SUNDART INTERNATIONAL HOLDINGS LIMITED
承達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2288)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2009

FINANCIAL HIGHLIGHTS

	For the six-month period ended 30 September		
	2009	**2008**	**Changes**
	(Audited)	(Unaudited)	%
RESULTS			
– Revenue (HK$ million)	**1,212**	594	104.0
– Gross profit (HK$ million)	**194**	89	118.0
– Gross profit margin	**16.0%**	15.0%	6.7
FINANCIAL INFORMATION PER SHARE			
– Earnings – basic (HK cents)	**31**	17	82.4
– Net assets (HK$)	**1.58**	0.55	187.3

BANK BALANCES AND CASH

– As at 30 September 2009, the Group had bank balances and cash of approximately HK$592 million.

INTERIM DIVIDEND

– The board of directors (the "Board") declared the payment of an interim dividend of HK8.5 cents per share on 10 December 2009.

The Board of Sundart International Holdings Limited 承達國際控股有限公司 (the "Company") hereby announces the audited interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six-month period ended 30 September 2009 (the "Period") together with the comparative figures for the last corresponding period as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 September 2009

	NOTES	**1.4.2009 to 30.9.2009 HK$'000 (Audited)**	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Revenue	3	**1,212,237**	593,816
Cost of sales		**(1,017,787)**	(504,435)
Gross profit		**194,450**	89,381
Other income	5	**2,331**	787
Administrative expenses		**(33,276)**	(17,233)
Other expenses		**(909)**	(302)
Listing expenses	6	**(19,327)**	–
Finance costs	7	**(393)**	(1,893)
Profit before taxation		**142,876**	70,740
Income tax expenses	8	**(23,325)**	(9,512)
Profit for the period attributable to owners of the Company	9	**119,551**	61,228
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**65**	1,052
Total comprehensive income for the period attributable to the owners of the Company		**119,616**	62,280
Earnings per share			
Basic (HK cents)	11	**31**	17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	NOTES	30.9.2009 HK$'000 (Audited)	31.3.2009 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**6,322**	6,000
Goodwill		**746**	746
Other intangible assets		**7,596**	–
		14,664	6,746
Current assets			
Inventories		**1,417**	–
Amounts due from related companies	*12*	**22,276**	5,128
Trade and other receivables	*13*	**383,836**	314,919
Amounts due from customers for contract work		**72,813**	70,056
Retentions receivable	*13*	**145,912**	114,914
Tax recoverable		**40**	43
Pledged bank deposits		**–**	809
Bank balances and cash		**592,178**	191,074
		1,218,472	696,943
Current liabilities			
Trade and other payables	*14*	**376,845**	353,520
Bills payable	*14*	**238**	2,291
Amounts due to related companies	*15*	**16,807**	5,181
Amount due to a jointly controlled entity		**7,955**	–
Amounts due to customers for contract work		**18,049**	15,512
Tax payable		**51,559**	35,017
Bank borrowings		**5,000**	26,667
		476,453	438,188
Net current assets		**742,019**	258,755
Total assets less current liabilities		**756,683**	265,501
Capital and reserves			
Share capital		**4,800**	40
Reserves		**751,524**	263,437
		756,324	263,477
Non-current liabilities			
Bank borrowings		**–**	1,667
Deferred taxation		**359**	357
		359	2,024
		756,683	265,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1. GROUP RESTRUCTURING AND BASIS OF PREPARATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 27 April 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 7th Floor, Millennium City 3, 370 Kwun Tong Road, Kowloon, Hong Kong, respectively.

Pursuant to the group reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing"), the Company became the holding company of the Group on 3 August 2009. The group reorganisation was completed by interspersing the Company between Sundart Holdings Limited, a company incorporated in the British Virgin Island ("Sundart Holdings"), and the shareholders of Sundart Holdings. The Group comprising the Company and its subsidiaries resulting from the group reorganisation is regarded as a continuing entity. Details of the group reorganisation were set out in the section headed "History, Reorganisation and Group Structure" of the prospectus dated 11 August 2009 issued by the Company (the "Prospectus").

The shares of the Company have been listed on the Stock Exchange since 21 August 2009.

