# SAM WOO HOLDINGS LIMITED
# 三和集團有限公司*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2322)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2006

The board (the "Board") of directors (the "Directors") of Sam Woo Holdings Limited (the "Company") announces the audited consolidated annual results of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2006 prepared in accordance with the accounting principles generally accepted in Hong Kong, together with comparative figures for the previous financial year, as follows:

**CONSOLIDATED INCOME STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2006**

| | *Note* | **2006** *HK$'000* | 2005 *HK$'000* |
|---|---|---|---|
| Turnover | | **104,803** | 62,498 |
| Cost of sales | | **(83,793)** | (62,711) |
| Gross profit/(loss) | | **21,010** | (213) |
| Other income | | **16,722** | 1,110 |
| Administrative expenses | | **(23,754)** | (22,939) |
| Transfer from/(to) deferred income | | **936** | (936) |
| Operating profit/(loss) | *3* | **14,914** | (22,978) |
| Finance costs | *4* | **(12,517)** | (6,668) |
| Profit/(loss) before income tax | | **2,397** | (29,646) |
| Income tax credit | *5* | **1,979** | 4,797 |
| Profit/(loss) for the year | | **4,376** | (24,849) |
| Attributable to: | | | |
| Equity holders of the Company | | **4,376** | (24,849) |
| Earnings/(loss) per share attributable to the equity holders of the Company during the year | | | |
| Basic and diluted | *7* | **HK1.46 cents** | HK(8.28 cents) |

**CONSOLIDATED BALANCE SHEET**
**AS AT 31 MARCH 2006**

| | Note | 2006 *HK$'000* | 2005 *HK$'000* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Plant and equipment | | **255,603** | 295,493 |
| Deferred tax assets | | **1,401** | 911 |
| | | **257,004** | 296,404 |
| **Current assets** | | | |
| Trade receivables | *8* | **20,875** | 20,545 |
| Deposits, prepayments and other receivables | | **5,849** | 2,575 |
| Inventories | | **9,822** | 10,848 |
| Amounts due from customers for contract work | | **15,105** | 16,115 |
| Tax recoverable | | **–** | 710 |
| Cash and bank balances | | | |
| Unrestricted | | **1,928** | 3,966 |
| Restricted | | **46,782** | 46,600 |
| | | **100,361** | 101,359 |
| **Total assets** | | **357,365** | 397,763 |
| **EQUITY** | | | |
| **Capital and reserves attributable to the Company's equity holders** | | | |
| Share capital | | **30,000** | 30,000 |
| Reserves | | **102,745** | 98,369 |
| **Total equity** | | **132,745** | 128,369 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Loan from a director | | **40,152** | 36,765 |
| Long-term liabilities | | **727** | 19,750 |
| Deferred tax liabilities | | **29,436** | 32,827 |
| | | **70,315** | 89,342 |
| **Current liabilities** | | | |
| Trade payables | *9* | **5,425** | 7,011 |
| Accruals and other payables | | **9,048** | 7,806 |
| Deferred income | | **–** | 936 |
| Amounts due to related companies | | **3,598** | – |
| Amounts due to directors | | **17,655** | – |
| Short-term borrowings | | **39,040** | 69,015 |
| Current portion of long-term liabilities | | **17,523** | 37,149 |
| Taxation payable | | **1,576** | – |
| Bank overdrafts | | **60,440** | 58,135 |
| | | **154,305** | 180,052 |
| **Total liabilities** | | **224,620** | 269,394 |
| **Total equity and liabilities** | | **357,365** | 397,763 |
| **Net current liabilities** | | **(53,944)** | (78,693) |
| **Total assets less current liabilities** | | **203,060** | 217,711 |

*Notes:*

**1. Basis of preparation**

*(i) The adoption of Hong Kong Financial Reporting Standards*

The financial statements of the Company 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").

