Investment Property	1 January 2009
HKFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operation	1 January 2009
HKFRS 7	Financial Instruments: Disclosures	1 January 2009

(d) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2009 or later periods but are not relevant for the Group's operations:

		Effective for accounting periods beginning on or after
HKAS 32 (Amendment) and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation	1 July 2009
HK(IFRIC) – Int 13	Customer Loyalty Programmes	1 July 2008
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners	1 July 2009
HK(IFRIC) – Int 18	Transfers of Assets from Customers	1 July 2009

Improvements to HKFRSs – Amendments to:

HKAS 20 (Amendment)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2009
HKAS 29 (Amendment)	Financial Reporting in Hyperinflationary Economies	1 January 2009
HKAS 41 (Amendment)	Agriculture	1 January 2009

3 REVENUE AND SEGMENT INFORMATION

	2009	2008
	HK$'000	*HK$'000*
Revenue		
Contracting of building construction, plumbing, maintenance and fitting-out projects	**1,953,312**	1,474,518
Electrical and mechanical installation	**1,328,580**	–
Building materials trading	**122,875**	44,761
Others	**9,111**	6,736
	3,413,878	1,526,015

Primary reporting format – business segments

The Group is principally engaged in contracting of building construction, plumbing, maintenance and fitting-out projects, electrical and mechanical installation and building materials trading. The Group is organised into three main business segments:

- Construction – Contracting of building construction, plumbing, maintenance and fitting-out projects

- Electrical and mechanical installation – Provision of electrical, mechanical, ventilation and air conditioning, fire, plumbing and environmental engineering services

- Building materials trading – Trading of construction and building materials

Other operations of the Group mainly comprise computer software development, provision for website hosting services, architectural and engineering services as well as property investment which is not of a sufficient size to be reported separately.

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

	Continuing operations				
	Construction *HK$'000*	**Electrical and mechanical installation** *HK$'000*	**Building materials trading** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Year ended 31 March 2009					
Total sales	**1,986,886**	**1,366,045**	**199,395**	**23,226**	**3,575,552**
Inter-segment sales	**(33,574)**	**(37,465)**	**(76,520)**	**(14,115)**	**(161,674)**
External sales	**1,953,312**	**1,328,580**	**122,875**	**9,111**	**3,413,878**
Segment results	**45,472**	**29,803**	**(26,077)**	**(9,521)**	**39,677**
Unallocated net income					**4,217**
Operating profit					**43,894**
Finance costs	**(8,832)**	**(13)**	**(119)**	**(517)**	**(9,481)**
Share of profit of associates	**–**	**111**	**–**	**–**	**111**
Share of loss of jointly controlled entities/operation	**(10,637)**	**–**	**(7,549)**	**–**	**(18,186)**
Profit before income tax					**16,338**
Income tax expense					**(5,715)**
Profit for the year					**10,623**

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

	Continuing operations				Discontinued operations		
	Construction	Building materials trading	Others	Total	Property leasing	Hotel operation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2008							
Total sales	1,525,053	123,717	14,732	1,663,502	11,332	87,597	98,929
Inter-segment sales	(50,535)	(78,956)	(7,996)	(137,487)	–	–	–
External sales	1,474,518	44,761	6,736	1,526,015	11,332	87,597	98,929
Segment results	(329,364)	(9,567)	(10,103)	(349,034)	43,785	44,486	88,271
Unallocated net income				8,482			835
Operating (loss)/profit				(340,552)			89,106
Finance costs	(32,350)	(12)	(226)	(32,588)	(21,715)	–	(21,715)
Profit on disposal of properties	–	–	–	–	671,598	–	671,598
Share of profit/(loss) of jointly controlled entities/operation	2,496	(1,066)	–	1,430	–	–	–
(Loss)/profit before income tax				(371,710)			738,989
Income tax (expense)/credit				(1,342)			56,420
(Loss)/profit for the year				(373,052)			795,409

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments

The Group's operation is primarily conducted in Hong Kong, Macau, Mainland China and Singapore.

