TUNGTEX

(Holdings) Company Limited

同得仕（集團）有限公司

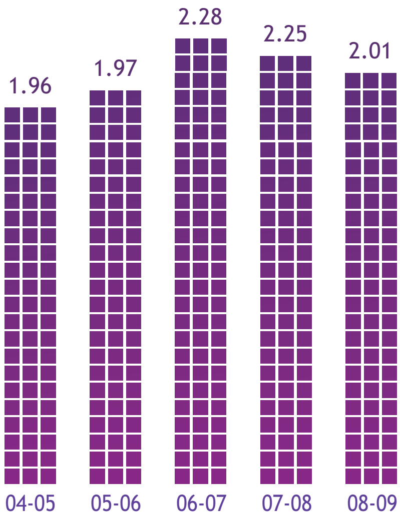
Stock Code 股份代號: 00518

Annual Report 年報

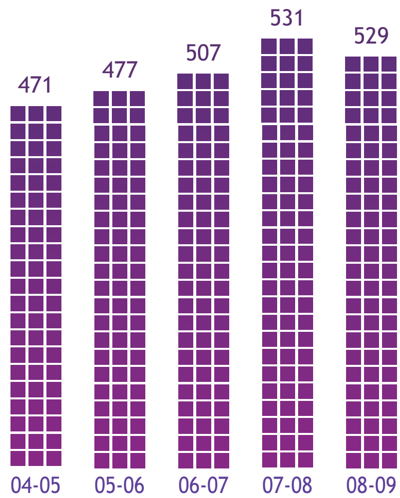
2009

Financial Highlights
財務資料概要

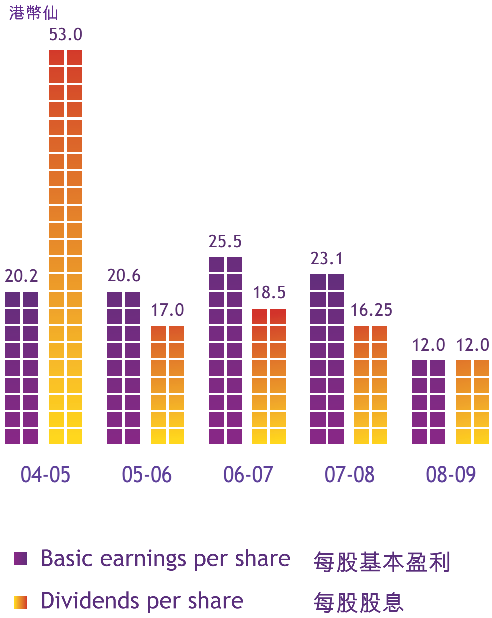
Turnover
in HK$ billion
營業額
港幣拾億元



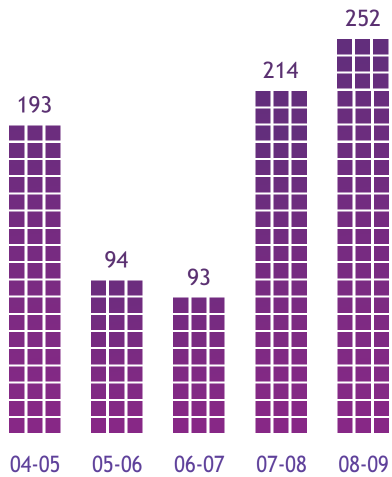
Equity
attributable
to equity
holders of
the Company
in HK$ million
本公司權益
持有人
應佔權益
港幣佰萬元



Basic
earnings per
share and
Dividends
per share
in HK cents
每股基本盈利
及股息
港幣仙



Net cash
in HK$ million
現金淨額
港幣佰萬元



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Corporate Information

DIRECTORS

Executive Directors

Benson Tung Wah Wing *(Chairman)*
Alan Lam Yiu On *(Managing Director)*
Raymond Tung Wai Man

Non-Executive Directors

Tung Siu Wing
Kevin Lee Kwok Bun

Independent Non-Executive Directors

Johnny Chang Tak Cheung
Tony Chang Chung Kay
Joseph Wong King Lam
Robert Yau Ming Kim

AUDIT COMMITTEE

Joseph Wong King Lam *(Chairman)*
Tony Chang Chung Kay
Robert Yau Ming Kim

REMUNERATION COMMITTEE

Benson Tung Wah Wing *(Chairman)*
Joseph Wong King Lam
Tony Chang Chung Kay

COMPANY SECRETARY

Lee Siu Mei

REGISTERED OFFICE

12th Floor, Tungtex Building
203 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong
Telephone: 2797 7000
Fax: 2343 9668

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

Citibank N.A.
Standard Chartered Bank
The Hongkong & Shanghai Banking
Corporation Limited

SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Secretaries Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

WEBSITE

http://www.tungtex.com
http://www.irasia.com/listco/hk/tungtex

Head Office & Major Factories

Head Office - Hong Kong

Hangzhou - China

Shenzhen - China

Zhongshan - China

Shenzhen - China

Thailand

Hangzhou - China

Panyu - China

Chairman's Statement

RESULTS

I am pleased to report the result of Tungtex for the fiscal year ended March 31, 2009.

The 2008/2009 financial year covered the extremely volatile period after the outbreak of the global financial tsunami, and it witnessed some of the most challenging operating conditions.

The speed of deterioration of financial markets was accelerating which has deeply shocked the world economy. Market confidence was running thin and people were holding back economic activities, ranging from major investments to daily consumptions. As a result, there was a sharp contraction in demand and most of the major fashion brands in the U.S. generally suffered significant drop in comparable store sales. Impaired confidence and demand translated into very conservative buying behaviour of buyers, which has a direct impact on our order volume despite our leading position in the industry.

The period under review was also very challenging for the Group's Mainland China retail business. The natural disasters happened in the first half of 2008/2009 and the subsequent worldwide financial crisis added tremendous pressure to China consumption market. The impact was reflected in the rapidly cooled down consumer price index and other economic indicators.

Our business performance was therefore negatively impacted. Furthermore, amid the slipping property market, we recorded a decrease in the fair value of investment properties. The decrease in value of HK$5 million contrasted remarkably with the increase of HK$17 million recorded in the last financial year.

As a whole, the Group's profit before tax dropped by 50.6% to HK$65.7 million for the fiscal year ended March 31, 2009 while annual sales dropped by 10.6% to HK$2,013 million. Should the effect of the change in fair value of investment properties be excluded, the Group's profit before tax would have dropped by 38.6% to HK$71.2 million. Both profit attributable to equity holders of the Company and earnings per share came down by 48% to HK$42.2 million and 12.0 cents respectively. Return on average equity decreased from 15.6% to 8.0%.

Chairman's Statement

FINAL DIVIDEND

As a token of gratitude for shareholders' long-term support and in view of the downturn of profitability, the Board of Directors has resolved to recommend a full distribution of the total net profit for the year ending March 31, 2009 to our shareholders at the forthcoming Annual General Meeting, with a final dividend of HK7.75 cents per share (2008: HK10.0 cents per share), payable on September 2, 2009 to shareholders whose names appear on the Register of Members on August 26, 2009. Together with an interim dividend of HK4.25 cents per share (2008: interim dividend HK6.25 cents per share), the total dividends for the year will be HK12.0 cents per share (2008: HK16.25 cents per share).

BUSINESS REVIEW

Manufacture and export business

The Group's manufacture and export business was facing extraordinary challenges. The negative income effect resulted from the deep correction of investment and property markets in the U.S. has caused a severe contraction in consumer demand. In response to the sluggish consumption sentiment and market uncertainties, our customers became highly cautious and actively cut down their stock level and buying budget. While more risk-conscious customers were eager to place orders to reliable manufacturers like ourselves, the adverse impact on business volume was still prominent. To lower the overall operating costs, we have scaled down the production capacity of certain factories, with offshore setup in particular.

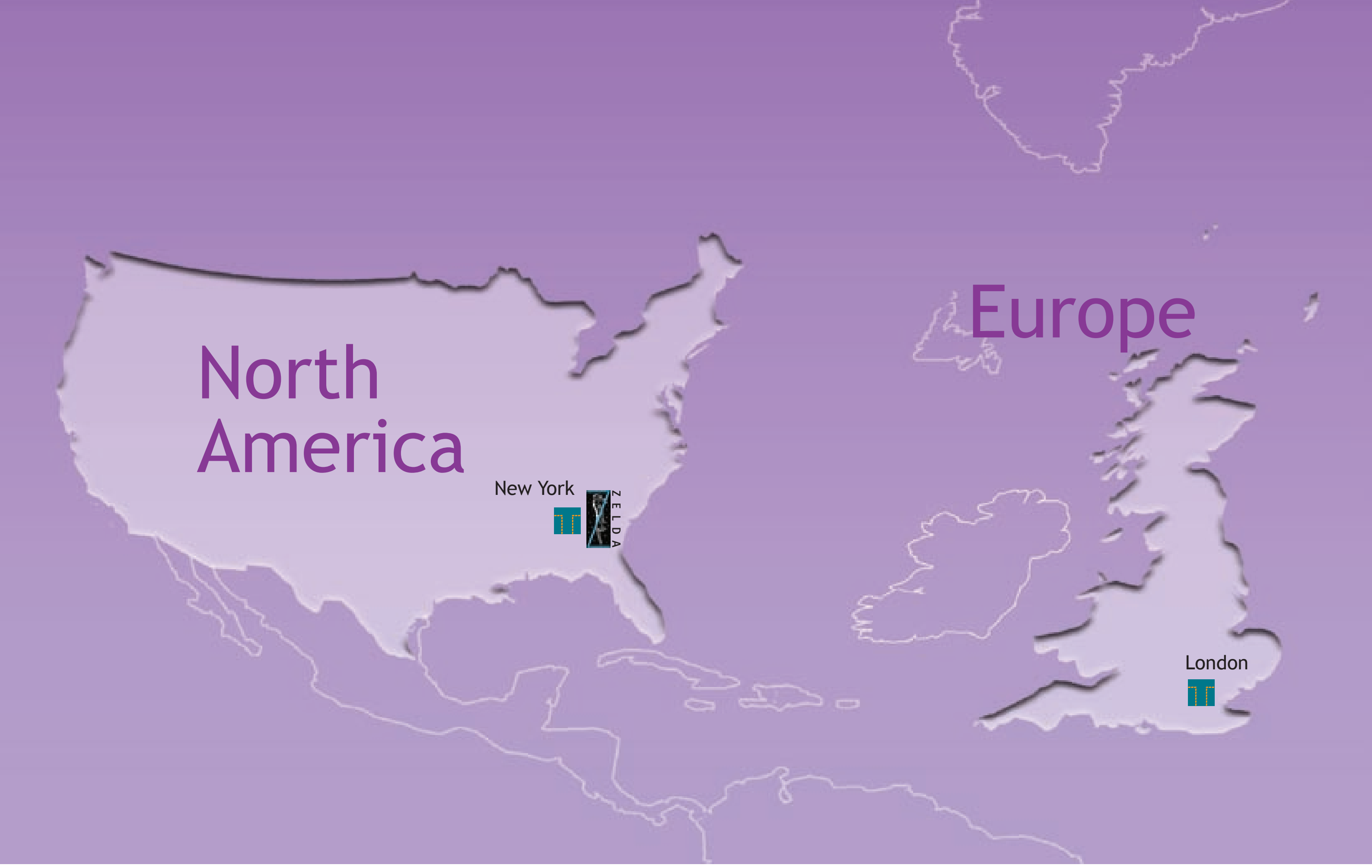
At times of recession and uncertainty, our risk management practice has become highly stringent. While it would inevitably limit our pace of business development in the short term, we considered it an appropriate strategy to contain our business risks and to keep our business healthy for long-term prosperity. Meanwhile, we spent a great deal of effort to further strengthen our core competence in order to better serve our customers. We fully implemented lean management across all areas, particularly merchandizing and production functions. We could now be speedier in turning customer's ideas into production, and be even more flexible in meeting delivery schedules. Coupled with our established niche of fine quality and reliability, we earned strong confidence of our customers in the tough times.