The Company acts as an investment holding company and provides corporate management services.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period ended 30 September 2008 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the period presented, or since the respective dates of incorporation of the relevant entity, where this is a shorter period. The consolidated statement of financial position as at 31 March 2009 presents the assets and liabilities of the companies comprising the Group which had been incorporated/established as at 31 March 2009 as if the current group structure had been in existence on 31 March 2009.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current period, the Group has applied a number of new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Except as described below, the adoption of these new or revised HKFRSs had no material effect on the consolidated financial statements of the Group.

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and has resulted in a number of changes in presentation and disclosure.

HKAS 23 (Revised 2007) Borrowing costs

HKAS 23 (Revised 2007) removes the option available under the previous version of the standard to recognise all borrowing costs as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. As the Group did not incur borrowing costs for qualifying assets, the change has had no impact on amounts reported in prior and current accounting periods.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 24	Related party disclosures[3]
HKAS 27 (Revised 2008)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of right issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[5]
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions[5]
HKFRS 3 (Revised 2008)	Business combinations[1]
HKFRS 9	Financial instruments[6]
HK(IFRIC)-INT 17	Distributions of non-cash assets to owners[1]

[1] Effective for annual periods beginning on or after 1 July 2009.
[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.
[3] Effective for annual periods beginning on or after 1 January 2011.
[4] Effective for annual periods beginning on or after 1 February 2010.
[5] Effective for annual periods beginning on or after 1 January 2010.
[6] Effective for annual periods beginning on or after 1 January 2013.

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the annual reporting period beginning on or after 1 April 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

3. REVENUE

Revenue represents the net amounts received and receivable for sourcing and distribution of interior decorative materials and fitting-out works rendered by the Group to outside customers, net of discounts.

An analysis of the Group's revenue for the period is as follows:

	1.4.2009 to 30.9.2009 *HK$'000* **(Audited)**	1.4.2008 to 30.9.2008 *HK$'000* (Unaudited)
Fitting-out works	**1,202,226**	593,816
Sourcing and distribution of interior decorative materials	**10,011**	–
	1,212,237	593,816

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers in order to allocate resources to segments and to assess its performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Company's executive directors are the chief operating decision makers as they collectively make strategic decisions towards the Group's operations. The Group is principally operating in three geographical areas – Hong Kong, Macau and the People's Republic of China (the "PRC").

Information reported to the Company's executive directors for the purpose of resources allocation and assessment of performance focuses on the geographical areas (e.g. Hong Kong, Macau and the PRC) for fitting-out works. During the period, the Group recommences sourcing and distribution of interior decorative materials which was operated separately from the fitting-out business. In view of its uniqueness, the financial information of the sourcing and distribution of interior decorative materials is reported separately to the chief operating decision makers. The Group's reportable segments under HKFRS 8 are therefore as follows:

(a) Fitting-out works in Hong Kong;
(b) Fitting-out works in Macau;
(c) Fitting-out works in the PRC; and
(d) Sourcing and distribution of interior decorative materials.

For the six-month period ended 30 September 2009 (Audited)

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Sourcing and distribution of interior decorative materials	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue						
External revenue	**548,539**	**614,702**	**38,985**	**10,011**	**–**	**1,212,237**
Inter-segment revenue	**–**	**–**	**–**	**39,420**	**(39,420)**	**–**
Total	**548,539**	**614,702**	**38,985**	**49,431**	**(39,420)**	**1,212,237**
Segment result	**54,352**	**121,294**	**(1,332)**	**3,774**	**–**	**178,088**
Unallocated corporate expenses						**(35,618)**
Unallocated corporate income						**799**
Finance costs						**(393)**
Profit before taxation						**142,876**
Income tax expenses						**(23,325)**
Profit for the period						**119,551**

For the six-month period ended 30 September 2008 (Unaudited)

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	421,480	152,000	20,336	593,816
Segment result	54,392	25,722	(3,071)	77,043
Unallocated corporate expenses				(4,952)
Unallocated corporate income				542
Finance costs				(1,893)
Profit before taxation				70,740
Income tax expenses				(9,512)
Profit for the period				61,228

Segment result represents the profit earned by each segment, excluding income and expenses of the corporate function, including administrative expenses, other expenses, listing expenses and finance costs. This is the measure reported to the Company's executive directors for the purpose of resource allocation and assessment of segment performance.