The following table provides an analysis of the Group's revenue by geographical markets:

	2009	2008
	HK$'000	*HK$'000*
Hong Kong	**2,043,278**	1,513,038
Macau	**729,356**	4,586
Mainland China	**174,726**	8,391
Singapore	**466,518**	–
	3,413,878	1,526,015

4 OTHER INCOME AND GAINS

	2009	2008
	HK$'000	*HK$'000*
Other income		
Dividend income from investments	**334**	218
Bank interest income	**6,162**	10,903
Interest income from subcontractors	**3,790**	2,998
Sundry income	**8,487**	4,291
	18,773	18,410
Other gains		
Gain on disposal of property, plant and equipment, net	**319**	–
Unrealised gain on financial assets at fair value through profit and loss	**152**	303
Realised gain on derivative financial liabilities	**2,882**	–
Unrealised gain on derivative financial assets	**–**	6,489
Exchange gain, net	**–**	11,750
Others	**14**	165
	3,367	18,707
	22,140	37,117

5 EXPENSES BY NATURE

	2009 *HK$'000*	2008 *HK$'000*
Cost of construction	**2,696,166**	1,436,936
Cost of inventories sold	**168,459**	118,833
Depreciation		
Owned property, plant and equipment	**29,243**	21,351
Leased property, plant and equipment	**2,678**	1,636
	31,921	22,987
Operating lease rentals of		
Land and buildings	**10,077**	3,615
Other equipment	**43,072**	25,023
	53,149	28,638
Staff costs (excluding directors' emoluments)	**374,327**	214,200
Directors' emoluments	**14,863**	11,659
Amortisation of leasehold land	**921**	921
Amortisation of intangible assets	**879**	–
Write-off of impaired receivables	**980**	1,867
Auditor's remuneration – audit services	**3,092**	1,612
Loss on disposal of property, plant and equipment, net	**–**	104
Fair value loss on investment properties	**4,413**	–
Exchange loss, net	**1,745**	–
Others	**41,209**	65,927
Total cost of sales, administrative and other operating expenses	**3,392,124**	1,903,684

6 FINANCE COSTS

	2009 *HK$'000*	2008 *HK$'000*
Interest on overdrafts and short-term bank loans	**3,501**	19,001
Interest on long-term bank loans repayable within five years	**–**	4,659
Interest on long-term bank loans repayable over five years	**268**	–
Interest element of finance lease payments	**311**	246
Total borrowing costs incurred	**4,080**	23,906
Less: Classified under contract costs	**(973)**	(4,889)
	3,107	19,017
Unrealised loss on financial assets at fair value through profit or loss	**249**	226
Unrealised loss on derivative financial liabilities	**6,125**	12,160
Realised loss on derivative financial assets	**–**	1,185
	9,481	32,588

7 INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
Hong Kong profits tax provision for the year	**–**	38
Overseas tax provision for the year	**8,746**	–
Over-provision in prior years	**(1,419)**	(25)
Deferred income tax relating to the origination and reversal of temporary differences	**(1,612)**	1,329
	5,715	1,342

No taxation on Hong Kong profits tax for the year as there were no estimated assessable profits in which the Group operates in Hong Kong. In 2008, Hong Kong profits tax was calculated at 17.5% on the estimated assessable profits for the year.

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates (2008: nil).

8 DIVIDENDS

In the Board meeting held on 21 July 2009, the Directors recommend the payment of a final dividend at HK0.97 cent per share (2008: HK10 cents per share), totalling HK$4,249,000 (2008: HK$44,095,000) for the year ended 31 March 2009.

9 EARNINGS/(LOSS) PER SHARE (BASIC AND DILUTED)

The calculation of earnings/(loss) per share is based on:

	2009	2008
	HK$'000	*HK$'000*
Net profit/(loss) attributable to the equity holders of the Company		
– from continuing operations	**10,652**	(373,049)
– from discontinued operations	**–**	795,409
	10,652	422,360

	2009	2008
Weighted average number of shares in issue during the year	**439,363,052**	440,949,600

Diluted earnings/(loss) per share for the years ended 31 March 2009 and 2008 are not presented as there are no potential dilutive shares during the years.