In terms of geographical distribution, we continued to treat the North America market as our primary focus, but it was also our strategy to achieve higher penetration into the Europe markets. It helped increase our sources of business and balance the contribution from geographical perspective.

During the year, sales to North America dropped by 11.6% to HK$1,722 million, accounting for 85.6% of the Group's turnover. Export sales to Europe and other markets saw a relatively moderate decrease by 3.8% to HK$131 million, representing about 6.5% of the turnover of the Group.

Mainland China retail business

Mainland China's consumption market was affected by a number of major events during the year. As the ripple effect of the snowstorm and Sichuan earthquake happened in the first half of 2008 was passing over, the occurrence of global financial crisis in September hard hit the market again. Consumers in the Mainland have become very cautious in spending. Substantial mark-down was prevailing among retailers which aggressively managed down their inventory level. As a result, both sales and margins were under severe downward pressure. To cope with these untoward events, in addition to tightening of inventory control, the management of Betu has quickly adjusted the marketing and expansion strategy. Products turned to be more value-for-money in order to suit the slack market. Expansion plan was toned down to a less aggressive manner while we took the opportunity to bargain for better shop locations and lower rent. Effectiveness of those measures was emerging.



The number of own shop decreased from 103 to 91 after the elimination of underperformed locations in the midst of slowing economy. The development of franchisee business was however growing steadily according to our strategy. Total retail sales amount in Mainland China decreased slightly by 1.3% and accounted for 5.5% of the Group's turnover.

USA wholesale label business

In the hub of the financial crisis, our USA wholesale label business was inevitably hard hit. We have therefore scaled down the business of Zelda to a more effective state that required minimal operating expenses.

PROSPECTS

The world economy is still undergoing extensive correction. Although the rebound of the stock markets in the recent months and the improvement of some economic indicators suggest that the trough might have passed, the road of recovery will be long and the economic momentum is still far from being robust. The remedial measures rolled out by the global governments will help iron out acute volatility to a certain extent, but the negative income effect resulted from the sharp economic downturn will continue to emerge and cause persistent impact on consumption sentiment. The high and growing unemployment rate and bankruptcy filings in the U.S. are in evidence. In this regard, the year ahead will continue to be very difficult for our core manufacture and export business. Our performance in the first half of the fiscal year 2009/2010 will likely see a double-digit decrease in turnover, causing a significantly negative impact on profitability for that period.

In Mainland China, the effectiveness of the government's substantial fiscal measures started to emerge as evidenced by the stabilized consumer price index and consumer confidence index released recently. Although the market will still take some time to recover, its pace of recovery seems to be ahead of most of the other economies. Betu's management will continue to work hard in regaining the momentum by revamping products and shops design, enhancing the efficiency of internal systems, and stringent control over inventories. The Group remains confident and committed in this line of business. As at the report date, there are 127 "Betu" shops across Mainland China, of which 43 are operated by franchisees.

Major Factories/Offices	Wholesale Label in the United States	Retail Stores in China

At times of stress in the markets, however, opportunities will come along. Following the internal improvement programs implemented in the recent years, such as lean management initiatives, technological advancement, and marketing revamp, we are now more resilient and better positioned for long-term growth. Meanwhile, Tungtex will continue to stay competitive in the process of market consolidation where customers put high emphasis on vendor quality in today's environment. Our belief in business ethics and reliability, operational excellence, and financial prudence will remain to be our cornerstones, helping us stand the economic cycles at all times.

ACKNOWLEDGEMENT

This was a very challenging year and made extraordinary demands on many of our people. I wish to express my sincere thanks for all their efforts and achievements. Their dedication is indispensable for maintaining our resilience amid adversity. I would also like to express my sincere gratitude to our valued customers, shareholders, and the members of the board for their generous support throughout the year.

Benson Tung Wah Wing
Chairman

Hong Kong, July 8, 2009

Betu

Profile of Directors and Senior Management

DIRECTORS

Executive Directors:

Benson Tung Wah Wing
Chairman
Chairman of Remuneration Committee
Aged 58, is the principal founder of the Group and has been involved in the garment industry since 1967. Under his leadership, the Group was listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 1988. He is the brother of Mr. Tung Siu Wing, the uncle of Mr. Raymond Tung and the father of Mr. Martin Tung and Mr. Billy Tung. He has an equity interest of 100% in Corona Investments Limited which is the substantial shareholder of the Company (as disclosed in the section headed "SUBSTANTIAL SHAREHOLDERS" in the Directors' Report).

Alan Lam Yiu On
Managing Director
Aged 47, was appointed as an executive director in 1995, the deputy managing director in 2001 and then the managing director in 2003. Prior to joining the Company in 1988, he worked for an international accounting firm for over 3 years. He holds a Professional Diploma in Accountancy from the Hong Kong Polytechnic University.

Raymond Tung Wai Man
Aged 44, joined the Group in 1988 and was appointed as an executive director in 2000. He is also an executive director of Tungtex Trading Company Limited. He is a nephew of Mr. Benson Tung and Mr. Tung Siu Wing. He holds a Post-experience Certificate in Engineering Business Management from the University of Warwick.

Non-executive Directors:

Tung Siu Wing
Aged 60, is a co-founder of the Group. He was redesignated as a non-executive director of the Company in 2002. He has been involved in the garment industry for over 43 years. He is a brother of Mr. Benson Tung and the uncle of Mr. Raymond Tung.

Kevin Lee Kwok Bun
Aged 59, was appointed as an executive director of the Company in 1987. He was redesignated as a non-executive director of the Company in 1995. Prior to joining the Company, he worked for an international accounting firm for 10 years and held the position of chief financial officer at two local listed companies. He is a fellow member of the Association of Chartered Certified Accountants, a member of the Canadian Institute of Chartered Accountants and the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Social Science Degree from the University of Hong Kong.

Profile of Directors and Senior Management

Independent Non-executive Directors:

Johnny Chang Tak Cheung
Aged 66, has been a non-executive director of the Company since the listing of the Company's shares in 1988. He was redesignated as an independent non-executive director of the Company in 1995. He is the uncle of Mr. Tony Chang. He has 41 years' experience in the garment business and is currently a director of a famous shirt making private company.

Tony Chang Chung Kay
Member of Audit Committee and Remuneration Committee
Aged 53, was appointed as a non-executive director of the Company in 1994. He was redesignated as an independent non-executive director of the Company in 1995. He is the nephew of Mr. Johnny Chang. He is a director of a famous shirt making private company and has 32 years' experience in the garment industry. He holds a Bachelor of Science Degree from the McGill University.

Joseph Wong King Lam
Chairman of Audit Committee
Member of Remuneration Committee
Aged 57, was appointed as an independent non-executive director of the Company in 2004. He had been the company secretary of the Company from 1987 to 1991 and had been the financial controller of the Company from 1987 to 1992. He has more than 29 years' extensive experience in auditing, corporate and financial management with a number of companies in different business sectors which include an international accounting firm and a local listed company. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Robert Yau Ming Kim
Member of Audit Committee
Aged 70, was appointed as an independent non-executive director of the Company in 2006. He has extraordinary and extensive experience in the textile and clothing industry. Before his retirement as managing director of a renowned international apparel buying office in Hong Kong in August 2004, he had held senior positions including chief executive or managing director of various major international and local apparel companies since 1971. From 1998 to 2004, he served as vice chairman of Hong Kong Exporters' Association, member of the Executive Committee of The Hong Kong Shippers' Council and member of the Garment Advisory Committee of the Hong Kong Trade Development Council. Graduated at Wah Yan College, he first served as trade officer in the Hong Kong Government in 1964. In 1970, he was seconded by the Hong Kong Government to the General Agreement on Tariffs and Trade ("GATT") Secretariat (now known as the World Trade Organization) in Geneva, Switzerland and was awarded GATT Fellowship after his attachment. He is currently an independent non-executive director of Parkson Retail Group Limited which shares are listed on the Main Board of the Stock Exchange.

Profile of Directors and Senior Management

SENIOR MANAGEMENT

Martin Tung Hau Man
Aged 34, is an assistant director of the Company and the managing director of Sing Yang Trading Limited. He joined the Company in 2000 and has about 9 years' experience in the garment industry. He is a son of Mr. Benson Tung and the brother of Mr. Billy Tung. He holds a Bachelor of Arts Degree in Economics from the Simon Fraser University and a Master of Science Degree in Engineering Business Management from the University of Warwick.

Billy Tung Chung Man
Aged 32, is an assistant director of the Company and a director of the Group's retail operation. He joined the Company in 2001 and has about 8 years' experience in the garment industry. He is a son of Mr. Benson Tung and the brother of Mr. Martin Tung. He holds a Bachelor of Engineering Degree in Civil Engineering from the University of Warwick and a Master of Science Degree in Information Technology from the University College London.

Vincent Lui Siu Ping
Aged 63, is an assistant director of the Company. Prior to joining the Group, he held senior position at a number of buying offices of renowned US apparel retailers and importers, and had been posted overseas. He has over 41 years' experience in the garment industry.