The adoption of new/revised HKFRS

In 2005, the Group adopted the following new and revised HKFRS and Hong Kong Accounting Standards ("HKAS") (collectively the new HKFRSs), which are effective for accounting periods commencing on or after 1 January 2005 and relevant to the operations of the Group:

| | |
|---|---|
| HKAS 1 | Presentation of Financial Statements |
| HKAS 2 | Inventories |
| HKAS 7 | Cash Flow Statements |
| HKAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors |
| HKAS 10 | Event after the Balance Sheet Date |
| HKAS 11 | Construction Contracts |
| HKAS 16 | Property, Plant and Equipment |
| HKAS 17 | Leases |
| HKAS 18 | Revenue |
| HKAS 19 | Employee Benefits |
| HKAS 21 | The Effects of Changes in Foreign Exchange Rates |
| HKAS 23 | Borrowing Costs |
| HKAS 24 | Related Party Disclosures |
| HKAS 27 | Consolidated and Separate Financial Statements |
| HKAS 32 | Financial Instruments: Disclosures and Presentation |
| HKAS 33 | Earnings Per Share |
| HKAS 36 | Impairment of Assets |
| HKAS 39 | Financial Instruments: Recognition and Measurement |
| HKAS 39 Amendment | Transition and Initial Recognition of Financial Assets and Financial Liabilities |
| HKFRS 2 | Share-based Payments |
| HKFRS 3 | Business Combination |

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 11, 16, 17, 18, 19, 21, 23, 24, 27, 32, 33, 36, 39, 39 Amendment and HKFRSs 2 and 3 did not result in substantial changes to the Group's accounting policies. In summary:

– HKAS 1 has affected the presentation of the financial statements.

– HKAS 24 has affected the identification of related parties and some other related party disclosures.

– HKASs 2, 7, 8, 10, 11, 16, 17, 18, 19, 21, 23, 27, 32, 33, 36, 39, 39 Amendment and HKFRSs 2 and 3 have no material effect on the Group's accounting policies.

Application of merger accounting

The Group applied the Accounting Guideline No. 5 – "Merger Accounting for Common Control Combination", using the principles of merger accounting to account for the acquisition of Master View Co., Ltd. ("Master View") which took place during the year.

The acquisition is a combination of businesses under common control since Mr. Lau Chun Ming is the substantial shareholder of both the Company and Master View. As a result, the Group accounted for the acquisition in a manner similar to a uniting of interests, whereby the assets and liabilities acquired are accounted for at historical cost to the Group. The consolidated financial statements have been restated to give effect to the acquisition with all periods presented as if the operations of the Group and Master View have always been combined. The difference between the purchase consideration and the issued share capital of Master View of HK$7 has been adjusted against equity.

The effect of adopting merger accounting to account for the acquisition of Master View to the consolidated financial statements for the Group is as follows:

The consolidated balance sheet as at 31 March 2006:

| | **The Group** | **Master View** | **Adjustments** *(Note)* | **Consolidated** |
|---|---|---|---|---|
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** |
| Total assets | **284,227** | **73,142** | **(4)** | **357,365** |
| Total liabilities | **(157,761)** | **(66,863)** | **4** | **(224,620)** |
| | **126,466** | **6,279** | **–** | **132,745** |
| Share capital | **30,000** | **–** | **–** | **30,000** |
| Share premium | **27,913** | **–** | **–** | **27,913** |
| Merger reserve | **(12,974)** | **–** | **–** | **(12,974)** |
| Retained profit | **81,527** | **6,279** | **–** | **87,806** |
| | **126,466** | **6,279** | **–** | **132,745** |

The consolidated balance sheet as at 31 March 2005:

| | The Group<br>*HK$'000* | Master View<br>*HK$'000* | Adjustments<br>*(Note)*<br>*HK$'000* | Consolidated<br>*HK$'000* |
|---|---|---|---|---|
| Total assets | 325,951 | 71,812 | – | 397,763 |
| Total liabilities | (194,907) | (74,487) | – | (269,394) |
| | 131,044 | (2,675) | – | 128,369 |
| Share capital | 30,000 | – | – | 30,000 |
| Share premium | 27,913 | – | – | 27,913 |
| Merger reserve | (12,974) | – | – | (12,974) |
| Retained profit/(accumulated loss) | 86,105 | (2,675) | – | 83,430 |
| | 131,044 | (2,675) | – | 128,369 |

*Note:*

The investment of the Group in Master View and the share capital of Master View, which are eliminated (with the difference credited to merger reserve), are not reflected in the above as the amounts involved are HK$1 and HK$8 respectively only.