10 TRADE AND OTHER RECEIVABLES

Trade debtors, net

	2009	2008
	HK$'000	*HK$'000*
Trade debtors	**405,300**	162,494
Retention receivables	**185,139**	21,594
Provision for impairment	**(12,781)**	(40)
	577,658	184,048

The trade debtors are due 30 days to 150 days after invoicing depending on the nature of services or products. As at 31 March 2009, trade debtors of HK$54,532,000 (2008: HK$15,617,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	2009	2008
	HK$'000	*HK$'000*
Overdue by:		
1 – 30 days	**18,827**	754
31 – 90 days	**9,807**	2,386
91 – 180 days	**3,156**	897
Over 180 days	**22,742**	11,580
	54,532	15,617

11 SHARE CAPITAL

	Number of shares		**Amount**	
	31 March 2009	31 March 2008	**31 March 2009**	31 March 2008
			HK$'000	*HK$'000*
Ordinary shares of HK$0.2 each				
Authorised:				
At beginning and end of the year	**1,000,000,000**	1,000,000,000	**200,000**	200,000
Issued and fully paid:				
At beginning of the year	**440,949,600**	440,949,600	**88,190**	88,190
Shares repurchased and cancelled	**(2,896,000)**	–	**(579)**	–
	438,053,600	440,949,600	**87,611**	88,190

12 PAYABLES TO SUPPLIERS AND SUBCONTRACTORS

The aging analysis of the payables to suppliers and subcontractors is as follows:

	2009	2008
	HK$'000	*HK$'000*
Not yet due	**283,341**	123,054
Overdue by:		
1-30 days	**11,004**	454
31-90 days	**2,610**	807
91-180 days	**746**	1,007
Over 180 days	**2,213**	673
	299,914	125,995

13 BUSINESS COMBINATION

On 30 May 2008, the Company completed the purchase of 50,000,000 shares of HK$1.00 each, being the entire share capital of REC for a total cash consideration of HK$46,000,000 (excluding transaction expenses). The acquisition of REC and its subsidiaries constitutes a major transaction on the part of the Company under Chapter 14 of the Rules Governing the Listing of Securities on SEHK (the "Listing Rules").

The acquired business contributed revenue of HK$1,328,580,000 to the Group for the period from acquisition to 31 March 2009. If the acquisition had occurred on 1 April 2008, consolidated revenue and consolidated net profit for the year ended 31 March 2009 for the Group would have been approximately HK$3,699,888,000 and HK$25,520,000 respectively.

	HK$'000
Purchase consideration:	
– Cash paid	46,000
– Direct costs relating to the acquisition	4,540
Total purchase consideration	50,540
– Fair value of net assets acquired	34,635
Goodwill	15,905

The carrying value of the assets and liabilities of REC and its subsidiaries as at 30 May 2008 were treated as an approximation to their fair values with intangible assets, deferred tax liabilities and goodwill recognised of HK$21,107,000, HK$3,482,000 and HK$15,905,000 respectively. The intangible assets (i.e. customer relationships) were valued by CB Richard Ellis Limited, an independent qualified professional valuer not connected with the Group, on this acquisition.

13 BUSINESS COMBINATION *(Continued)*

	Carrying value of net assets as at 30 May 2008	**Fair value at 30 May 2008**
	HK$'000	*HK$'000*
Cash and cash equivalents	65,875	65,875
Trade and other receivables	314,215	314,215
Due from customers on construction contracts	53,540	53,540
Inventories	1,677	1,677
Plant and equipment	3,063	3,063
Associates	2,512	2,512
Deferred tax assets	679	679
Intangible assets – customer relationships	–	21,107
Due to customers on construction contracts	(231,415)	(231,415)
Trade and other payables	(187,454)	(187,454)
Income tax payable	(5,682)	(5,682)
Deferred tax liabilities	–	(3,482)
Identifiable net assets acquired	17,010	34,635
Goodwill		15,905
Total purchase consideration settled in cash		50,540
Cash and cash equivalents in subsidiaries acquired		65,875
Less: purchase consideration in cash		(50,540)
Cash inflow on acquisition		15,335

During the year, amortisation expense on intangible assets of HK$879,000 was charged to income statement, resulting in intangible assets, net at an amount of HK$20,228,000 as at 31 March 2009.