Peter Kan Mui
Aged 56, is the minority partner of Yellow River, Inc.. He is a well known fashion designer in the United States and has 31 years' experience in the garment industry. He holds a Bachelor of Arts Degree from the Trinity University.

Tammy Wong Ming Hung
Aged 51, is a director of Yellow River, Inc.. Prior to joining Yellow River, Inc. in 1986, she worked for Do Do Fashion Limited for 9 years. She has 32 years' experience in the garment industry.

Daniel Kwok Sui Chuen
Aged 55, is the president of THL Inc. Prior to joining the Group in 2004, he was the owner and senior management of number of apparel manufacturing and retail companies in the United States. He has 25 years' experience in the garment industry. He holds a Bachelor of Science Degree from Stanford University and a Master of Business Administration Degree from The University of Chicago.

Dixon Ng Po Chuen
Aged 54, is the managing director of Golden Will Fashions Limited. He joined the Group in 1991 and has 34 years' experience in the garment industry. He holds a Certificate in Clothing from the Institute of Vocational Education (Kwun Tong).

Eugene Cheng Kam Fai
Aged 49, is an assistant general manager of the Company and the group human resources manager. He joined the Company in 2003 and has 20 years' experience in professional human resources management in various industries, including banking, manufacturing and service. He holds a Bachelor of Arts Degree and a Master of Business Administration Degree from the Executive MBA programme at the Chinese University of Hong Kong.

Profile of Directors and Senior Management

Lee Siu Mei
Aged 35, is the group financial controller and the company secretary of the Company and. She is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company in 1999, she worked for an international accounting firm for about 3 years. She holds a Bachelor of Business Administration Degree in Professional Accountancy from the Chinese University of Hong Kong and a Master of Science Degree in Engineering Business Management from the University of Warwick.

Lydia So Siu Chun
Aged 48, is the general manager – production of the Group. She joined the Group in 2000 and has 28 years' experience in the garment industry.

Roger Kan Wai Sing
Aged 48, is the general manager – production of the Group. He joined the Group in 1997 and has 25 years' experience in the garment industry. He holds a Higher Diploma in Fashion and Clothing Technology from the Hong Kong Polytechnic University.

Chan Chung Choi
Aged 64, is an in-house consultant on quality production management of the Group. He joined the Company in 2002 and has 38 years' experience in the garment industry. He holds a Certificate in Apparel Engineering from Kurt Salmon Associates Inc. and a Bachelor of Social Science Degree from the Chinese University of Hong Kong.

Amy Kwok Yiu Hung
Aged 46, is the general manager of the Hong Kong office of Yellow River Inc. She joined the Group in 1988 and has 25 years' experience in the garment industry. She holds a Higher Diploma in Fashion and Clothing from the Hong Kong Polytechnic University.

Joe Hui Siu Ngor
Aged 46, is the general manager of Do Do Fashion Limited in charge of Sales and Marketing. She joined the Group in 1987 and has 22 years' experience in the garment industry.

Monnie Tong Lai Ying
Aged 49, is the general manager of Do Do Fashion Limited in charge of Finance and Administration. She joined the Group in 1988 and has 25 years' experience in the garment industry.

Dong Zhong Hui
Aged 55, is the assistant general manager of China operation and a director of Sing Yang (Overseas) Limited. He joined the Group in 1983 and has 29 years' experience in the garment industry. He graduated from the Physics Department of Shanghai Fudan University.

Fiona Cheung Fung Kwan
Aged 43, is the general manager of the Group's retail operation. Prior to joining the Group in 2007, she worked for a listed global company for managing its retail and wholesale business in both Hong Kong and Asian market. She has 20 years' experience in different retail sectors and apparel industry. She holds a Bachelor of Arts Degree from The University of Hong Kong and a Master of Business Administration in International Management from The University of London.


ZELDA

Management Discussion and Analysis

OPERATING RESULTS

As a result of the sharp contraction in demand caused by the global financial crisis, the Group's turnover for the year ended 31 March 2009 decreased by 10.6% to HK$2,013 million. Profit attributable to equity holders of the Company and earnings per share decreased by 48% to HK$42.2 million and HK12.0 cents respectively. Sales to North America came down by 11.6% and Europe and other markets dropped by 3.8%. The pre-tax contribution from North America segment and Europe and other market segment were HK$127 million and HK$15 million respectively. Asia segment remained profitable with a profit of HK$6 million recorded this year.

In the midst of challenging operating environment with hampered demand, management of costs is of paramount importance. In spite of the downward pressure of price and volume on sales, with lean management initiatives we contained the consolidated costs of sales at 77.6% of total sales, which was on the same level of last year. Selling expenses and Administrative expenses were both stringently controlled, from which we saved HK$14.2 million during the year. We also maintained stern discipline in utilising bank finance regardless of the downward trend of interest rate. We incurred 40.7% less finance costs.

During the year under review, property market was experiencing a downward adjustment. HK$5 million decrease in the fair value of investment properties was recorded, as compared to an increase of HK$17 million recorded last year.

CAPITAL EXPENDITURE

During the year, the Group has incurred HK$15.2 million capital expenditure (2008: HK$19.6 million). It mainly represented regular replacement and upgrading of production facilities.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position continued to be prudently managed and strong. As at the balance sheet date, the Group's cash level went higher to HK$270 million as compared to HK$260 million of last year. Most of the cash balance was placed in USD, HKD and RMB short-term deposits with major banks earning preferential deposit interest. Total bank borrowings reduced significantly from last year's HK$45 million to HK$17 million, comprising bank overdraft and short-term loans. The borrowings were denominated in USD and RMB and the bank borrowings represented 3.3% of the shareholders' funds at the year end date. With the net cash balance of HK$252 million and abundant banking facilities available, the Group has well-sufficient liquidity and financial resources to meet the operational and investment needs.

Working capital cycle was closely monitored. Inventory turnover shortened from last year's 31 days to 26 days, largely due to the quickened production cycle and weaker order position for the first quarter of fiscal year 2009/2010. Trade receivables turnover of this year was 31 days, 17 days shorter than last year. The much faster turnover was the result of using more factoring services during the year and the lower level of receivables toward the end of the fiscal year. Current ratio and quick ratio were improved to 2.3 and 1.8 respectively, as compared to the last year's 1.8 and 1.4.

Management Discussion and Analysis

As at March 31, 2009, certain land and buildings with an aggregate net book value of approximately HK$13 million (2008: HK$13 million) and certain investment properties with an aggregate carrying value of approximately HK$27 million (2008: HK$29 million) were pledged to banks to secure general banking facilities granted to the Group. No additional tangible security was given to banks during the year.

TREASURY POLICY

The Group continued to adopt prudent policies to hedge exchange rate and interest rate risks associated with our core business. It is our Group's policy not to engage in speculative activities. The majority of our export sales are denominated in USD while a tiny portion destined for the European markets is denominated in EUR. As a substantial portion of the purchases and overheads are denominated in RMB, the Group entered into forward contracts to hedge the risks as deemed appropriate.

HUMAN RESOURCES

Our employees are the most important asset of the Group, and are the core element of our long-term success. Building a strong and coherent team has always been our management priority. We offer competitive remuneration package with reference to the market practice, incentivize our outstanding employees on performance-linked basis and grant share options to eligible employees in order to ensure their interests aligned with that of the group. Through offering job satisfaction and empowerment, we aim to instil in all our employees a sense of ownership of the corporate goals.

As at March 31, 2009, the Group has approximately 7,300 employees globally, as compared to 8,900 as at March 31, 2008. The decrease was mainly production workers for factories in Asian countries.

Corporate Governance Report

The Board of Directors and Management are committed to uphold a high standard of corporate governance with an aim to safeguard the interest of shareholders and the Company as a whole.

The Company complied with all requirements set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the review year.

A. DIRECTORS

A.1 The Board

The Board is accountable to the shareholders for leading the Group in a responsible and effective manner. Every director is charged with acting in the best interest of the Group and contributing to the Group with their expertise and knowledge. The Board decides on overall Group strategies and monitors the Group's performance on behalf of the shareholders.

During the year ended March 31, 2009, the Board held five regular meetings at approximately quarterly intervals according to the Code. The attendance of each director is set out as follows:

Name of director	Number of attendance
Mr. Benson Tung Wah Wing	5/5
Mr. Alan Lam Yiu On	5/5
Mr. Raymond Tung Wai Man	5/5
Mr. Tung Siu Wing	5/5
Mr. Kevin Lee Kwok Bun	5/5
Mr. Johnny Chang Tak Cheung	5/5
Mr. Tony Chang Chung Kay	5/5
Mr. Joseph Wong King Lam	5/5
Mr. Robert Yau Ming Kim	5/5

To provide an opportunity to directors to include matters for discussion in the agenda, at least 14 days' notice of a Board meeting is normally given to all directors. Every director is entitled to have access to the advice and services of the company secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations, are followed. All minutes are kept by the company secretary and are open for inspection by any director with reasonably advance notice. Minutes of Board meetings and meetings of Board committees should record in sufficient detail the matters considered by the Board/Board Committees and decisions reached. Draft and final versions of minutes of Board meetings will be sent to all directors for their comments and records respectively within a reasonable time after the Board meeting is held.

Corporate Governance Report

Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any director. If a substantial shareholder or a director has a conflict of interest in a matter to be considered material by the Board, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.

A.2 Chairman and Managing Director

The positions of the Chairman and the Managing Director of the Company are currently held by separated individuals, with Mr. Benson Tung Wah Wing being the Chairman and Mr. Alan Lam Yiu On being the Managing Director. The Chairman is responsible for ensuring that the Board is functioning properly, with good corporate governance practices and procedures. He also steers the Board and the Company towards corporate goals. The Managing Director is responsible for effective implementation of the overall strategies and initiatives adopted by the Board.

With the support of the Managing Director and the Company Secretary, the Chairman seeks to ensure that all directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information on a timely basis.

A.3 Board composition

The Board consists of three executive directors, two non-executive directors and four independent non-executive directors:

Executive directors:
Mr. Benson Tung Wah Wing *(Chairman)*
Mr. Alan Lam Yiu On *(Managing Director)*
Mr. Raymond Tung Wai Man

Non-executive directors:
Mr. Tung Siu Wing
Mr. Kevin Lee Kwok Bun

Independent non-executive directors:
Mr. Johnny Chang Tak Cheung
Mr. Tony Chang Chung Kay
Mr. Joseph Wong King Lam
Mr. Robert Yau Ming Kim

More than one-third of the Board are independent non-executive directors and each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Johnny Chang Tak Cheung is the uncle of Mr. Tony Chang Chung Kay. They declare the relationship does not affect their independence as they make decision independently and vote in their own accord. The Company considers that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent.