As at 30 September 2009 (Audited)

	Fitting-out works in Hong Kong *HK$'000*	**Fitting-out works in Macau** *HK$'000*	**Fitting-out works in the PRC** *HK$'000*	**Sourcing and distribution of interior decorative materials** *HK$'000*	**Consolidated** *HK$'000*
ASSETS					
Segment assets	**368,167**	**202,981**	**46,741**	**21,558**	**639,447**
Unallocated corporate assets					**593,689**
					1,233,136
LIABILITIES					
Segment liabilities	**224,262**	**147,002**	**30,628**	**8,894**	**410,786**
Unallocated liabilities					**66,026**
					476,812

As at 31 March 2009 (Audited)

	Fitting-out works in Hong Kong *HK$'000*	Fitting-out works in Macau *HK$'000*	Fitting-out works in the PRC *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	287,417	187,748	29,502	504,667
Unallocated corporate assets				199,022
				703,689
LIABILITIES				
Segment liabilities	181,800	163,298	30,199	375,297
Unallocated liabilities				64,915
				440,212

The unallocated assets include certain property, plant and equipment, certain other receivables, tax recoverable, pledged bank deposits and bank balances and cash which are used by all segments or used for corporate operation. Unallocated liabilities include certain other payables, amount due to a jointly controlled entity, tax payable, bank borrowings and deferred taxation.

Other information for the six-month period ended 30 September 2009 (Audited)

	Fitting-out works in Hong Kong	**Fitting-out works in Macau**	**Fitting-out works in the PRC**	**Sourcing and distribution of interior decorative materials**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Additions of property, plant and equipment	**234**	–	**133**	**50**	**429**	**846**
Additions of other intangible assets	–	–	–	**8,438**	–	**8,438**
Depreciation of property, plant and equipment	**163**	**122**	**140**	**4**	**11**	**440**
Amortisation of other intangible assets	–	–	–	**842**	–	**842**
Share-based payment expenses	–	–	–	–	**10,263**	**10,263**

Other information for the six-month period ended 30 September 2008 (Unaudited)

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Additions of property, plant and equipment	319	636	385	1,340
Depreciation of property, plant and equipment	115	75	131	321

The management has categorised the sales by location of customers as follows:

	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008
	HK$'000	*HK$'000*
	(Audited)	(Unaudited)
Hong Kong	**549,501**	421,480
Macau	**618,143**	152,000
The PRC	**38,985**	20,336
United States of America ("USA")	**4,365**	–
Qatar	**1,243**	–
	1,212,237	593,816

Included in the revenue by location of customers, approximately HK$3,441,000 (six-month period ended 30 September 2008: Nil), HK$4,365,000 (six-month period ended 30 September 2008: Nil) and HK$1,243,000 (six-month period ended 30 September 2008: Nil) from Macau, USA and Qatar respectively are attributed to customers from foreign countries of respective group entity.

All non-current assets of the Group are located in the respective group entity's country of domicile.

Major customer information

During the Period, revenue of approximately HK$377,909,000, HK$376,340,000 and HK$202,319,000 were contributed by three customers and were categorised under fitting-out works in Macau, Hong Kong and Macau segment respectively.

During the six-month period ended 30 September 2008, revenue of approximately HK$277,709,000 and HK$95,185,000 were contributed by two customers and were categorised under fitting-out works in Hong Kong and Macau segment respectively.

5. OTHER INCOME

	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008
	HK$'000	*HK$'000*
	(Audited)	(Unaudited)
Net foreign exchange gain	**1,259**	72
Interest income	**365**	540
Others	**707**	175
	2,331	787

6. LISTING EXPENSES

The amount represents professional fees and other expenses related to the listing of the Company's shares on the Stock Exchange. Pursuant to HKAS 32 Financial Instruments: Presentation, the transaction costs of an equity transaction are accounted for as an deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs are recognised as an expense when incurred.

7. FINANCE COSTS

Finance costs represent interest on bank borrowings wholly repayable within five years.

