POLY DEVELOPMENT HOLDINGS LIMITED
保興發展控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1141)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2009

The Board of Directors (the "Board") of Poly Development Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Revenue	4	**350,146**	129,582
Cost of sales		**(335,976)**	(113,747)
Gross profit		**14,170**	15,835
Net losses on investments at fair value through profit or loss	6	**(1,441)**	(3,600)
Other income and gains	4	**4,154**	8,638
Selling and distribution costs		**(245)**	(136)
Administrative expenses		**(12,464)**	(18,922)
Impairment of goodwill		**–**	(6,478)
Other expenses		**(1,940)**	(897)
Finance costs	5	**(3,015)**	(3,926)
Equity settled share-based payment expenses		**(2,931)**	–

* *For identification only*

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Loss before taxation	6	**(3,712)**	(9,486)
Taxation	7	**(1,773)**	(655)
Loss for the year		**(5,485)**	(10,141)
Attributable to:			
Equity holders of the Company		**(4,907)**	(12,854)
Minority interests		**(578)**	2,713
		(5,485)	(10,141)
Loss per share attributable to equity holders of the Company	8		
Basic and diluted (HK cent(s) per share)		**(0.40)**	(1.62)

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**1,302**	26
Investment properties		**–**	–
Prepaid land lease payments		**–**	–
Goodwill		**–**	–
Total non-current assets		**1,302**	26
Current assets			
Inventories		**–**	1,234
Accounts and bills receivable	9	**20,001**	36,468
Prepayments, deposits and other receivables		**4,392**	4,036
Loans receivable		**10,500**	8,000
Amounts due from related companies		**–**	1,204
Investments at fair value through profit or loss		**83,398**	5,340
Pledged bank deposits		**37,626**	48,256
Cash and cash equivalents		**118,050**	186,285
Total current assets		**273,967**	290,823
Current liabilities			
Accounts and bills payable	10	**12,967**	6,884
Other payables and accruals		**3,288**	1,854
Amount due to a minority shareholder		**–**	34,255
Tax payable		**418**	1,611
Convertible notes		**30,563**	–
Total current liabilities		**47,236**	44,604
Net current assets		**226,731**	246,219
Total assets less current liabilities		**228,033**	246,245
Non-current liabilities			
Convertible notes		**–**	69,074
Total non-current liabilities		**–**	69,074
Net assets		**228,033**	177,171
Capital and reserves			
Share capital		**13,957**	10,699
Reserves		**214,065**	165,864
Equity attributable to equity holders of the Company		**228,022**	176,563
Minority interests		**11**	608
Total equity		**228,033**	177,171

Notes:

1. Significant accounting policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

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 (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

2. Application of new and revised HKFRSs

In the current year, the Group has applied, for the first time, the following amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are effective for the financial year beginning 1 April 2008. The new HKFRSs adopted by the Group in the financial statements are set out as follows:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
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

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendments)	Eligible Hedged Items[4]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]

HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[6]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owner[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]

1 Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.

2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

3 Effective for annual periods beginning on or after 1 January 2009.

4 Effective for annual periods beginning on or after 1 July 2009.

5 Effective for annual periods ending on or after 30 June 2009.

6 Effective for annual periods beginning on or after 1 July 2008.

7 Effective for annual periods beginning on or after 1 October 2008.

8 Effective for transfer on or after 1 July 2009.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

3. Segment information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of business segments are as follows:

- the supply and procurement segment represents supply and procurement activities in office equipment and office supplies, machinery, machinery parts, lubricating oil, bunkerage for vessels, fuel, metal minerals and recycled metal materials;

- the provision of finance segment represents provision of short-term loan financing activities;

- the securities investment segment represents investment activities in equity securities and equity-linked notes; and

- the corporate and others segment comprise of corporate income and expense items and holding of property activities.

In determining the Group's geographical segments, revenue are attributed to the segments based on the location of the customers.

There are no intersegment sales and transfers among the business segments.

Business segments

The following tables present revenue and profit/(loss) information for the Group's business segments for the years ended 31 March 2009 and 2008.