14 COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

(a) In the normal course of its business, the Group is subject to various claims under its construction contracts. At 31 March 2009, the Group had various liquidated damages claims on certain contracts for which the Group has filed extension of time claims with the customers. The amount of the ultimate liquidated damages, if any, cannot be ascertained but the Directors are of the opinion that any resulting liability would not materially affect the financial position of the Group.

(b) In 2006, the Group received a statement of claims for an aggregate amount of approximately HK$4,200,000 for alleged breach of contract and uncertified workdone in connection with a design work contract. Financial losses arising from the claims have been assessed by the Directors with reference to legal advice. Based on this advice, the Directors do not consider that any significant adverse financial impact will crystallise in respect of the claims and accordingly, no provision was made as at 31 March 2009.

(c) In 2007, the Group received a statement of claims for an aggregate amount of approximately HK$23,900,000 for uncertified workdone, variation works and prolongation costs incurred by a subcontractor in a connection with a steelwork sub-contract. The Group has raised a counter-claim of approximately HK$37,000,000 to the subcontractor for expenses and payments made on behalf. The Directors do not consider that any significant adverse financial impact will crystallise in respect of the claims and accordingly, no provision was made as at 31 March 2009.

(d) The Group has incurred guarantees in respect of performance bonds that amount to approximately HK$467,000,000 (2008: HK$29,000,000) in favour of the Group's customers.

15 POST BALANCE SHEET EVENTS

(a) Acquisition of property at Tsun Yip Street, Kwun Tong

On 30 March 2009, a wholly-owned subsidiary of the Group entered into a legally binding sale and purchase agreement with the vendor, pursuant to which the vendor shall sell and the purchaser shall acquire the property in No. 43 and 45 Tsun Yip Street, Kowloon at a consideration of HK$100,000,000.

The property comprises two blocks of industrial buildings with 3 storeys (plus roofs) and 5 storeys (plus roofs) respectively. Some of the floors are currently being occupied and used by the existing tenant. The site area of the buildings is approximately 9,169 square feet. The plot ratio of the site on which the property is built is 12 and thus upon redevelopment of the site, the permissible gross floor area will be approximately 110,028 square feet.

In light of the plot ratio and the permissible gross floor area, the Group considers that the properties have favourable potential development value. The acquisition was completed in June 2009 and since then, the property has begun to generate rental income to the Group.

15 POST BALANCE SHEET EVENTS *(Continued)*

(b) Acquisition of property at Jervois Street, Sheung Wan

On 30 April 2009, a wholly-owned subsidiary of the Group entered into a legally binding sale and purchase agreement with the vendor, pursuant to which the vendor shall sell and the purchaser shall acquire the property in No. 77, 79, 81, 83 & 85 Jervois Street and No. 14A, 16, 18, 20 & 22 Burd Street, Hong Kong at a consideration of HK$350,000,000. The transaction was completed in July 2009.

The property is currently a bare site. The site area of the property is approximately 6,592 square feet. The permissible plot ratio of the property is in the region between 10 and 15 depending on the nature of the building to be built on the property and thus upon development of the property, the permissible gross floor area of the building to be built on the property will approximately be in the region between 65,920 square feet and 98,880 square feet as calculated based on the plot ratio.

While the Group intends to construct a building on the existing site for hotel business, the planning and construction work is expected to take a period of 3 years. The Directors believe that such development will bring long-term benefit to the Group in the future.

On 15 July 2009, the Group entered into a management agreement with Intercontinental Hotels Group (Greater China) Limited (“IHG”), an independent third party, whereby the Group intends to engage IHG in providing hotel management services in relation to a Holiday Inn Express branded hotel that the Group proposes to build at the above site.