The consolidated income statement for the year ended 31 March 2006:

| | **The Group**<br>*HK$'000* | **Master View**<br>*HK$'000* | **Adjustments**<br>*HK$'000* | **Consolidated**<br>*HK$'000* |
|---|---|---|---|---|
| (Loss)/profit attributable to equity holders of the Group | **(4,578)** | **8,954** | **–** | **4,376** |

The consolidated income statement for the year ended 31 March 2005:

| | | | | |
|---|---|---|---|---|
| Loss attributable to equity holders of the Group | (22,174) | (2,675) | – | (24,849) |

(ii) *Standards, amendments and interpretations which are not yet effective*

The following new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2006 or later periods:

Effective from 1 January 2006

| | |
|---|---|
| HKAS 19 Amendment | Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures |
| HKAS 39 Amendment | Cash Flow Hedge Accounting of Forecast Intragroup Transactions |
| HKAS 39 Amendment | The Fair Value Option |
| HKAS 39 and HKFRS 4 Amendment | Financial Guarantee Contracts |
| HKFRS 1 | First-time Adoption of Hong Kong Financial Reporting Standards |
| HKFRS – Int 4 | Determining whether an Arrangement contains a Lease |

Effective from 1 January 2007

| | |
|---|---|
| HKAS 1 Amendment | Capital Disclosures |
| HKFRS 7 | Financial Instruments: Disclosures |

The Group has not early adopted these new standards but has already commenced an assessment of their impact. The Group is not yet in a position to state whether these changes would have a significant impact on its results of operations and financial position.

2. **Segmental information**

*(a) Business segments – primary reporting format*

| | Foundation works HK$'000 | Trading of machinery and equipment HK$'000 | Vessel chartering HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| **Year ended 31 March 2006** | | | | |
| Turnover | **43,649** | **10,531** | **50,623** | **104,803** |
| Segment results | **1,678** | **7,757** | **15,012** | **24,447** |
| Interest income | | | | **1,253** |
| Unallocated expenses | | | | **(10,786)** |
| Operating profit | | | | **14,914** |
| Finance costs | | | | **(12,517)** |
| Income tax credit | | | | **1,979** |
| Profit attributable to equity holders of the Company | | | | **4,376** |
| **As at 31 March 2006** | | | | |
| Segment assets | **224,651** | **9,149** | **73,141** | **306,941** |
| Unallocated assets | | | | **50,424** |
| Total assets | | | | **357,365** |
| Segment liabilities | **45,610** | **70** | **66,859** | **112,539** |
| Unallocated liabilities | | | | **112,081** |
| Total liabilities | | | | **224,620** |
| **Year ended 31 March 2006** | | | | |
| Capital expenditure | **806** | **–** | **–** | **806** |
| Depreciation | **19,502** | **–** | **2,441** | **21,943** |

| | Foundation works HK$'000 | Trading of machinery and equipment HK$'000 | Vessel chartering HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| **Year ended 31 March 2005** | | | | |
| Turnover | 55,824 | 6,674 | – | 62,498 |
| Segment results | (14,541) | 5,177 | (1,499) | (10,863) |
| Interest income | | | | 239 |
| Unallocated expenses | | | | (12,354) |
| Operating loss | | | | (22,978) |
| Finance costs | | | | (6,668) |
| Income tax credit | | | | 4,797 |
| Loss attributable to equity holders of the Company | | | | (24,849) |
| **As at 31 March 2005** | | | | |
| Segment assets | 263,782 | 9,896 | 71,812 | 345,490 |
| Unallocated assets | | | | 52,273 |
| Total assets | | | | 397,763 |
| Segment liabilities | 102,487 | 108 | 74,487 | 177,082 |
| Unallocated liabilities | | | | 92,312 |
| Total liabilities | | | | 269,394 |
| **Year ended 31 March 2005** | | | | |
| Capital expenditure | 86 | – | 68,874 | 68,960 |
| Depreciation | 23,666 | 7 | 203 | 23,876 |
| Provision for impairment of receivables | 27 | – | – | 27 |

*(b) 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.

## 3. Operating profit/(loss)

| | **2006** | 2005 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Operating profit/(loss) is stated after charging: | | |
| Cost of inventories sold | **3,272** | 1,574 |
| Direct cost of vessel chartering | **32,869** | 1,398 |
| Staff costs, excluding directors' emoluments | | |
| – wages and salaries | **13,135** | 15,806 |
| – contributions to retirement scheme | **501** | 636 |
| Auditors' remuneration | **800** | 700 |
| Depreciation | | |
| – owned plant and equipment | **18,432** | 16,854 |
| – leased plant and equipment | **3,511** | 7,022 |
| Operating lease rentals in respect of land and buildings | **3,429** | 1,732 |
| Vessel hiring expense | **3,200** | 905 |
| Provision for impairment of receivables | **–** | 27 |

## 4. Finance costs

| | **2006** | 2005 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest expense: | | |
| – bank loans and overdrafts | **5,472** | 3,947 |
| – loan from a director | **2,693** | 204 |
| – other loan, secured | **3,366** | 972 |
| – finance leases | **986** | 1,545 |
| | **12,517** | 6,668 |

## 5 Income tax credit

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year.

| | **2006** | 2005 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Hong Kong profits tax | | |
| Current income tax | **1,902** | 488 |
| Deferred income tax | **(3,881)** | (5,285) |
| | **(1,979)** | (4,797) |

## 6 Dividends

The directors do not recommend the payment of dividend in respect of the year ended 31 March 2006 (2005: Nil).