The relationship among members of the Board is disclosed in "Profile of Directors and Senior Management" of this annual report.

A.4 Appointment, re-election and removal

In accordance with the Code and the Company's Articles of Association, all directors (including independent non-executive directors) are subject to retirement by rotation once every three years. Composition of the Board will be reviewed regularly to ensure that it covers a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The directors' profile is set out on pages 12 to 15.

The structure, size and composition of the Board are reviewed from time to time to ensure the Board has a balanced composition of skills, knowledge and experience appropriate for the requirements of the businesses of the Group. Since the full Board is involved in the appointment of new directors, the Company has not established a Nomination Committee.

A.5 Responsibilities of directors

The directors are continually updated with the regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities. Through regular Board meetings, all directors are kept abreast of the conduct, business activities and development of the Company.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Confirmation has been sought from all directors that they have complied with the required standards set out in the Model Code throughout the year ended March 31, 2009. The Board has also adopted the Model Code as guidelines for relevant employees in respect of their dealings in the securities of the Company.

Corporate Governance Report

A.6 Supply of and access to information

In respect of regular Board meetings, an agenda and accompanying board papers of the meeting are sent in full to all directors at least 3 days before the intended date of a meeting.

The management has the obligation to supply the Board and the various Committees with adequate information in a timely manner to enable the members to make informed decisions. Each director has separate and independent access to the Company's senior management to acquire more information than is volunteered by management and to make further enquiries if necessary.

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

B.1 The level and make-up of remuneration and disclosure

A Remuneration Committee was established by the Company in 2005. The Committee is chaired by Mr. Benson Tung Wah Wing and its majority members are independent non-executive directors. The primary function of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management. The director's emoluments are determined, among other things, by reference to his duties and responsibilities with the Company, his experience for the industry, prevailing market conditions and the Company's performance. The full terms of reference are available on the Company's website: http://www.tungtex.com

During the year ended March 31, 2009, the Remuneration Committee held two meetings, with attendance record as follows:

Name of member	Number of attendance
Mr. Benson Tung Wah Wing *(Chairman)*	2/2
Mr. Tony Chang Chung Kay	2/2
Mr. Joseph Wong King Lam	2/2

In order to attract and retain suitable and high-calibre personnel, to incentive them to contribute to the future development and growth of the Group and any Invested Entity, a share option scheme was adopted by the Company on September 5, 2006. Details of the share option scheme are set out in note 31 to the consolidated financial statements.

C. ACCOUNTABILITY AND AUDIT

C.1 Financial reporting

The management provides such explanation and information to the Board to facilitate an informed assessment of the financial and other information put before the Board for approval.

The directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. Meanwhile, the directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. In preparing the financial statements for the year ended March 31, 2009, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the applicable laws were complied with.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. The Board has prepared the financial statements on a going concern basis.

The reporting responsibilities of external auditors of the Company are disclosed in "Independent Auditor's Report".

C.2 Internal controls

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The system includes a defined management structure with limits of authority, safeguards its assets against unauthorized use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

The Board periodically conducts review of the effectiveness of the system of internal controls, covering all material controls including financial, operational and compliance controls and risk management functions.

Resources, qualifications and experience of the Group's accounting staff and financial reporting function, and their training programmes and budget are considered by the Board from time to time.

Corporate Governance Report

C.3 Audit Committee

The Audit Committee was established in 1999 and comprises the three independent non-executive directors. The Committee is chaired by Mr. Joseph Wong King Lam who possesses recognized professional qualifications in accounting and extensive experience in audit and accounting. The Audit Committee is to oversee the Group's financial reporting system and internal control procedures, and to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The full terms of reference are available on the Company's website: http://www.tungtex.com

During the year ended March 31, 2009 the Audit Committee held four meetings with attendance record as follows:

Name of member	Number of attendance
Mr. Joseph Wong King Lam *(Chairman)*	4/4
Mr. Tony Chang Chung Kay	4/4
Mr. Robert Yau Ming Kim	4/4

At the meetings, the Audit Committee has reviewed the audited financial statements for the year ended March 31, 2009 and the interim accounts for six months ended September 30, 2008 respectively with senior management and the Company's external auditors. The Audit Committee has also reviewed the Group's accounting principles and practices, listing rules and statutory compliance, and financial reporting matters.

C.4 Remuneration to the external auditors of the Company

The remuneration to the external auditors of the Company for the year ended March 31, 2009 is set out as follows:

Services rendered	Fee *HK$'000*
Audit services	1,921
Non-audit services	
– taxation services	191
– other services	369

D. DELEGATION BY THE BOARD

D.1 Management functions

Executive directors are in charge of different business and functional divisions in accordance with their respective areas of expertise. The Board, led by the Chairman, is responsible for setting overall corporate strategies; evaluation of the performance of the Group and the management; and approval of matters that are of a material or substantial nature. Supported by senior management members, the Managing Director is responsible for effective implementation of the Board's decisions and the day-to-day operations of the Group.

D.2 Board committees

Audit Committee and Remuneration Committee have been established to oversee specific aspects of the Company's affairs. Each of these committees has specific written terms of reference which deal clearly with their authority and duties.

E. COMMUNICATION WITH SHAREHOLDERS

E.1 Effective communication

The Company discloses relevant information to shareholders through the Company's annual report and financial statements, the interim report, as well as the Annual General Meeting ("AGM"). The sections under "Chairman's Statement" and "Management Discussion and Analysis" of the annual reports facilitate the shareholders' understanding of the Company's activities. The AGM allows the directors to meet and communicate with shareholders. The Company gives at least 20 clear business days' prior notice to shareholders before the AGM. The Company's financial statements and each of the required disclosure of information are dispatched within the prescribed period imposed by laws and regulations.

To further promote effective communication, the corporate website is maintained to disseminate Company announcements and other relevant financial and non-financial information electronically on a timely basis.

E.2 Voting by poll

The right to demand a poll was set out in the circular containing the notice of year 2008 annual general meeting. The Chairman of the AGM exercised his power under the Articles of Association of the Company to put each resolution set out in the notice to be voted by way of a poll.

At the 2009 AGM, the chairman of the meeting will demand a poll on all the resolutions in accordance with the requirements of the Listing Rules.

Directors' Report

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended March 31, 2009.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activity of its subsidiaries is the manufacture and sale of garments, which contributed for more than 90% of the Group's turnover and profit for the year. The activities of its principal subsidiaries and associates are set out in notes 19 and 20 to the consolidated financial statements, respectively.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest and five largest customers were 19% and 51% (2008: 21% and 50%), respectively. The aggregate purchases attributable to the Group's largest and five largest suppliers were 19% and 34% (2008: 19% and 33%), respectively.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended March 31, 2009 are set out in the consolidated income statement on page 36 of the annual report.

An interim dividend of HK4.25 cents per share amounting to HK$14,948,000 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK7.75 cents per share to the shareholders on the register of members on August 26, 2009, amounting to HK$27,259,000.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at March 31, 2009 represented the retained profits of HK$206,578,000 (2008: HK$190,518,000).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 104 of the annual report.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at March 31, 2009. The decrease in fair value of investment properties of HK$5,493,000 is recognised in the consolidated income statement. Details of the movements in the investment properties of the Group during the year are set out in note 15 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group has incurred HK$15,181,000 capital expenditure (2008: HK$19,568,000). It mainly represented regular replacement and upgrading of production facilities.

Details of these and other movements in the property, plant and equipment of the Group and the Company during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the movement in share capital of the Company are set out in note 30 to the consolidated financial statements.

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

During the year ended March 31, 2009, the Company repurchased its own ordinary shares through the Stock Exchange in October 2008. 406,000 shares were repurchased at an aggregate consideration of approximately HK$493,000. The highest price and the lowest price paid were HK$1.35 per share and HK$1.08 per share, respectively.

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares.

The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

Save as disclosed above, at no time during the year ended March 31, 2009 was there any purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

Directors' Report

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Benson Tung Wah Wing *(Chairman)*
Alan Lam Yiu On *(Managing Director)*
Raymond Tung Wai Man

Non-executive directors:

Tung Siu Wing
Kevin Lee Kwok Bun

Independent non-executive directors:

Johnny Chang Tak Cheung
Tony Chang Chung Kay
Joseph Wong King Lam
Robert Yau Ming Kim

Pursuant to Article 84(A) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every director (including those appointed for a specific term or holding office as Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years or within such other period as the Stock Exchange may from time to time prescribe. Accordingly, Messrs. Raymond Tung Wai Man, Tung Siu Wing and Johnny Chang Tak Cheung retire by rotation and, being eligible, offer themselves for re-election.

None of the directors being proposed for re-election at the forthcoming annual general meeting has any unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At March 31, 2009, the interests and short positions of the directors, chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company

Name of director	Capacity	Number of issued ordinary shares held	Number of share options held	Total interests	Percentage of the issued share capital of the Company
Benson Tung Wah Wing	Interest of controlled corporation *(note a)*/ Beneficial owner	125,049,390	1,500,000	126,549,390	35.97%
Alan Lam Yiu On	Beneficial owner	350,000	1,500,000	1,850,000	0.52%
Raymond Tung Wai Man	Beneficial owner	400,000	1,000,000	1,400,000	0.39%
Kevin Lee Kwok Bun	Beneficial owner	9,000,000	–	9,000,000	2.55%
Johnny Chang Tak Cheung	Beneficial owner/ Beneficiary of a trust *(note b)*	1,941,680	–	1,941,680	0.55%
Tony Chang Chung Kay	Beneficial owner	3,494,760	–	3,494,760	0.99%
Joseph Wong King Lam	Beneficial owner	1,390	–	1,390	0.000395%

Notes:

(a) Mr. Benson Tung Wah Wing has an equity interest of 100% in Corona Investments Limited, which owned 125,049,390 ordinary shares in the Company as at March 31, 2009, representing 35.55% of the issued share capital of the Company.

(b) Mr. Johnny Chang Tak Cheung is the beneficiary owner who owned 231,680 ordinary shares in the Company as at March 31, 2009. He is also a beneficiary of a trust, Chaco International Limited, which owned 1,710,000 ordinary shares in the Company as at March 31, 2009.

Directors' Report

Save as disclosed above, as at March 31, 2009, none of the directors, chief executives of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associate corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company, pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SHARE OPTIONS

Particulars of the share option scheme and the movements in share options of the Company are set out in note 31 to the consolidated financial statements.