(c) Acquisition of Machinery

On 28 May 2009, the Group has entered into two separate agreements with the vendor in identical terms, save and except the territory to which it applies, pursuant to which the Group agrees to acquire from vendor two separate sets of equipment and services for building a production plant respectively in the Mainland China and United Arab Emirates for the production of environmentally friendly and high performance building material at an aggregate amount of approximately US$11,800,000 (approximately HK$92,040,000), the consideration of each Agreement being US$5,900,000 (approximately HK$46,020,000). The Group has made 30% deposits in relation to the purchase as at and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE YEAR

The Group reported turnover of HK$3,413,878,000 for the year, an increase by 124% compared with the turnover of HK$1,526,015,000 in the prior year. The increase was attributable to the acquisition of REC Engineering Company Limited and its subsidiaries in May 2008, which contributed turnover of HK$1,328,580,000 for the period from June 2008 to March 2009, as well as increased contribution from our construction contracts, especially in Singapore. Net profit for the year was HK$10,623,000 compared with a net profit of HK$422,357,000 in the prior year. The profit in the prior year was mainly due to the profit from discontinued operations of HK$795,409,000 from the operations and subsequent sale of the hotel at 33 Sharp Street East.

With regards to our continuing operations, the Group reported gross profit of HK$229,507,000 in the current year compared with a gross loss of HK$240,202,000 in 2008. Our core construction business is back on profitable track especially from the contribution from Singapore and Macau contracts and we have recorded the profit from our mechanical and engineering business starting from June 2008 onwards. The gross loss in last year was a result of the non-recurring losses from certain isolated construction contracts. Our administrative expenses in the year was HK$197,968,000, which is relatively lower compared with our turnover increase in the current year. Other income and gains, mainly sundry income and interest income, were at HK$22,140,000 while our finance costs have greatly reduced from HK$32,588,000 to HK$9,481,000 as benefited from our large decrease in indebtedness. The finance cost in current year mainly came from the fair value loss from a financial instrument. Taking into account the share of loss from jointly controlled entities/operation of HK$18,186,000 and our taxation charge (primarily overseas taxation in Singapore and Macau) of HK$5,715,000. Overall, the Group reported profit attributable to shareholders of HK$10,623,000 for the year.

The net asset value of the Group as at 31 March 2009 was HK$1,248,147,000 (2008: HK$1,284,307,000) equivalent to HK$2.85 (2008: HK$2.91) per share based on the 438,053,600 (2008: 440,949,600) ordinary shares in issue.

DIVIDENDS

In the Board meeting held on 21 July 2009, the Directors recommended the payment of a final dividend of HK0.97 cent per share (2008: HK10 cents per share) for the year ended 31 March 2009. Subject to the equity holders' approval at the forthcoming Annual General Meeting, the dividend will be paid on 25 September 2009 to equity holders whose names appear on the Company's register of members on 21 August 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 August 2009 to Friday, 21 August 2009, both dates inclusive, during which no transfer of shares will be effected. In order to qualify for the proposed dividend, all share transfers accompanied by the relevant share certificate must be lodged with the Company's branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 14 August 2009.

REVIEW OF OPERATIONS

Building construction, renovation and maintenance

Revenue for the building construction, renovation and maintenance business segment was HK$1,953,312,000 (2008: HK$1,474,518,000) and segment result was HK$45,472,000 (2008: loss of HK$329,364,000), reflecting higher revenue and profit contribution from the construction business in Singapore and Macau and improving performance in our contracts in Hong Kong. Meanwhile, a net loss of HK$10,637,000 (2008: net profit of HK$2,496,000) was taken up by the project undertaken through jointly controlled operation.

During the year, the Group secured 10 contracts with a total contract sum of HK$2,601,000,000 and completed 5 contracts with a total contract value of HK$1,549,000,000 giving the total value of contracts in hand as at 31 March 2009 at HK$4,930,000,000. In addition, a contract with value of HK$1,654,000,000 under jointly controlled operations is also in progress at year end. Subsequent to the year end and up to the date of this report, the Group has further secured 3 contracts with a total value of HK$2,132,000,000. However, contracts with value of HK$301,000,000 were terminated in Macau. The strong contract intakes demonstrate the Group's experience and recognition in the construction market.