## 7 Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the consolidated profit attributable to equity holders of the Company of approximately HK$4,376,000 (2005: loss of HK$24,849,000) by 300,000,000 (2005: 300,000,000) ordinary shares in issue during the year.

The exercise of share options would have no dilutive effect on the earnings/(loss) per share for the years ended 31 March 2005 and 2006.

## 8. Trade receivables

Receivables in respect of contracting work in progress are usually received within one month after the issuance of architects' certificates. Retention held by customers for contract works included in trade receivables amounted to HK$5,503,000 (2005: HK$7,679,000). The aging analysis of the remaining trade receivables is as follows:

| | **2006** | 2005 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 to 90 days | **9,983** | 7,977 |
| 91 to 180 days | **801** | 106 |
| 181 to 365 days | **953** | 939 |
| More than one year | **3,635** | 3,844 |
| | **15,372** | 12,866 |

## 9. Trade payables

Retention payable included in trade payables amounted to HK$149,000 (2005: HK$131,000). The ageing analysis of the remaining trade payables is as follows:

| | **2006** | 2005 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 to 90 days | **3,149** | 5,063 |
| 91 to 180 days | **194** | 33 |
| 181 to 365 days | **360** | 19 |
| More than one year | **1,573** | 1,765 |
| | **5,276** | 6,880 |

**MANAGEMENT DISCUSSION & ANALYSIS**

**Business and Financial Review**

The Group recorded a turnover of HK$104.8 million for the financial year ended 31 March 2006 (the "Year") as compared to that of HK$62.5 million for the year ended 31 March 2005 (the "Previous Year"). The acquisition of a vessel-holding company, namely Master View Co., Ltd. ("Master View"), which has been accounted for by merger accounting, contributed a turnover of HK$50.6 million to the Group in the Year, partially compensated the effect of the HK$12.2 million drop in revenue from foundation projects. The rise in gross profit is attributable to results of the vessel-chartering operation of Master View and a marine foundation project. Detailed analyses of the effect of the acquisition of Master View and the vessel operation are set forth in note 1 and note 2 above respectively.

The Group recognized HK$16.7 million of other income in the Year, of which HK$15.0 million is related to the receipt of a previously written-off receivable for variation contract works. A deferred income of HK$0.9 million from the Previous Year relating to the marine foundation project was also recognized in the Year when the project has reached a certain stage of completion.

The rise in the Group's finance costs is mainly due to inclusion of Master View's cost of financing for its vessel amounting to approximately HK$6.1 million in the Year.

Overall, the Group has achieved a turnaround from Previous Year's loss position and reports a HK$14.9 million operating profit and HK$4.4 million profit after tax for the Year.

*Construction Contracts*

Competition in the local construction market remained stiff and cautions were exercised by the Group in tendering for projects. The Group continued to work on the marine piling project which commenced in the Previous Year and contracted for the foundation works of an industrial building construction project, both of which are expected to complete in the financial year 2006/07 and provide a reasonable rate of return.

It is usual for variations, both in technical specifications and scope of work, to arise out of construction projects. The Group is always committed to discharging its contract duties and fulfilling customers' needs despite any variations which may develop in the process. Settlement for variation works are usually negotiated between the parties involved after completion of the construction project. The Group has successfully collected favourable settlement for variation works in the Year and the Previous Year. Management foresees that settlement for variation works of a couple other completed contracts can be crystallised in the current year.

*Machinery Trading*

The fast economic growth in mainland China and the Middle East created great demand for construction expertise and machinery in the past few years. The relatively long lead time and rising material cost for the production of heavy construction machinery further drove up the demand and prices of pre-owned machinery. The Group has been receiving enquiries expressing interest to acquire various types of its construction machinery and equipment during the Year and sees now as the right time to expand its machinery trading business. A few sale transactions of machinery have been concluded during the Year with further growth expected in the current year.