During the year, the movements in the share options to subscribe for the Company's shares were as follows:

					Number of share options				
	Date of grant	Vesting period	Exercisable period	Exercisable price per share HK$	Outstanding at April 1, 2008	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at March 31, 2009
Category 1: Directors									
Benson Tung Wah Wing	November 9, 2006	3 years	November 9, 2009 – November 8, 2014	1.80	1,500,000	–	–	–	1,500,000
Alan Lam Yiu On	November 9, 2006	3 years	November 9, 2009 – November 8, 2014	1.80	1,500,000	–	–	–	1,500,000
Raymond Tung Wai Man	November 9, 2006	3 years	November 9, 2009 – November 8, 2014	1.80	1,000,000	–	–	–	1,000,000
Total for directors					4,000,0000	–	–	–	4,000,000
Category 2: Employees	November 9, 2006	3 years	November 9, 2009 – November 8, 2014	1.80	11,000,000	–	–	(1,400,000)	9,600,000
	June 8, 2007	3 years	June 8, 2010 – June 7, 2015	2.08	200,000	–	–	–	200,000
	December 19, 2007	3 years	December 19, 2010 – December 18, 2015	2.08	200,000	–	–	(200,000)	–
Total for employees					11,400,000	–	–	(1,600,000)	9,800,000
Total for all categories					15,400,000	–	–	(1,600,000)	13,800,000

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the heading "Share Options" above and in note 31 "Share-based payment transactions" to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

At March 31, 2009, shareholders who had interests and short positions in the shares and underlying shares of the Company, other than those mentioned in directors' and chief executives' interests, which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Corona Investments Limited *(note a)*	Beneficial owner	125,049,390	35.55%
Dresdner Bank VPV NV *(note b)*	Investment manager	24,077,250	6.85%
Dresdner Bank Aktiengesellschaft *(note b)*	Interest of controlled corporation	24,077,250	6.85%
Commerzbank AG *(note b)*	Interest of controlled corporation	24,077,250	6.85%

Notes:

a These shares have been disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above.

b Dresdner Bank VPV NV is 100% indirectly owned by Dresdner Bank Aktiengesellschaft, which is 100% directly owned by Commerzbank AG.

Other than as disclosed above, the Company has not been notified of any other interests representing 5% or more of the Company's issued share capital as at March 31, 2009.

Directors' Report

CONNECTED TRANSACTIONS

Details of the discloseable connected transactions for the year are set out in note 39 to the consolidated financial statements.

Pursuant to Rule 14A.38 of the Listing Rules, the Board of Directors engaged the auditor of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group in respect of fabric print and artwork services from Fine Print Studio Inc.

The auditor has reported the factual findings on these procedures to the Board of Directors.

The independent non-executive directors of the Company have reviewed the transactions and the findings, and confirmed that the transactions are:

a. in the ordinary and usual course of business of the Group;

b. on normal commercial terms; and

c. in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

CORPORATE GOVERNANCE

The Company has an audit committee consisting of three independent non-executive directors of the Company. The committee meets regularly with the external auditors and management to review the interim and yearly financial statements of the Group.

Pursuant to Appendix 23 of the Listing Rules, details of Corporate Governance Report are set out on pages 19 to 25 of the Annual Report.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code.

EMOLUMENT POLICY

The emoluments of the directors of the Company are determined, among other things, with reference to their duties and responsibilities in the Company, their experience in the industry, prevailing market conditions and the Company's performance.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules throughout the year ended March 31, 2009.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK$174,000.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Benson Tung Wah Wing
Chairman

Hong Kong, July 8, 2009

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF TUNGTEX (HOLDINGS) COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Tungtex (Holdings) Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 103, which comprise the consolidated and Company balance sheets as at March 31, 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditor's Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at March 31, 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, July 8, 2009

Consolidated Income Statement

For the year ended March 31, 2009

	NOTES	2009 HK$'000	2008 HK$'000
Revenue	6	**2,012,529**	2,252,055
Cost of sales		**(1,561,690)**	(1,746,727)
Gross profit		**450,839**	505,328
Other income	7	**3,943**	10,679
(Decrease) increase in fair value of investment properties		**(5,493)**	17,099
Selling and distribution costs		**(105,602)**	(109,779)
Administrative expenses		**(273,483)**	(283,542)
Finance costs	8	**(2,669)**	(4,503)
Share of losses of associates		**(1,792)**	(2,244)
Profit before tax	9	**65,743**	133,038
Income tax expense	12	**(16,785)**	(35,834)
Profit for the year		**48,958**	97,204
Attributable to:			
Equity holders of the Company		**42,232**	81,233
Minority interests		**6,726**	15,971
		48,958	97,204
Dividends	13	**50,162**	66,026
		HK cents	HK cents
Earnings per share	14		
– Basic		**12.0**	23.1
– Diluted		**N/A**	22.9

Consolidated Balance Sheet

At March 31, 2009

	NOTES	2009 HK$'000	2008 HK$'000
Non-current assets			
Investment properties	15	**62,998**	68,491
Property, plant and equipment	16	**115,136**	132,240
Prepaid lease payments	17	**23,576**	24,828
Intangible assets	18	**252**	325
Interests in associates	20	**1,465**	3,224
Deferred tax assets	21	**430**	68
		203,857	229,176
Current assets			
Inventories	22	**145,248**	190,698
Trade and other receivables	23	**254,616**	379,788
Prepaid lease payments	17	**673**	687
Amount due from an associate	39	**8,708**	4,644
Tax recoverable		**7,726**	1,445
Derivative financial instruments	24	**–**	3,167
Bank balances and cash	25	**269,585**	259,761
		686,556	840,190
Asset classified as held for sale	26	**1,906**	–
		688,462	840,190
Current liabilities			
Trade and other payables	27	**234,093**	373,750
Amount due to a minority shareholder of a subsidiary	39	**5,000**	4,000
Tax liabilities		**37,188**	38,344
Obligations under finance leases – due within one year	28	**275**	437
Derivative financial instruments	24	**338**	–
Bank borrowings	29	**17,188**	45,484
		294,082	462,015
Net current assets		**394,380**	378,175
Total assets less current liabilities		**598,237**	607,351

Consolidated Balance Sheet

At March 31, 2009

	NOTES	2009 HK$'000	2008 HK$'000
Non-current liabilities			
Obligations under finance leases – due after one year	28	**165**	88
Deferred tax liabilities	21	**11,564**	13,837
		11,729	13,925
		586,508	593,426
Capital and reserves			
Share capital	30	**70,346**	70,428
Reserves		**458,253**	460,620
Equity attributable to equity holders of the Company		**528,599**	531,048
Minority interests		**57,909**	62,378
		586,508	593,426

The consolidated financial statements on pages 36 to 103 were approved and authorised for issue by the Board of Directors on July 8, 2009 and are signed on its behalf by:

Benson Tung Wah Wing
Director

Alan Lam Yiu On
Director

Balance Sheet

At March 31, 2009

	NOTES	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	16	**1,860**	2,699
Investments in subsidiaries	19	**115,297**	115,222
Investment in an associate	20	**1,686**	1,686
Deferred tax asset	21	**68**	16
		118,911	119,623
Current assets			
Other receivables		**1,593**	3,404
Amounts due from subsidiaries	39	**292,198**	277,419
Bank balances and cash	25	**3,619**	1,112
		297,410	281,935
Current liabilities			
Other payables		**5,951**	6,639
Amounts due to subsidiaries	39	**43,647**	44,419
Tax liability		**401**	229
Bank borrowings	29	**–**	220
		49,999	51,507
Net current assets		**247,411**	230,428
		366,322	350,051
Capital and reserves			
Share capital	30	**70,346**	70,428
Reserves	32	**295,976**	279,623
		366,322	350,051

Benson Tung Wah Wing
Director

Alan Lam Yiu On
Director

Consolidated Statement of Changes in Equity

For the year ended March 31, 2009

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Share option reserve	Asset revaluation reserve	Retained profits	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At April 1, 2007	70,428	84,880	3,848	(4,280)	107	–	352,218	507,201	58,727	565,928
Exchange differences arising on translation of foreign operations	–	–	–	2,230	–	–	–	2,230	249	2,479
Revaluation surplus arising on transfer of properties to investment properties	–	–	–	–	–	7,339	–	7,339	–	7,339
Deferred tax liability arising on revaluation of properties	–	–	–	–	–	(1,284)	–	(1,284)	–	(1,284)
Share of reserves of associates	–	–	–	281	–	–	–	281	85	366
Net income recognised directly in equity	–	–	–	2,511	–	6,055	–	8,566	334	8,900
Realised on disposal of an associate	–	–	–	(196)	–	–	–	(196)	–	(196)
Profit for the year	–	–	–	–	–	–	81,233	81,233	15,971	97,204
Total recognised income and expenses for the year	–	–	–	2,315	–	6,055	81,233	89,603	16,305	105,908
Equity-settled share based payments	–	–	–	–	270	–	–	270	–	270
Dividends recognised as distribution *(note 13)*	–	–	–	–	–	–	(66,026)	(66,026)	–	(66,026)
Dividends paid to minority shareholders	–	–	–	–	–	–	–	–	(12,654)	(12,654)
At March 31, 2008	70,428	84,880	3,848	(1,965)	377	6,055	367,425	531,048	62,378	593,426
Exchange differences arising on translation of foreign operations	–	–	–	5,667	–	–	–	5,667	(62)	5,605
Share of reserves of associates	–	–	–	23	–	–	–	23	10	33
Effect of change in tax rate	–	–	–	–	–	73	–	73	–	73
Net income recognised directly in equity	–	–	–	5,690	–	73	–	5,763	(52)	5,711
Profit for the year	–	–	–	–	–	–	42,232	42,232	6,726	48,958
Total recognised income and expenses for the year	–	–	–	5,690	–	73	42,232	47,995	6,674	54,669
Equity-settled share based payments	–	–	–	–	211	–	–	211	–	211
Dividends recognised as distribution *(note 13)*	–	–	–	–	–	–	(50,162)	(50,162)	–	(50,162)
Dividends paid to minority shareholders	–	–	–	–	–	–	–	–	(11,143)	(11,143)
Shares repurchased and cancelled	(82)	–	82	–	–	–	(493)	(493)	–	(493)
At March 31, 2009	**70,346**	**84,880**	**3,930**	**3,725**	**588**	**6,128**	**359,002**	**528,599**	**57,909**	**586,508**