In Hong Kong, the Group continues to monitor closely its contracts in progress especially design and build contracts and implement cost control measures. The construction project with Marina Bay Sands on the Integrated Resort Development in Singapore runs smoothly and the Group has deployed additional resources to the project to ensure completion on time. In Macau, the Group has received termination notices from Venetian Orient Limited in respect of 3 contracts. However, since the project suspension in November 2008, the Group had quickly reacted by reallocating resources from the affected projects to other projects in Macau and Hong Kong to minimise the impact to the Group.

The Group has always focused on upholding its high quality, safety and environmental standards and has made relentless effort to maintain the high standard. The effort of the Group is well recognised by the industry and many safety, quality and environmental awards have been awarded to the Group during the year. The major awards are:

1. the Gold Award for Outstanding Environmental Management & Performance Awards;

2. the Safety Team Silver Award; and

3. the Silver Award for Considerate Contractors Site Awards.

Electrical and mechanical installation

This segment relates to the business of REC and has started to report revenue to the Group in June 2008 due to the acquisition of REC by the Company. During the year, the revenue for electrical and mechanical installation segment was HK$1,328,580,000 with segment profit of HK$29,803,000. The result was partly driven by the strong profit intake from projects in Macau and the contribution by the engineering maintenance and electrical installation. As at 31 March 2009, the total contracts in hand in Hong Kong, Macau and Mainland China amounted to HK$3,445,000,000.

The Group's electrical and mechanical installation business was impacted by the economy slow down in Hong Kong after the financial tsunami in 2008 as property developers became more cautious and competition remained keen. In Macau, the projects with Venetian Orient Limited and one other casino operator were terminated and the Group has implemented appropriate measures to mitigate losses and financial exposures to the Group. However, the Group has successfully expanded its markets to China by securing a few major contracts with some reputable property developers in Hong Kong through its business arms in Shanghai and Guangdong, which will contribute to the result of the Group.

Building materials trading

This segment reported turnover of HK$122,875,000 (2008: HK$44,761,000) and a segment loss of HK$26,077,000 (2008: HK$9,567,000) in the year. The performance of the Group's factory in China was a result of the appreciation of the Renminbi, rising salary costs, increased valued added taxation charge as well as material price fluctuation. With the lower order book with third parties after the financial tsunami last year, the Group has reacted promptly by downsizing the factory and adopting cost reduction measures. The Group will continue to exercise tight control over the factory, however, the few large contracts secured by the construction business after 31 March 2009 and an improving market situation in the last few months are expected to benefit the building material trading business.

Others

The Group's other businesses mainly include computer software development, provision for website hosting services, architectural and engineering services as well as property investment. These businesses actively support the Group's existing construction business and at the same time, proactively pursue more work with external customers. Such provision of integrated services will help build up competitive edge in the market. In the current year, the Group has also purchased two properties in Singapore for investment purposes which is expected to generate attractive rental yield to the Group.

BUSINESS PROSPECTS

With the impact of financial tsunami starting the middle of September 2008, the economic downturn has affected most businesses and the unemployment rate in construction sector in Hong Kong continues to escalate. The Government of HKSAR has committed to increase spending in public sector work, adopt schemes to boost employment and to speed up the cash flow of main contractors. With the Group's strong expertise and position in public construction work, this will certainly benefit the Group's operation. In addition, the Group has also expanded and reorganised its maintenance and fitting-out department to aim at securing a larger market share.

While the Group continued to secure new contracts during this downturn, the acquisition of REC during the year has truly integrated our building construction business with the electrical and mechanical installation business. This will greatly increase the group's competitiveness in the tendering process and has expanded our market to both private contractors and to China geographically. Besides expanding further in China businesses with Hong Kong property developers, the Group will explore more types of environmental businesses and will work collaboratively with local universities on new researches and develop products to a marketable status. Along with the acquisition, the Group will also continue to drive more synergies out of the enlarged group and share best practices across all business segments.