8. INCOME TAX EXPENSES

	1.4.2009 to 30.9.2009	1.4.2008 to 30.9.2008
	HK$'000	*HK$'000*
	(Audited)	(Unaudited)
Current tax		
Hong Kong Profits Tax	**8,730**	6,508
Macau Profits Complementary Tax	**14,595**	3,102
	23,325	9,610
Deferred taxation		
Current period	**–**	(98)
	23,325	9,512

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (six-month period ended 30 September 2008: 16.5%) of the estimated assessable profits for the Period.

Macau Profits Complementary Tax is calculated at the progressive rates from 9% to 12% of the estimated assessable profits for both periods.

The applicable tax rate for Sundart Engineering & Contracting (Beijing) Limited is 25% for both periods.

9. PROFIT FOR THE PERIOD

	1.4.2009 to 30.9.2009 HK$'000 (Audited)	1.4.2008 to 30.9.2008 HK$'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Auditor's remuneration	**935**	350
Depreciation of property, plant and equipment	**440**	321
Amortisation of other intangible assets	**842**	–
Total depreciation and amortisation	**1,282**	321
Loss (gain) on disposal of property, plant and equipment	**97**	(8)
Operating lease payments in respect of rented properties	**2,337**	2,561
Staff costs		
– Share-based payment expenses	**10,263**	–
– Gross staff costs (including directors' emoluments)	**36,994**	35,503
Less: Staff costs capitalised to contract costs	**(23,482)**	(24,917)
	23,775	10,586

10. DIVIDENDS

Pursuant to the directors' meeting of Sundart Holdings on 30 July 2009, interim dividends of approximately HK$23,529 per share amounting to HK$120,000,000 in total, were declared and distributed to the then shareholders according to their respective shareholdings on 5 August 2009.

An interim dividend of HK8.5 cents per share amounting to HK$40,800,000 has been approved in the directors' meeting on 10 December 2009.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the consolidated profit attributable to owners of the Company and on the weighted average number of shares as follows:

	1.4.2009 to 30.9.2009 (Audited)	1.4.2008 to 30.9.2008 (Unaudited)
Weighted average number of ordinary shares issued	**386,842,398**	359,948,571

Note: The number of shares for the purpose of calculating basic earnings per share is based on the weighted average number of shares in issue after taking into account the effect of the share swap under which 69,990,000 shares of the Company were issued in exchange for the 5,100 shares of Sundart Holdings pursuant to the group reorganisation and adjusted for the 290,000,000 shares of the Company issued pursuant to the capitalisation issue on 3 August 2009.

12. AMOUNTS DUE FROM RELATED COMPANIES

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Trade receivables:		
– Giant World Corporation Limited ("Giant World") *(Note 1)*	**7,340**	–
– Waldo Hotel Limited ("Waldo") *(Note 2)*	**–**	5,128
	7,340	5,128
Retentions receivable:		
– Giant World	**1,644**	–
Purchase deposits paid:		
– Dongguan Sundart Timber Products Co., Ltd. ("DSTP") *(Note 3)*	**13,292**	–
Amounts due from related companies	**22,276**	5,128

Notes:

(1) This is a company in which Mr. CHAN William, a director of the Company, has beneficial interest that gives him significant influence over this company.

(2) Waldo is controlled by Ms. LI Wing Yin, a beneficial shareholder of the Company.

(3) This is a company in which Mr. LEUNG Kai Ming, a director of the Company, has beneficial interest that gives him control over this company.

The Group allows a credit period of 30 days to its trade receivables due from related companies. All receivables due from related companies are aged within 30 days and not yet fall due at the end of the reporting period.

As at 30 September 2009, all retentions receivable from a related company are expected to be recovered within twelve months.

13. TRADE AND OTHER RECEIVABLES AND RETENTIONS RECEIVABLE

Trade and other receivables and retentions receivable at the end of the reporting period comprise receivables from third parties as follows:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Trade and other receivables		
Trade receivables	**341,684**	237,122
Other receivables	**42,152**	77,797
	383,836	314,919

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of each reporting period:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
1-30 days	**330,058**	218,674
31-60 days	**475**	7,185
61-90 days	**945**	5,865
Over 90 days	**10,206**	5,398
	341,684	237,122

Retentions receivable

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Retentions receivable which:		
– will be recovered within twelve months	**113,040**	88,699
– will be recovered more than twelve months after the end of the reporting period	**32,872**	26,215
	145,912	114,914

14. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The average credit period taken for trade purchase is 30 days.