	Supply and procurement		Provision of finance		Securities investment		Corporate and others		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
Sales to external customers	**348,127**	129,582	**1,681**	–	**338**	–	**–**	–	**350,146**	129,582
Other revenue and gains	**–**	45	**–**	–	**–**	–	**–**	200	**–**	245
	348,127	129,627	**1,681**	–	**338**	–	**–**	200	**350,146**	129,827
Segment results	**9,718**	11,598	**1,571**	–	**(1,103)**	(3,600)	**–**	(6,278)	**10,186**	1,720
Interest income and unallocated revenue and gains									**2,853**	8,393
Unallocated expenses									**(10,805)**	(15,673)
Finance costs									**(3,015)**	(3,926)
Equity settled share-based payment expenses									**(2,931)**	–
Loss before taxation									**(3,712)**	(9,486)
Taxation									**(1,773)**	(655)
Loss for the year									**(5,485)**	(10,141)

Geographical segments

The following table presents revenue information for the Group's geographical segments for the years ended 31 March 2009 and 2008.

	Singapore		The People's Republic of China (the "PRC") (including Hong Kong and Mainland China)		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to external customers	**49,135**	129,582	**301,011**	–	**350,146**	129,582

4. Revenue, other income and gains

An analysis of revenue, other income and gains is as follows:

	2009	2008
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**348,127**	129,582
Interest income from provision of finance	**1,681**	–
Dividend income on investment in listed equity securities	**89**	–
Interest income on investment in equity-linked notes	**249**	–
	350,146	129,582
Other income		
Bank interest income	**3,483**	2,574
Interest income on loans receivable	**–**	693
Interest income on amount due from a related company	**–**	30
Rental income	**154**	200
Others	**517**	169
	4,154	3,666
Gains		
Gain on disposal of subsidiaries	**–**	4,562
Write-back of accrued expenses	**–**	395
Others	**–**	15
	–	4,972
	4,154	8,638

5. Finance costs

	2009	2008
	HK$'000	*HK$'000*
Interest on:		
Bank loans and other loan wholly repayable within five years	**29**	538
Convertible notes	**2,986**	3,388
	3,015	3,926

6. Loss before taxation

	2009	2008
	HK$'000	*HK$'000*
The Group's loss before taxation is arrived at after charging/(crediting):		
Impairment loss recognised in respect of other receivable	**2,040**	–
Cost of inventories sold	**305,411**	113,747
Depreciation of property, plant and equipment	**445**	156
Depreciation of investment properties	**–**	1,541
Recognition of prepaid land lease payments	**–**	520
Loss on disposal of property, plant and equipment	**13**	–
Net losses on investments at fair value through profit or loss:		
Proceeds on sales of listed equity securities investments	**(3,843)**	(73,459)
Less: cost of sales	**5,478**	76,190
Net realised loss on investment in listed equity securities	**1,635**	2,731
Unrealised loss on investment in listed equity securities	**1,109**	869
Unrealised gain on investment in equity-linked notes	**(1,303)**	–
Net losses on investments at fair value through profit or loss	**1,441**	3,600

7. Taxation

	2009	2008
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**221**	3
Current – Elsewhere		
Charge for the year	**–**	1,763
Under/(over)provision in prior years	**1,552**	(1,111)
Total taxation charge for the year	**1,773**	655

Hong Kong Profits Tax for the year ended 31 March 2009 was calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. Loss per share attributable to equity holders of the company

	2009	2008
	HK$'000	*HK$'000*
Loss		
Loss attributable to equity holders of the Company	**4,907**	12,854

	2009	2008
	'000	*'000*
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	**1,232,351**	792,002

Basic and diluted loss per share for the years ended 31 March 2009 and 2008 have been presented as equal because conversion of convertible notes would increase the earnings per share, therefore, anti-dilutive.

9. Accounts and bills receivable

	2009	2008
	HK$'000	*HK$'000*
Accounts receivable	**1,073**	36,468
Less: Impairment loss recognised	**–**	–
	1,073	36,468
Bills receivable	**18,928**	–
	20,001	36,468

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Accounts and bills receivable are non-interest bearing. The carrying amounts of the accounts and bills receivable approximate to their fair values.