Consolidated Cash Flow Statement

For the year ended March 31, 2009

	2009 HK$'000	2008 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**65,743**	133,038
Adjustments for:		
Depreciation of property, plant and equipment	**27,418**	24,991
Decrease (increase) in fair value of investment properties	**5,493**	(17,099)
Finance costs	**2,669**	4,503
Share of losses of associates	**1,792**	2,244
Impairment loss on asset classified as held for sale	**892**	–
Amortisation of prepaid lease payments	**673**	724
Loss on disposal of property, plant and equipment	**394**	277
Loss (gain) on fair value changes of derivative financial instruments	**338**	(3,167)
Share-based payment expense	**211**	270
Amortisation of intangible assets	**73**	73
Bank interest income	**(1,520)**	(4,565)
Gain on disposal of interest in an associate	**–**	(657)
Write-down of inventories	**–**	3,654
Operating cash flows before movements in working capital	**104,176**	144,286
Decrease in inventories	**45,450**	37,447
Decrease (increase) in trade and other receivables	**125,172**	(4,970)
(Increase) decrease in amount due from an associate	**(4,064)**	587
Decrease in derivative financial instruments	**3,167**	–
(Decrease) increase in trade and other payables	**(134,165)**	36,087
Cash generated from operations	**139,736**	213,437
Hong Kong Profits Tax paid	**(10,085)**	(18,580)
Taxation in other jurisdictions paid	**(16,911)**	(15,676)
Hong Kong Profits Tax refunded	**83**	622
Taxation in other jurisdictions refunded	**–**	485
NET CASH FROM OPERATING ACTIVITIES	**112,823**	180,288
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(14,845)**	(19,339)
Interest received	**1,520**	4,565
Proceeds on disposal of property, plant and equipment	**902**	1,955
Proceeds on disposal of investment properties	**–**	25,891
Proceeds on disposal of interest in an associate	**–**	3,474
Proceeds on disposal of prepaid lease payments	**–**	482
Decrease in pledged bank deposits	**–**	262
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(12,423)**	17,290

Consolidated Cash Flow Statement

For the year ended March 31, 2009

	2009 HK$'000	2008 HK$'000
FINANCING ACTIVITIES		
Dividends paid	**(50,162)**	(66,026)
Repayment of bank borrowings	**(40,546)**	(86,203)
Dividends paid to minority shareholders of subsidiaries	**(11,143)**	(12,654)
Interest paid	**(2,669)**	(4,503)
Share repurchase	**(493)**	–
Repayment of obligations under finance leases	**(421)**	(353)
Bank borrowings raised	**13,265**	45,246
Advance from a minority shareholder of a subsidiary	**1,000**	4,000
NET CASH USED IN FINANCING ACTIVITIES	**(91,169)**	(120,493)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**9,231**	77,085
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**259,523**	179,456
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**650**	2,982
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**269,404**	259,523
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Bank balances and cash	**269,585**	259,761
Bank overdrafts	**(181)**	(238)
	269,404	259,523

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and the principal place of business of the Company is disclosed in the Corporate Information section of the annual report.

The functional currency of the Company is United States dollars ("USD"). The consolidated financial statements are presented in Hong Kong dollars ("HKD") for the convenience of the shareholders as the Company is listed in Hong Kong.

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 19 and 20, respectively.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are or have become effective.

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 of the Group 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 applied the following new, revised or amended standards and interpretations that have been issued but are not yet effective.

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 (Amendment)	Eligible Hedged Items[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]

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

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	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]

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

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

[3] Effective for annual periods beginning on or after January 1, 2009

[4] Effective for annual periods beginning on or after July 1, 2009

[5] Effective for annual periods ending on or after June 30, 2009

[6] Effective for annual periods beginning on or after July 1, 2008

[7] Effective for annual periods beginning on or after October 1, 2008

[8] Effective for transfers on or after July 1, 2009

The adoption 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 July 1, 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 other new, revised or amended standards and interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as explained in accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are properties held to earn rental or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Transfer from property, plant and equipment to investment properties will be made when there is a change of use, evidenced by end of owner occupation. Any difference between the carrying amount and fair value of that property at the date of transfer is recognised in asset revaluation reserve. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Freehold land is stated at cost less accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than freehold land over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Investments in subsidiaries

Investments in subsidiaries are included in the balance sheet of the Company at cost less any identified impairment loss.

Investments in associates

An associate is an entity, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in consolidated income statement.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the balance sheet of the Company, investments in associates are stated at cost, as reduced by any identified impairment loss.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and financial assets at FVTPL. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period.

Interest income is recognised on an effective interest basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, amount due from an associate, amounts due from subsidiaries and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment on loans and receivables below).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Financial assets at fair value through profit or loss

The Group's financial assets at FVTPL comprise derivatives that are not designated and effective as a hedging instrument, which are classified as held for trading.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at each balance sheet date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables, amounts due to a minority shareholder of a subsidiary, amounts due to subsidiaries and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of equity instruments

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. The amount equal to the share capital is transferred to the capital redemption reserve. No gain or loss is recognised in the consolidated income statement on the repurchase or cancellation of the Company's own equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and recognise a collateralised borrowing for proceeds received.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment losses on tangible and intangible assets *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit scheme, which are defined contribution schemes, are charged as an expense when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leasing ***(continued)***

The Group as lessee (continued)

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity ("foreign currencies") are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

4. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 29, and equity attributable to equity holders of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Financial assets				
At FVTPL – Held for trading	**–**	3,167	**–**	–
Loans and receivables (including cash and cash equivalents)	**458,213**	564,436	**297,040**	281,286
	458,213	567,603	**297,040**	281,286
Financial liabilities				
At FVTPL – Held for trading	**338**	–	**–**	–
Amortised cost	**172,437**	319,454	**44,525**	45,546
	172,775	319,454	**44,525**	45,546

(b) Financial risk management objectives and policies

The major financial instruments of the Group and the Company include trade and other receivables, amounts due from associates, amounts due from subsidiaries, bank balances and cash, trade and other payables, amount due to a minority shareholder of a subsidiary, amounts due to subsidiaries, obligations under finance leases and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments include market risk (represented by currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Certain entities in the Group have foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(i) Currency risk (continued)

The Company has foreign currency amounts due from (to) subsidiaries, which expose the Company to foreign currency risk.

The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group will enter into foreign currency forward contracts to mitigate the risks as deemed appropriate.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities of the Group and the Company at the reporting date that are considered significant by management are as follows:

	THE GROUP				THE COMPANY			
	Liabilities		Assets		Liabilities		Assets	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**67,905**	123,822	**39,284**	21,721	**44,525**	45,546	**295,775**	278,394
Renminbi ("RMB")	**42,603**	54,112	**59,580**	74,640	**–**	–	**–**	–

As at March 31, 2009, the derivative financial instruments of the Group represent foreign currency forward contracts with aggregate notional amounts of HK$10,000,000 (2008: US$2,300,000 and HK$50,000,000). Details of which are set out in note 24 to the consolidated financial statements. Upon the maturity of the foreign currency forward contracts, the Group will buy RMB amounting to RMB8,526,000 (2008: RMB62,881,000) in total.

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

As HKD is pegged with USD, currency risk in relation to HKD denominated monetary assets/liabilities is expected to be minimal.

The following table details the sensitivity of the Group to a 5% increase and decrease in USD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. On this basis, there will be a decrease in profit for the year where USD strengthens against RMB by 5%, and vice versa.

	THE GROUP RMB Impact	
	2009	2008
	HK$'000	*HK$'000*
Decrease in profit for the year	**637**	613

For the outstanding foreign currency forward contracts, if the market bid forward foreign exchange rate of RMB against USD or HKD had been 5% higher/lower, profit for the year would increase/decrease by HK$400,000 (2008: HK$2,741,000).

(ii) Interest rate risk

The Group and the Company are exposed to cash flow interest rate risk primarily in relation to the floating-rate bank balances and borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating-rate bank balances and borrowings. The analysis is prepared assuming the amount of asset and liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's profits for the year ended March 31, 2009 would increase/decrease by HK$1,105,000 (2008: increase/decrease by HK$888,000) and increase/decrease by HK$453,000 (2008: increase/decrease by HK$491,000), respectively.

Credit risk

As at March 31, 2009, the maximum exposure to credit risk by the Group and the Company which will cause a financial loss due to failure to discharge an obligation by the counterparties and financial guarantees provided is arising from:

- the carrying amounts of the recognised financial assets as stated in the balance sheet; and
- the amount of contingent liabilities in relation to financial guarantee issued by the Company as disclosed in note 36.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customer based on careful valuation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debt on a collective and on-going basis to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk (continued)

The Group's concentration of credit risk on trade receivables by geographical locations is mainly in the United States of America (the "USA") which accounted for 84% (2008: 85%) of the total trade recevables balance at March 31, 2009. The Group also has concentration of credit risk on its five largest customers which represent 40% (2008: 51%) of the total trade receivables balance and of which the largest customer represents 13% (2008: 22%) of the total trade receivables balance. For both years, the five largest customers are located in the USA which have good repayment history and credit quality with reference to the track records of these customers under internal assessment by the Group.

The credit risk on liquid funds of the Group and the Company is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The credit risk of the Company on amounts due from subsidiaries is limited because the directors of the Company consider that the recoverable amount exceeds the carrying amount of amounts due from subsidiaries. The recoverable amount of the amounts due from subsidiaries is determined based on the present value of the future cash flows expected to be derived from the subsidiaries. The Company has concentration of credit risk on its five subsidiaries which represent 85% (2008: 79%) of the total amounts due from subsidiaries balance.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenant.

Other than equity, the Group relies on bank borrowings as a significant source of liquidity. As at March 31, 2009, the Group has available unutilised banking facilities of approximately HK$967,013,000 (2008: HK$843,313,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principle cash flows.