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Trade and other payables		
Contract creditors and suppliers	**265,902**	167,751
Retentions payable	**75,999**	58,728
	341,901	226,479
Other payables	**34,944**	127,041
Total	**376,845**	353,520

As at 30 September 2009, retentions payable of approximately HK$14,533,000 (31 March 2009: HK$15,680,000) are expected to be paid after more than one year.

The aged analysis of contract creditors and suppliers is stated as follows:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Trade payables:		
– Within 30 days	**251,910**	152,817
– 31-60 days	**7,521**	6,689
– 61-90 days	**1,361**	1,780
– Over 90 days	**5,110**	6,465
	265,902	167,751

All bills payable are repayable within 90 days.

15. AMOUNTS DUE TO RELATED COMPANIES

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Trade payables:		
– DSTP	**6,907**	–
– Sundart International (Macau) Limited *(Note)*	**780**	–
– Win Venture Trading Limited *(Note)*	**284**	–
	7,971	–
Deposits received for fitting-out works:		
– Waldo	**8,836**	–
– Giant World	**–**	5,181
	8,836	5,181
Amounts due to related companies	**16,807**	5,181

Note: These are companies in which Mr. LEUNG Kai Ming has beneficial interests that give him significant influence over these companies.

The average credit period taken by the Group for trade purchases from its related companies is 30 days. The following is an aged analysis of trade payables to related companies at the end of the reporting period:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(Audited)	(Audited)
1 – 30 days	**6,907**	–
31 – 60 days	**526**	–
61 – 90 days	**538**	–
	7,971	–

REVIEW AND OUTLOOK

OVERVIEW

For the six-month period ended 30 September 2009, it has been one of the most significant and memorable half-year for the Company, for the Company successfully listed on the Main Board of the Stock Exchange on 21 August 2009 (the "IPO"). The IPO not only provided approximately HK$457 million worth of net proceeds which have since been a strong growth driver for the Group's development, but also a powerful platform for the Group to gain access to international capital markets. Furthermore, being the first publicly listed fitting-out business among its peers, the Company enjoyed great enhancement in its corporate image, which will be very helpful in its global development.

Apart from that, the first audited interim results after listing recorded encouraging results, in which the net profit literally exceeded the forecasted figure stated in the Prospectus during the IPO. During the Period, the Group recorded a revenue of approximately HK$1,212 million (for the six-month period ended 30 September 2008 ("1H 2008/09"): HK$594 million), while net profit was approximately HK$120 million (1H 2008/09: HK$61 million). On 10 December 2009, the Board declared the payment of an interim dividend of HK8.5 cents per share for the Period.

OPERATION AND BUSINESS REVIEW

Hong Kong and Macau

We have a strong market position in Hong Kong and Macau with proven track records in these fitting-out markets. In the aftermath of the financial tsunami, the Group was able to maintain its strong market position and capture new opportunities such as building usage conversion and renovation in addition to those in the existing and reviving property market. The recovering gaming and hospitality industry in Macau also served as a strong support to the Group's performance. During the Period, the Group recorded a revenue of approximately HK$1,163 million (1H 2008/09: HK$573 million) from these fitting-out markets.

The PRC

The robust economic development in the PRC catalyzed the flourishing of the property market. Developers nowadays are promoting apartments and buildings with sophisticated and classy interior fitting-out, rather than bare-shell units like years ago. Enormous potential demand, therefore, exists in the PRC market. Scalable and professional integrated fitting-out contractors like the Group shall be welcomed by the market. Therefore, the Group strived to increase its exposure in the PRC, especially in cities with high growth potentials.

Leveraging on its long-term relationships with Hong Kong and international developers, the Group became a major partner of these developers for their projects in the PRC. As a result, the Group was able to establish a strong foothold in the PRC for various landmark projects.

During the Period, the Group undertook renowned projects like Ritz-Carlton Hotel and the Hong Kong Pavilion of World Expo in Shanghai. Revenue from the PRC fitting-out market was approximately HK$39 million during the Period.

Other markets

In May 2009, the Group formed a joint venture in Qatar in order to capture the opportunities in the Middle East market. The Group already submitted tender for a number of fitting-out projects and already secured several purchase orders of pre-fabricated finishing components during the Period.