Apart from our existing businesses, the Group licensed StarStone patent rights from a third party in the United States and committed the purchase of the associated equipment to set up production lines. The Group will devote more time on product development and testing to ensure this new kind of environmentally friendly, low cost and high performance building materials can benefit both our public construction projects and our third party customers in the near future.

During the year, the Group has purchased two properties in Singapore for investment purpose which generates attractive rental yield to the Group. Subsequent to year end, the Group has purchased a land in Jervois Street, Sheung Wan for a hotel development project. The Group has signed a management agreement to engage InterContinental Hotels Group (Greater China) Limited to operate the proposed hotel for a period of 10 years (with a further option to renew) after construction of the hotel, which is expected to be in the year 2012. The Group has also purchased a property in Tsun Yip Street, Kwun Tong and is considering redeveloping it into an office building after expiry of the tenancy in early 2010. These proposed developments will certainly help to further diversify the business and increase shareholders' value in the medium and long term.

FINANCIAL POSITION

At 31 March 2009, the Group's total cash in hand was HK$888,492,000 (2008: HK$957,631,000) while total borrowings have reduced to HK$72,897,000 (2008: HK$166,271,000) this year. Our net cash maintained at a slightly higher level than last year as a result of stronger cash flow from our construction contracts and tight cash control. The Group has no net debt (total borrowings less total cash in hand) as at 31 March 2009 (2008: Nil) and the current ratio (total current assets: total current liabilities) has changed from 3.2 in 2008 to 2.1 in 2009.

The short-term and long-term borrowings are secured by the Group's properties and certain time deposits and money market fund. Interest on bank loans are charged at floating rates and the Company monitors interest rate risks continuously and considers hedging any excessive risk when necessary. The Group has been granted banking facilities of 642,120,000 relating to bank loans and overdrafts and 665,606,000 relating to guarantees and trade financing and as at 31 March 2009, in which an amount of $72,897,000 and $479,987,000 were utilised respectively. The Group's banking facilities increase mainly because of the acquisition of REC Engineering Company Limited and its subsidiaries and the utilised facilities mainly relate to the performance bonds issued on overseas construction contracts as well as our electrical and mechanical installation business.

HUMAN RESOURCES

With the Group's expansion to overseas markets and acquisition of REC during the year, as at 31 March 2009, the Group employed approximately 2,200 of which approximately 520 employees are from REC. There are approximately 1,600 employees in Hong Kong, Macau, Malaysia and Singapore and approximately 600 employees in mainland China. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned.

MOVEMENT OF INCOMPLETE CONTRACTS FOR THE YEAR ENDED 31 MARCH 2009

	31 March 2008 *HK$ Million*	30 May 2008 Acquisition of REC *HK$ Million*	Contracts secured *HK$ Million*	Contracts completed *HK$ Million*	**31 March 2009** ***HK$ Million***
Building Construction, Renovation and Maintenance	3,878	–	2,601	(1,549)	**4,930**
Electrical and Mechanical Installation	–	3,365	251	(171)	**3,445**
	3,878	3,365	2,852	(1,720)	**8,375**

The above contract value as at 31 March 2009 did not include a contract of HK$1,654,000,000 under jointly controlled operation.

CORPORATE GOVERNANCE

The Directors are committed to safeguard the interest of its shareholders by complying with the corporate governance requirements set out in the Code on Corporate Governance Practice (the "Code") as set out in the Appendix 14 of the Listing Rules. The Company strives to improve the transparency of its corporate governance practices and maximise the return to its shareholders through prudent management, investment and treasury policies.

INTERNAL CONTROL

The Board is responsible for maintaining and reviewing the effectiveness of the Group's internal control system. The internal control system is implemented to minimise the risks to which the Group is exposed and used as a management tool for the day-to-day business operation. The system can only provide reasonable but not absolute assurance against misstatements or losses.