Derivative financial instruments require gross settlement, the undiscounted gross inflows and outflows on these derivatives are shown in the table.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk (continued)

THE GROUP

2009

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at March 31, 2009
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities							
Trade and other payables	–	112,802	34,670	2,777	–	150,249	150,249
Amount due to a minority shareholder of a subsidiary	2.55	–	–	5,039	–	5,039	5,000
Obligations under finance leases	8.9	35	67	198	185	485	440
Bank borrowings – floating-rate	7.23	17,269	–	–	–	17,269	17,188
		130,106	34,737	8,014	185	173,042	172,877
Derivative financial instruments – gross settlement							
Foreign currency forward contracts							
– inflow	–	(4,841)	(4,821)	–	–	–	(9,662)
– outflow	–	5,000	5,000	–	–	–	10,000
		159	179	–	–	–	338

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk (continued)

THE GROUP ***(continued)***

2008

	Weighted average effective interest rate %	Less than 1 month *HK$'000*	1-3 months *HK$'000*	3 months to 1 year *HK$'000*	Over 1 year *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount at March 31, 2008 *HK$'000*
Non-derivative financial liabilities							
Trade and other payables	–	167,307	84,154	18,509	–	269,970	269,970
Amount due to a minority shareholder of a subsidiary	4.0	–	–	4,053	–	4,053	4,000
Obligations under finance leases	9.5	40	81	369	100	590	525
Bank borrowings – floating-rate	4.93	27,833	9,956	7,951	–	45,740	45,484
		195,180	94,191	30,882	100	320,353	319,979
Derivative financial instruments – gross settlement							
Foreign currency forward contracts							
– inflow	–	(16,149)	(29,862)	(25,004)	–	(71,015)	(71,015)
– outflow	–	15,432	28,536	23,880	–	67,848	67,848
		(717)	(1,326)	(1,124)	–	(3,167)	(3,167)

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk (continued)

THE COMPANY

2009

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at March 31, 2009
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities							
Other payables	–	878	–	–	–	878	878
Amounts due to subsidiaries	–	43,647	–	–	–	43,647	43,647
		44,525	–	–	–	44,525	44,525

2008

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at March 31, 2008
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities							
Other payables	–	907	–	–	–	907	907
Amounts due to subsidiaries	–	44,419	–	–	–	44,419	44,419
Bank borrowings							
– floating rate	3.84	221	–	–	–	221	220
		45,547	–	–	–	45,547	45,546

5. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair value

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

6. SEGMENT INFORMATION

Business segments

The Group is principally engaged in the manufacture and sale of garments. Accordingly, no business segments analysis of financial information is provided.

Geographical segments

The Group's manufacturing plants are located in Asia while its manufacture and sale of garments business is principally located in the USA, Canada, Asia and Europe and others.

The Group reports its primary segment information on geographical location of its customers and the segment information about these geographical markets is presented below:

For the year ended March 31, 2009:

	USA *HK$'000*	Canada *HK$'000*	Asia *HK$'000*	Europe and others *HK$'000*	Consolidated *HK$'000*
REVENUE					
Sales of goods – external	**1,686,468**	**35,420**	**159,765**	**130,876**	**2,012,529**
SEGMENT RESULTS	**124,426**	**2,824**	**6,104**	**15,178**	**148,532**
Unallocated corporate income					**3,943**
Unallocated corporate expense					**(82,271)**
Finance costs					**(2,669)**
Share of losses of associates					**(1,792)**
Profit before tax					**65,743**
Income tax expense					**(16,785)**
Profit for the year					**48,958**

6. SEGMENT INFORMATION *(continued)*

Geographical segments *(continued)*

For the year ended March 31, 2009: (continued)

The following is an analysis of the carrying amount of segment assets and segment liabilities, analysed by the geographical location of the Group's customers, as at March 31, 2009:

	USA *HK$'000*	Canada *HK$'000*	Asia *HK$'000*	Europe and others *HK$'000*	Consolidated *HK$'000*
ASSETS					
Allocated segment assets	267,098	6,284	29,505	20,355	323,242
Unallocated segment assets					107,456
Interests in associates					1,465
Unallocated corporate assets					460,156
Consolidated total assets					892,319
LIABILITIES					
Segment liabilities	115,859	2,259	10,938	8,276	137,332
Unallocated corporate liabilities					168,479
Consolidated total liabilities					305,811

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

6. SEGMENT INFORMATION *(continued)*

Geographical segments *(continued)*

For the year ended March 31, 2008:

	USA	Canada	Asia	Europe and others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
Sales of goods – external	1,905,459	41,465	169,065	136,066	2,252,055
SEGMENT RESULTS	161,132	3,025	8,136	13,217	185,510
Unallocated corporate income					27,778
Unallocated corporate expense					(73,503)
Finance costs					(4,503)
Share of losses of associates					(2,244)
Profit before tax					133,038
Income tax expense					(35,834)
Profit for the year					97,204
OTHER INFORMATION					
Write-down of inventories	3,654	–	–	–	3,654

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

6. SEGMENT INFORMATION *(continued)*

Geographical segments *(continued)*

For the year ended March 31, 2008: (continued)

The following is an analysis of the carrying amount of segment assets and segment liabilities, analysed by the geographical location of the Group's customers, as at March 31, 2008:

	USA *HK$'000*	Canada *HK$'000*	Asia *HK$'000*	Europe and others *HK$'000*	Consolidated *HK$'000*
ASSETS					
Allocated segment assets	398,529	10,705	48,742	32,269	490,245
Unallocated segment assets					124,081
Interests in associates					3,224
Unallocated corporate assets					451,816
Consolidated total assets					1,069,366
LIABILITIES					
Segment liabilities	206,389	4,805	23,444	16,753	251,391
Unallocated corporate liabilities					224,549
Consolidated total liabilities					475,940

6. SEGMENT INFORMATION *(continued)*

Geographical segments *(continued)*

In addition to the analysis by the geographical location of the Group's customers, the following is an analysis of the carrying amount of assets, and additions to property, plant and equipment analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
USA	**33,268**	46,793	**315**	191
Hong Kong	**138,847**	238,492	**4,062**	1,813
People's Republic of China, other than Hong Kong ("PRC")	**236,954**	296,049	**10,508**	16,433
Others	**21,629**	32,992	**296**	1,131
	430,698	614,326	**15,181**	19,568

7. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Bank interest income	**1,520**	4,565
Rental income from properties under operating leases, net of outgoings of HK$156,000 (2008: HK$157,000)	**2,423**	2,290
Gain on fair value changes of derivative financial instruments	**–**	3,167
Gain on disposal of interest in an associate	**–**	657
	3,943	10,679

8. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on borrowings wholly repayable within five years:		
Bank borrowings and bills discounted	**2,605**	4,432
Finance leases	**64**	71
	2,669	4,503

9. PROFIT BEFORE TAX

	2009 HK$'000	2008 HK$'000
Profit before tax has been arrived at after charging:		
Employee benefits expenses, including those of directors:		
Salaries, allowances and bonus	**352,399**	376,775
Contributions to retirement benefit schemes	**9,889**	9,806
Share-based payment expense	**211**	270
Total employee benefits expenses	**362,499**	386,851
Amortisation of intangible assets (included in cost of sales)	**73**	73
Amortisation of prepaid lease payments	**673**	724
Auditor's remuneration	**2,082**	2,030
Cost of inventories recognised as an expense	**1,561,690**	1,746,727
Depreciation of property, plant and equipment	**27,418**	24,991
Impairment loss on asset classified as held for sale	**892**	–
Loss on disposal of property, plant and equipment	**394**	277
Loss on fair value change of derivative financial instruments	**338**	–
Write-down of inventories (included in cost of sales)	**–**	3,654

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the nine (2008: nine) directors of the Company were as follows:

2009

	Benson Tung Wah Wing *HK$'000*	Alan Lam Yiu On *HK$'000*	Raymond Tung Wai Man *HK$'000*	Tung Siu Wing *HK$'000*	Kevin Lee Kwok Bun *HK$'000*	Johnny Chang Tak Cheung *HK$'000*	Tony Chang Chung Kay *HK$'000*	Joseph Wong King Lam *HK$'000*	Robert Yau Ming Kim *HK$'000*	Total *HK$'000*
Fees	–	–	–	60	60	60	100	100	80	460
Other emoluments:										
Salaries and other benefits	4,420	2,600	1,573	–	858	–	–	–	–	9,451
Contributions to retirement benefit schemes	12	12	12	–	–	–	–	–	–	36
Performance related incentive payments *(note)*	–	427	962	–	–	–	–	–	–	1,389
Share-based payment expense	26	26	17	–	–	–	–	–	–	69
Total emoluments	4,458	3,065	2,564	60	918	60	100	100	80	11,405

2008

	Benson Tung Wah Wing *HK$'000*	Alan Lam Yiu On *HK$'000*	Raymond Tung Wai Man *HK$'000*	Tung Siu Wing *HK$'000*	Kevin Lee Kwok Bun *HK$'000*	Johnny Chang Tak Cheung *HK$'000*	Tony Chang Chung Kay *HK$'000*	Joseph Wong King Lam *HK$'000*	Robert Yau Ming Kim *HK$'000*	Total *HK$'000*
Fees	–	–	–	60	60	60	100	100	80	460
Other emoluments:										
Salaries and other benefits	4,550	2,552	1,541	–	936	–	–	–	–	9,579
Contributions to retirement benefit schemes	12	12	12	–	–	–	–	–	–	36
Performance related incentive payments *(note)*	–	820	1,295	–	–	–	–	–	–	2,115
Share-based payment expense	26	26	17	–	–	–	–	–	–	69
Total emoluments	4,588	3,410	2,865	60	996	60	100	100	80	12,259

Note: The performance related incentive payment is determined by the Group's operating results, individual performance and prevailing market conditions.

No directors waived any emoluments in the years ended March 31, 2009 and 2008.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2008: three) were directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining two (2008: two) individuals were as follows:

	2009 HK$'000	2008 HK$'000
Salaries and other benefits	**8,778**	8,356
Contributions to retirement benefit schemes	**160**	147
Performance related incentive payments *(note)*	**2,096**	2,842
Share-based payment expense	**14**	14
	11,048	11,359

Their emoluments were within the following bands:

	Number of employees 2009	2008
HK$4,000,001 to HK$4,500,000	**1**	–
HK$4,500,001 to HK$5,000,000	**–**	1
HK$6,500,001 to HK$7,000,000	**1**	1

During both years, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

Note: The performance related incentive payment is determined by the Group's operating results, individual performance and prevailing market conditions.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

12. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**17,669**	13,747
PRC	**154**	1,654
Other jurisdictions	**3,133**	17,546
	20,956	32,947
(Over)underprovision in prior years	**(1,609)**	3,652
	19,347	36,599
Deferred taxation *(note 21):*		
Current year	**(1,848)**	(765)
Attributable to a change in tax rate	**(714)**	–
	16,785	35,834

On June 26, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008/09. The effect of such decrease has been reflected in measuring the current and deferred tax for the year ended March 31, 2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

On March 16, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "Tax Law") by Order No. 63 of the President of the PRC. On December 6, 2007, the State Council of the PRC issued Implementation Regulations of the Tax Law. The Tax Law and Implementation Regulations changed the tax rate of certain PRC subsidiaries of the Group progressively from 15% to 25% before January 1, 2013. The tax rate of the other PRC subsidiaries was reduced from 33% to 25%.