*Vessel Chartering*

The Group has acquired ownership of a heavy-lift type transport vessel ("Vessel") through its acquisition of Master View in March 2006. The Vessel was acquired by Master View in 2005 and had embarked on three voyages for the shipment of over-sized cargoes, including oil rigs and other vessels, prior to being taken over by the Group. Since then, the Vessel has been undergoing upgrading works to enhance operational efficiency and has been put back in operation in June 2006.

The heavy transport industry is very much dominated by no more than two operators, which together control over 80% of the heavy transport shipping capacity in the world. There are approximately twenty heavy-lift semi-submersible vessels in operation presently, with less than ten of similar and comparable size to the Vessel. Given such limited capacity, the Group envisages immense opportunities to follow its initial stride into the business and is actively exploring means to expand its presence and capacity in the industry.

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

The acquisition of Master View, which was accounted for by merger accounting, has rendered considerable incremental impact on the Group's total assets and total liabilities as at 31 March 2006 and 31 March 2005. Such effects are being summarized in note 2 to the financial statements.

As at 31 March 2006, the Group had cash and bank balances of HK$48.7 million (31 March 2005: HK$50.6 million) and total borrowings of HK$157.9 million (31 March 2005: HK$220.8 million). Current portion of long term borrowings, short term borrowings and bank overdrafts as at 31 March 2006 amounted to HK$117.0 million (31 March 2005: HK$164.3 million). The Group's gearing ratio as at 31 March 2006, calculated by dividing net borrowings by total equity, was 0.82 (31 March 2005: 1.33). Interest on the Group's borrowings was mainly on floating rate basis. The reduction in gearing was mainly attributable to the enhanced cash flow from operating activities.

Although the level of debts falling due in the short term remains high, the Group has already administered procedures to alleviate pressure on its short term cash flow. Several transactions of equipment sales have been completed in the few months subsequent to the end of the Year and have brought over HK$30 million of net cash flow to the Group. With its Vessel back in operation since last month, the Group envisages a stable stream of revenue from shipping operation can be established to strengthen its liquidity.

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.

## CHARGES ON THE GROUP'S ASSETS

The net book values of machinery and equipment held under finance leases and pledged for long-term bank loans amounted to HK$41.6 million and HK$35.6 million respectively. A vessel with net book value of HK$66.2 million is pledged to secure for other loan. Certain banking facilities are secured by bank deposits of HK$46.8 million.

## EMPLOYEES AND REMUNERATION POLICIES

The Group has about 49 (excluding directors) staff members as at 31 March 2006 and provides competitive remuneration packages to employees which commensurate with individual job nature and performance.

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

## CONTINGENT LIABILITIES

As at 31 March 2006, the Group had contingent liabilities of approximately HK$5.1 million (2005: HK$12.7 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.

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

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

## CORPORATE GOVERNANCE

Save as disclosed below, the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the Year.

The Company revised the terms of reference of its audit committee in July 2005 in order to align the same with the relevant code provisions. The Company also established a remuneration committee in July 2005 with written terms of reference in compliance with the relevant code provisions. Shareholders of the Company had resolved to amend the bye-laws of the Company at its Annual General Meeting held in August 2005 for compliance with code provisions concerning appointments, re-election and removal of directors. The Company's bye-laws, in its original forms, provide that a number nearest to but no more than one third of the total number of directors, are to retire every year and that the chairman of Company is not subject to retirement by rotation. Consequently, two of the directors have been serving on the Board for four consecutive years. At the forthcoming annual general meeting, all Directors, including the chairman of the company, whom have served consecutively for three or more years shall be subject to retirement in accordance with the amended bye-laws. The chairman of the Company, Mr. Lau Chun Ming, also served as chief executive until 19 December 2005. The Board has appointed Mr. Lau Chun Kwok, an executive director of the Company, as chief executive officer on 19 December 2005.

## 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 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 PricewaterhouseCoopers and Lau & Au Yeung C.P.A. Limited on the preliminary announcement.

## PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

A detailed results announcement of the Company for the Year containing all information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
**Sam Woo Holdings Limited**
**LAU Chun Ming**
*Chairman*

Hong Kong, 19 July 2006

* *For identification purpose only*

As at the date of this announcement, the Board comprises 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 as executive directors, Mr. Chiu Kam Kun, Eric as non-executive director and Dr. Lee Peng Fei, Allen, Professor Wong Sue Cheun, Roderick and Mr. Chan Wai Dune as independent non-executive directors.

Please also refer to the published version of this announcement in The Standard.