During the year, the Board appointed an international accounting firm, Baker Tilly Hong Kong, to conduct a review of the internal control system of the Group for the year ended 31 March 2009, including financial, operational and compliance controls as well as risk management process. The results of the internal control review were submitted to the Audit Committee for their consideration. The Audit Committee has reviewed the results of the internal control review and is satisfied that the Group's system of internal controls is sound and adequate. As part of the process of the annual review, the Board has performed evaluation of the Group's accounting and financial reporting function to ensure that there is adequacy of resources, qualifications and experience of staff of the function, and their training programmes and budget.

The Board will continue to review and improve the Group's internal control system, taking into account the prevailing regulatory requirements, the interests of shareholders, and the Group's business growth and development.

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the requirements of the Model Code as set out in Appendix 10 of the Listing Rules regarding the securities transactions of the Directors of the Company. The Company has received confirmations from all Directors that they have complied with the requirements of the Model Code for the year ended 31 March 2009.

COMPLIANCE WITH LISTING RULES

In the opinion of the Directors, the Company has complied with the requirements of the Code as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2009 except for the Code provision A.2.1 and A.4.2.

Code provision A.2.1 requires the roles of chairman and chief executive officer be separated and not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. However, the roles of the Chairman and the Chief Executive of the Company are not separated and are performed by the same individual, Mr. Wong Ip Kuen. The current structure will enable the Company to make and facilitate the implementation of decisions promptly and efficiently.

Code provision A.4.2 requires every director be subject to retirement by rotation at least once every three years, however the Bye-laws stipulate that one-third of the directors of the Company, except director holding office as Chairman, should be subject to retirement by rotation at each annual general meeting. This Code provision also stipulates that all directors appointed to fill a casual vacancy should be subject to re-election by shareholders at the first general meeting after their appointment. In accordance with the Bye-laws of the Company, any director appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. The Board of the Company considers that the impact of deviation is immaterial and casual vacancy does not happen frequently.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company repurchased a total of 2,896,000 shares at prices ranging from HK$0.485 to HK$0.850 per share on SEHK at an aggregate consideration of approximately HK$2,233,000 excluding transaction costs and these shares were subsequently cancelled by the Company during the year. The repurchase of the Company's shares during the year was effected by the Board, pursuant to the repurchase mandate granted by the shareholders, with a view to benefit shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. Apart from this, the Company has not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold, the Company's listed securities for the year ended 31 March 2009.

Details of the shares repurchased during the year under review are as follows:

Month/year	**Number of shares repurchased**	**Highest price per share** *HK$*	**Lowest price per share** *HK$*	**Aggregated consideration (excluding transaction cost)** *HK$'000*
September 2008	2,864,000	0.850	0.620	2,217
October 2008	32,000	0.490	0.485	16
Total	2,896,000			2,233

REVIEW BY AUDIT COMMITTEE

The Group's annual results for the year ended 31 March 2009 have been reviewed by the Audit Committee which comprises three Independence Non-Executive Directors. The Audit Committee, together with the management and the Company's auditors, PricewaterhouseCoopers, has reviewed the consolidated financial statements for the year ended 31 March 2009 of the Group.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in this annual results announcement have been agreed by the Company's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2009. The work performed by PricewaterhouseCoopers 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this annual results announcement.

INFORMATION TO BE PUBLISHED ON THE STOCK EXCHANGES WEBSITE

Information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the Stock Exchanges website in due course.

By order of the Board
Wong Ip Kuen
Chairman

Hong Kong, 21 July 2009

As at the date of this announcement, the Executive Directors of the Company are Mr. Wong Ip Kuen, Mr. Wong Tin Cheung, Mr. Sun Chun Wai, Mr. So Yau Chi and Ms. Wong Wai Man. The Independent Non-Executive Directors of the Company are Dr. Yeung Tsun Man, Eric, Mr. Wu King Cheong and Mr. Chan, Bernard Charnwut.

The full version of this announcement can also be accessed on the following URL:

(i) http://www.yaulee.com; and

(ii) http://www.irasia.com