FUTURE PROSPECTS

Hong Kong

There are a number of positive factors driving the property market. Besides the ten mega infrastructures, the residential market, especially the luxurious apartment market, has been robust recently, and as the land supply is limited we expect the market will remain strong. Also, it is becoming a common trend for developers to adopt high quality fitting-out in new projects in order to add value to the property, so we expect that we will encounter ample opportunities in the local market.

Apart from the existing fitting-out segment, we are also actively exploring the building usage conversion and renovation market. In the latest Policy Address, the Government of the Hong Kong Special Administrative Region has stated that it will promote the "adaptive-reuse" of old industrial buildings into modern residential apartments, offices and hotels. Under the leadership of the government and with our technical capability and extensive experience, we are confident that we can capture this market and generate profitable results. In that case, our strong position in the market will be further enhanced.

Macau

The recovering gaming and hospitality market in Macau reintroduces opportunities to us with several suspended projects being resumed at Cotai. Also, several casino operators have undergone initial public offerings to acquire funding, which we believe will help in inducing the rise of new luxurious casinos and hotels in Macau. With the long-established relationships with the casino operators and hotel owners, we are confident of obtaining tenders and winning the majority of these upcoming projects, thus consolidating our strong position in the market.

The PRC

The PRC will undoubtedly be a major arena of Hong Kong and even international developers in the future. We will also capture the huge potential in the PRC market by working closely with the developers in new as well as in building usage conversion projects in the market and we recently secured a new project in Chongqing. We believe that promising and sustainable revenue will be generated in future.

Other markets and business segments

In order to widen our revenue foundation, we are actively yet prudently looking for opportunities in high-growth countries and regions with large demand for high quality fitting-out services, such as in Abu Dhabi and Qatar in the Middle East. Our target is to secure one to two sizeable projects that are owned by the local government or reputable property developers at the beginning stage. Also, we are actively preparing for the setting up of prefabrication facilities, and we are setting up a procurement office at Shenzhen at the initial stage.

Looking forward, the Group will strive to create classy, comfortable and satisfaction lifestyle and bring impressive returns to our shareholders.

FINANCIAL REVIEW

Overall Performance

For the Period, the Group recorded a consolidated revenue and gross profit of approximately HK$1,212 million (1H 2008/09: HK$594 million) and HK$194 million (1H 2008/09: HK$89 million) respectively, whilst gross profit margin was approximately 16.0% (1H 2008/09: 15.0%). The basic earnings per share were HK 31 cents (1H 2008/09: HK 17 cents).

As at 30 September 2009, total assets of the Group were approximately HK$1,233 million (31 March 2009: HK$704 million) of which current assets were approximately HK$1,218 million (31 March 2009: HK$697 million), representing approximately 2.6 times of current liabilities. The equity attributable to owners of the Company was approximately HK$756 million (31 March 2009: HK$263 million).

During the Period, the Group raised approximately HK$457 million from the IPO. Cash and cash equivalents of the Group was approximately HK$592 million as at 30 September 2009 (31 March 2009: HK$191 million), whilst net cash inflow from operating activities during the period was approximately HK$62 million (1H 2008/09: HK$35 million).

Revenue and Gross Profit

During the Period, the Group recorded a revenue of approximately HK$1,212 million (1H 2008/09: HK$594 million) and achieved a gross profit of approximately HK$194 million (1H 2008/09: HK$89 million). The revenue from fitting-out works was approximately HK$1,202 million (1H 2008/09: HK$594 million), whilst approximately HK$10 million (1H 2008/09: Nil) was contributed from the sourcing and distribution of interior decorative materials.

Increase in revenue for the Period as compared with the corresponding period in 2008/09 was attributed to the completion of certain sizable projects such as City of Dreams at Cotai and Serviced Apartments for Parcel 2 Cotai Resort development in Macau and Residential Development Project at Ho Man Tin (Phase 2) in Hong Kong.

The increase in gross profit of the Group for the Period as compared with the corresponding period in 2008/09 was attributed to the increase in revenue and slight improvement in overall gross profit margin from approximately 15.0% for the period in 2008/2009 to approximately 16.0%.