An aged analysis of the accounts and bills receivable at the balance sheet date, based on invoice date, and net of allowances, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**19,632**	4,962
31 to 60 days	**–**	4,912
61 to 90 days	**231**	6,651
91 to 180 days	**–**	19,943
Over 180 days	**138**	–
	20,001	36,468
Impairment	**–**	–
Total	**20,001**	36,468

The aged analysis of the accounts and bills receivable that are not considered to be impaired is as follows:

	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**19,632**	4,962
Less than 1 month past due	**–**	4,912
1 to 3 months past due	**231**	26,594
More than 3 months past due	**138**	–
	20,001	36,468

Accounts and bills receivable that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Accounts and bills receivable that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

10. Accounts and bills payable

An aged analysis of the accounts and bills payable at the balance sheet date, based on invoice date, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**12,967**	4,083
31 to 60 days	**–**	2,184
61 to 90 days	**–**	47
91 to 180 days	**–**	294
Over 180 days	**–**	276
	12,967	6,884

The accounts and bills payable are non-interest bearing and are normally settled on 60-day terms. The carrying amounts of the accounts and bills payable approximate to their fair values. As at 31 March 2009, the Group had bills payable of HK$12,967,000, which were within 30 days.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: nil).

BUSINESS REVIEW AND PROSPECTS

The year under review was a year full of challenges which were triggered by the outbreak of financial crises in the United States. The unstable global economic conditions, the chaos of the world's major financial systems and the pessimistic market sentiments emerged after October 2008 had altogether, to a certain extent, adversely affected the performance and results of the Group. A series of operational and financial measures have been effectively adopted by the Group's management aiming to counter such adverse impacts, the Board is pleased to report to shareholders that the results so far have been encouraging, given all the turbulences the Group had experienced.

For the year ended 31 March 2009, the Group had managed to increase its revenue to HK$350,146,000, representing a 170% growth from last year (2008: HK$129,582,000) and successfully brought down loss attributable to equity holders to HK$4,907,000, which was reduced by 62% compared to the previous year (2008: HK$12,854,000). Basic loss per share was HK0.40 cent (2008: HK1.62 cents).

During the year, the Group has expanded the business scope of its supply and procurement division into commodities of fuel, metal minerals and recycled metal materials. Very encouraging results have been achieved by management in successfully building up a new business network of sellers and buyers which contributed to the significant increase in trade volume transacted by the division. The revenue of the supply and procurement division was HK$348,127,000 for the year, increased by 169% over last year (2008: HK$129,627,000), and also mainly accounted for the significant increase in the Group's overall revenue. Operating profit of the division for the year was HK$9,718,000. The newly established provision of finance division contributed an operating profit of HK$1,571,000 to the Group's results for the year. The Group's management believes the division has good earnings potential and will provide a stable stream of income to the Group. The loan portfolio held by the Group amounted to HK$10,500,000 at year end. The Group's securities investment division recorded a small loss of HK$1,103,000 for the year primarily resulting from investing in listed equity securities. At year end, the Group's securities portfolio comprised Hong Kong listed equity securities and equity-linked notes aggregated to HK$83,398,000.

There are signs that global major economies and financial systems have stabilized and effects of the financial tsunami are fading out. In addition, economic data recently released by the government of the PRC also give support to the common expectation that growth momentum of the PRC economy will sustain. Given these positive indicators, the management is optimistic about the future prospects of the Group's businesses and has looked into several investment opportunities which are expected to create substantial long-term value to shareholders. In June and July 2009, the Group entered into two framework agreements to acquire effectively 100% equity interests in a group of companies which are engaged in the design, manufacturing, sales and leasing of heavy infrastructure construction equipment and the provision of construction services and personnel to the high-speed elevated railways, urban subways, and cargo and container markets in the PRC. Given the initiatives of the government of the PRC in investing in the infrastructure sector, the management considers that the proposed acquisition will be in the interests of the Group to diversify into PRC infrastructure related businesses to broaden the scope of the Group's business, and to enjoy the benefits of future growth in the PRC infrastructure sector. The proposed transactions are subject to signing of formal agreements and further announcements relating to progress of the proposed transactions will be made in due course.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2009, except for the following deviation:

Code Provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

The Independent Non-executive Directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in bye-law 87 of the Company's bye-laws which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 March 2009 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board under the recommendation of the Audit Committee.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

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

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.polydevelop.com.hk). The annual report of the Company for the year ended 31 March 2009 will be despatched to shareholders of the Company and will be published on the same websites in due course.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 17 July 2009

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Lo Ming Chi, Charles (Deputy Chairman and Chief Executive Officer), Mr. Sue Ka Lok, Mr. Wong Danny F. and Mr. Li Rongsheng as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang, Mr. Lu Xinsheng and Mr. Xiong Wei as Independent Non-executive Directors.