Segments

During the Period, revenue was mainly generated from fitting-out works in Hong Kong and Macau. The fitting-out works in Hong Kong and Macau contributed approximately HK$548 million and HK$615 million to the Group's revenue respectively. The revenue from the fitting-out works in Hong Kong increased by approximately 30.2%, while the revenue from the fitting-out works in Macau increased by approximately 304.6% as compared to the corresponding period in 2008/09. The revenue from the fitting-out works in PRC also increased by approximately 85.7% to approximately HK$39 million as compared to the corresponding period in 2008/09. The revenue from the sourcing and distribution of interior decorative materials contributed approximately HK$10 million to the Group during the Period.

(i) Fitting-out works in Hong Kong

During the Period, revenue from the fitting-out works in Hong Kong increased by approximately 30.2% from approximately HK$421 million for the six-month period ended 30 September 2008 to approximately HK$548 million for the Period. While the gross profit increased by approximately 6.7% from approximately HK$60 million for the six-month period ended 30 September 2008 to approximately HK$64 million for the Period, the gross profit margin slightly decreased from approximately 14.3% for the six-month period ended 30 September 2008 to approximately 11.7% for the Period because of the higher project costs incurred to implement the design and specification of certain residential projects, such as Residential Development Project at Ho Man Tin (Phase 1) and Residential Development at Tseung Kwan O Area 86 Package II (Phase I).

(ii) Fitting-out works in Macau

The revenue from the fitting-out works in Macau increased by approximately 304.6% from approximately HK$152 million for the six-month period ended 30 September 2008 to approximately HK$615 million for the Period and become the major revenue contributor to the Group, which contributed approximately 50.7% of the overall revenue (1H 2008/09: 25.6%) and was attributed to the completion of certain sizable projects such as City of Dreams at Cotai and Serviced Apartments for Parcel 2 Cotai Resort development.

The gross profit contributed by the Macau projects was approximately HK$126 million for the Period (1H 2008/09: HK$29 million), with an increment of approximately 334.5% as compared to the corresponding period in 2008/09. The gross profit margin increased from approximately 19.1% for the six-month period ended 30 September 2008 to approximately 20.5% for the Period because of the effective project management that reduced the project costs on implementing the projects.

(iii) Fitting-out works in the PRC

The revenue contributed by fitting-out works in the PRC increased by approximately 85.7% from approximately HK$21 million for the six-month period ended 30 September 2008 to approximately HK$39 million for the Period which was due to the commencement of Ritz-Carlton Hotel project.

The achievement for the increase in revenue for the fitting-out works in the PRC enables the Group to improve the PRC segment result by approximately HK$2 million during the Period.

(iv) Sourcing and distribution of interior decorative materials

During the Period, the Group recommences the sourcing and distribution of interior decorative materials business. The revenue and gross profit contributed from the sourcing and distribution of interior decorative materials was approximately HK$10 million and HK$2 million respectively. Revenue was contributed by orders from Qatar, USA, Hong Kong and Macau.

Administration Expenses

Administration expenses increased by approximately 94.1% from approximately HK$17 million for the six-month period ended 30 September 2008 to approximately HK$33 million for the Period. The increase was mainly attributed to the non-cash transactions on share-based payment of approximately HK$10 million to Mr. LEUNG Kai Ming. The increase was also attributed to the increase in staff cost and trip expenses incurred for the expansion of the Group's business in the PRC market and the setting up of the new office in Qatar.

Listing Expenses

Listing expenses represent one-off expense of approximately HK$19 million in connection with the IPO that was charged to the consolidated statement of comprehensive income.

Finance Costs

Due to continuous improvement in the net cash position of the Group during the Period as compared to the corresponding period in 2008/09, the finance costs decreased by approximately 78.9% from approximately HK$1.9 million to approximately HK$0.4 million as compared to the corresponding period in 2008/09.

Earnings per Share

The calculation of the basic earnings per share is based on the profit for the periods attributable to owners of the Company and on the weighed average number of ordinary shares issued during the periods.

PROJECTS IN PROGRESS

As at 30 September 2009, the Group had estimated value of contracts on hand amounted to approximately HK$3,893 million and the value of contracts outstanding was approximately HK$885 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total debt to total assets ratio was approximately 0.41% (31 March 2009: 3.98%). The gearing ratio (net debt to equity attributable to owners of the Company) was nil as at 30 September 2009 and 31 March 2009 as the Group has net cash (bank balances and cash less total debt) of approximately HK$587 million as at 30 September 2009 (31 March 2009: HK$163 million). The gearing structure is set out below:

	As at 30 September 2009	As at 31 March 2009
Total debt (HK$ million) (note)	**5**	28
Net debt (HK$ million) (note)	**–**	–
Total assets (HK$ million)	**1,233**	704
Equity attributable to the owners of the Company (HK$ million)	**756**	263
Total debt/ Total assets	**0.41%**	3.98%
Net debt/ Equity attributable to the owners of the Company	**–**	–

Note: Total debt represents the total interest-bearing borrowings. Net debt is defined as total debt less bank balances and cash. A zero balance of net debt represents that the bank balances and cash exceeded total debt at the end of reporting period.

The management and control of the Group's financial, capital management and external financing functions are centralized at the headquarters in Hong Kong. The Group has been adhering to the principle of prudent financial management in order to minimize the financial and operational risks.

The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion. The net proceeds of approximately HK$457 million raised from the IPO has enlarged the capital base of the Group and strengthened the Group's financial position thereby facilitating the expansion of the fitting-out business in markets outside Hong Kong and Macau and setting up of pre-fabrications facilities.

As at 30 September 2009, the Group had bank balances and cash of approximately HK$592 million (31 March 2009: HK$191 million) while bank borrowings was approximately HK$5 million (31 March 2009: HK$28 million). The Group's total current assets increased from approximately HK$697 million as at 31 March 2009 to approximately HK$1,218 million as at 30 September 2009, while total current liabilities increased from approximately HK$438 million as at 31 March 2009 to approximately HK$476 million as at 30 September 2009. As a result, the current ratios was improved from approximately 1.6 as at 31 March 2009 to approximately 2.6 as at 30 September 2009.

As at 30 September 2009, the Group had net cash of approximately HK$587 million, together with the unutilized banking facilities (including the bank guarantee, trade credit, short term loan and term loan facilities), the Group has sufficient financial resources to meet the funding requirements for business development opportunities in Hong Kong, Macau, the PRC and overseas markets. The Group will cautiously seek for the development opportunity with a view to balancing the risk and opportunity in maximizing shareholders' value.

INTERIM DIVIDEND

The Board declared an interim dividend of HK8.5 cents per share to be payable to the shareholders of the Company whose names appear in the register of members of the Company on 28 December 2009. The interim dividend will be payable on 11 January 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 29 December 2009 to 30 December 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 28 December 2009.

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

Shares of the Company were listed on 21 August 2009 and the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

Since IPO and upto 30 September 2009, the Company had complied with the code provisions and certain recommended best practices set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by directors and employees (the "Securities Code") with standards no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Having made specific enquiries, all directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code from 21 August 2009 to 30 September 2009.

AUDIT COMMITTEE REVIEW

The Audit Committee, which comprises all of the three independent non-executive directors, namely Mr. WONG Kwok Wai, Albert (Chairman of the Audit Committee), Mr. TO King Yan, Adam and Mr. WONG Hoi Ki, has reviewed with the management the Group's audited interim results for the Period.

PUBLICATION OF RESULTS ANNOUNCEMENT

This interim results announcement is available for viewing on the websites of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.sundart.com and the interim report for the six-month period ended 30 September 2009 of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Company and the Stock Exchange in due course.

APPRECIATION

Finally, I would like to represent the Board to express gratitude to our management, staff and personnel for their hard work towards contributing to the growth of the Group in the past two decades and during the IPO. Also, we are grateful to the support of our shareholders, business partners and investors.

On behalf of the Board
Sundart International Holdings Limited
承達國際控股有限公司
CHAN William
Chairman

Hong Kong, 10 December 2009

As at the date of this announcement, the Board comprises Mr. CHAN William (Chairman), Mr. NG Tak Kwan (Chief Executive Officer), Mr. LEUNG Kai Ming, Mr. WONG Kim Hung, Patrick and Mr. YIP Chun Kwok as executive directors and Mr. TO King Yan, Adam, Mr. WONG Hoi Ki and Mr. WONG Kwok Wai, Albert as independent non-executive directors.