According to the Tax Law, the profits of the PRC subsidiaries and associates of the Group derived since January 1, 2008 will be subject to withholding tax at a rate of 5% upon the distribution of such profits to foreign investors incorporated in Hong Kong, or at a rate of 10% for other foreign investors. The Group determined that no deferred tax on withholding tax liabilities shall be recognised since no significant distributable profit was derived by the PRC subsidiaries and associates from January 1, 2008.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

12. INCOME TAX EXPENSE *(continued)*

Two subsidiaries of the Company, which have been incorporated in Hong Kong, received protective/additional profits tax assessment from Inland Revenue Department (the "IRD") of approximately HK$5.9 million and HK$25.8 million, respectively, relating to the years of assessment 1998/99 to 2007/08, that is, for the financial years ended March 31, 1999 to 2008. The protective/additional profits tax assessment relates mainly to the subsidiaries' income derived from their manufacturing operations in the PRC. The subsidiaries lodged objections with the IRD and the IRD agreed to holdover the tax claimed subject to tax reserve certificates in the amount of HK$5.4 million and HK$24.5 million being purchased by the subsidiaries, respectively. Those tax reserve certificates were purchased by the relevant subsidiaries and the remaining amount of HK$1.8 million represents the overpayment of provisional tax to the IRD. As at March 31, 2009, in respect of the protective/additional profits tax assessment for the years of assessment 1998/99 to 2007/08, a provision of HK$31.7 million (2008: provision of HK$31.3 million for the years of assessment 1998/99 to 2006/07) has been provided.

In the opinion of the directors and the advice from the Group's tax advisors, these subsidiaries' income derived from their manufacturing activities in the PRC is not arising in or derived from Hong Kong, and that sufficient tax provision has been made in the consolidated financial statements in this regard.

The income tax expense can be reconciled to the profit before tax per the consolidated income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
Profit before tax	**65,743**	133,038
Tax at the Hong Kong Profits Tax rate of 16.5% (2008: 17.5%)	**10,848**	23,282
Tax effect of expenses not deductible for tax purpose	**2,184**	2,573
Tax effect of income not taxable for tax purpose	**(2,911)**	(2,901)
Tax effect of proceed on disposal of investment properties not taxable for tax purpose	**–**	(4,255)
Tax effect of share of results of associates	**296**	393
(Over)underprovision in prior years	**(1,609)**	3,652
Tax effect of tax losses not recognised	**6,650**	3,339
Utilisation of tax losses previously not recognised	**(43)**	(120)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,084**	9,871
Change in opening deferred taxation resulting from a decrease in applicable tax rate	**(714)**	–
Income tax expense	**16,785**	35,834

Details of deferred taxation for the year are set out in note 21.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

13. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2009 interim of HK4.25 cents (2008: HK6.25 cents) per share	**14,948**	22,009
2008 final of HK10 cents (2008: 2007 final of HK12.5 cents) per share	**35,214**	44,017
	50,162	66,026

The final dividend of HK7.75 cents (2008: HK10 cents) per share for the year ended March 31, 2009 has been proposed by the board of directors (the "Board") and is subject to approval by the shareholders in general meeting.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Profit for the year attributable to equity holders of the Company	**42,232**	81,233

	2009	2008
Weighted average number of ordinary shares for the purpose of basic earnings per share	**351,964,295**	352,137,298
Effect of dilutive potential ordinary shares in respect of share options	**–**	1,921,593
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**351,964,295**	354,058,891

The computation of diluted earnings per share for the year ended March 31, 2009 does not assume the exercise of the Group's outstanding share options as the exercise prices of those options are higher than the average market price.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

15. INVESTMENT PROPERTIES

	THE GROUP *HK$'000*
FAIR VALUE	
At April 1, 2007	68,284
Transfer from prepaid lease payments and buildings	8,999
Disposal	(25,891)
Increase in fair value recognised in the consolidated income statement	17,099
At March 31, 2008	68,491
Decrease in fair value recognised in the consolidated income statement	(5,493)
At March 31, 2009	**62,998**

The fair values of the Group's investment properties at March 31, 2009 and 2008 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. The valuation was arrived at by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the property or where appropriate by direct comparison approach assuming sale of the property in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The carrying value of the Group's investment properties shown above comprises:

	2009 ***HK$'000***	2008 *HK$'000*
Properties in Hong Kong held under medium-term leases	**59,708**	65,271
Properties in the PRC held under medium-term land use rights	**3,290**	3,220
	62,998	68,491

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For the year ended March 31, 2009

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land *HK$'000*	Buildings *HK$'000*	Leasehold improvements, plant and machinery, furniture and fixtures *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
THE GROUP					
COST					
At April 1, 2007	3,606	103,101	277,137	7,163	391,007
Exchange adjustments	848	4,954	13,408	312	19,522
Additions	–	70	19,019	479	19,568
Transfer to investment properties	–	(1,726)	–	–	(1,726)
Disposals	–	(328)	(9,870)	(844)	(11,042)
At March 31, 2008	4,454	106,071	299,694	7,110	417,329
Exchange adjustments	(523)	(1,364)	(2,956)	(38)	(4,881)
Additions	–	–	14,605	576	15,181
Transfer to asset classified as held for sale	–	(2,402)	(3,315)	–	(5,717)
Disposals	–	–	(11,078)	(1,419)	(12,497)
At March 31, 2009	**3,931**	**102,305**	**296,950**	**6,229**	**409,415**
DEPRECIATION					
At April 1, 2007	–	40,341	213,893	4,391	258,625
Exchange adjustments	–	1,009	10,449	171	11,629
Provided for the year	–	4,103	20,078	810	24,991
Eliminated on transfer to investment properties	–	(1,346)	–	–	(1,346)
Eliminated on disposals	–	(189)	(7,920)	(701)	(8,810)
At March 31, 2008	–	43,918	236,500	4,671	285,089
Exchange adjustments	–	(844)	(2,724)	(25)	(3,593)
Provided for the year	–	3,961	22,677	780	27,418
Eliminated on transfer to asset classified as held for sale	–	(172)	(3,262)	–	(3,434)
Eliminated on disposals	–	–	(9,906)	(1,295)	(11,201)
At March 31, 2009	**–**	**46,863**	**243,285**	**4,131**	**294,279**
CARRYING VALUES					
At March 31, 2009	**3,931**	**55,442**	**53,665**	**2,098**	**115,136**
At March 31, 2008	4,454	62,153	63,194	2,439	132,240

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The carrying value of the Group's land and buildings as at the balance sheet date comprises:

	2009 HK$'000	2008 HK$'000
Building in Hong Kong held under medium-term leases	**3,965**	4,624
Buildings in the PRC held under medium-term land use rights	**42,546**	45,408
Building in Malaysia held under medium-term lease	**–**	1,988
Freehold land and buildings in Thailand	**12,862**	14,587
	59,373	66,607

During the year ended March 31, 2008, the Group transferred certain buildings and prepaid lease payments with net carrying amount of HK$380,000 and HK$1,280,000, respectively, to investment properties. The fair value of the buildings and prepaid lease payments, which had been transferred to investment properties, at March 31, 2008, the date of transfer, was HK$8,999,000, which had been arrived at on a basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. The valuation was arrived at by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the property or where appropriate by direct comparison approach assuming sale of the property in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. The excess of the fair value over the net carrying amount, amounting to HK$7,339,000, had been credited to asset revaluation reserve as a revaluation surplus.

The carrying value of the Group's furniture and fixtures and motor vehicles includes amounts of HK$296,000 and HK$190,000 (2008: HK$575,000 and HK$189,000) in respect of assets held under finance leases, respectively. The Group has pledged buildings having a carrying value of HK$2,951,000 (2008: HK$3,048,000) to secure general banking facilities granted to the Group.

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For the year ended March 31, 2009

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold improvements, plant and machinery, furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
THE COMPANY			
COST			
At April 1, 2007	9,790	456	10,246
Additions	908	–	908
At March 31, 2008	10,698	456	11,154
Additions	174	–	174
At March 31, 2009	**10,872**	**456**	**11,328**
DEPRECIATION			
At April 1, 2007	7,466	30	7,496
Provided for the year	868	91	959
At March 31, 2008	8,334	121	8,455
Provided for the year	922	91	1,013
At March 31, 2009	**9,256**	**212**	**9,468**
CARRYING VALUES			
At March 31, 2009	**1,616**	**244**	**1,860**
At March 31, 2008	2,364	335	2,699

The above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account of their estimated residual values, at the following rates per annum:

Freehold land	Nil
Buildings	4%
Leasehold improvements	Over the shorter of the term of the lease, or five years
Plant and machinery, furniture and fixtures	12.5% – 20%
Motor vehicles	12.5% – 20%

17. PREPAID LEASE PAYMENTS

	2009 HK$'000	2008 HK$'000
The Group's prepaid lease payments comprise leasehold land:		
– in Hong Kong held under medium-term leases	**11,417**	11,707
– in overseas held under medium-term leases	**–**	592
– in the PRC held under medium-term land use rights	**12,832**	13,216
	24,249	25,515
Analysed for reporting purposes as:		
Non-current assets	**23,576**	24,828
Current assets	**673**	687
	24,249	25,515

At March 31, 2008, prepaid lease payments with a carrying value of HK$1,280,000 were transferred to investment properties, and the details are set out in note 16.

Notes to the Consolidated Financial Statements

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18. INTANGIBLE ASSETS

	Trademark
	HK$'000
THE GROUP	
COST	
At April 1, 2007, March 31, 2008 and **March 31, 2009**	774
AMORTISATION	
At April 1, 2007	376
Provided for the year	73
At March 31, 2008	449
Provided for the year	73
At March 31, 2009	522
CARRYING VALUES	
At March 31, 2009	252
At March 31, 2008	325

The trademark was acquired from a third party.

The trademark has a definite useful life and is amortised on a straight-line basis over ten years.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

19. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2009	2008
	HK$'000	*HK$'000*
Unlisted shares/investments, at cost	**115,297**	115,222

Particulars of the Company's principal subsidiaries at March 31, 2009 and 2008 are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Paid up issued share capital/ common stock/ registered capital	Class of shares held	Proportion ownership interest held by the Company		Principal activities
				Directly	Indirectly	
		(HK$ unless otherwise indicated)		%	%	
Do Do Fashion Limited	Hong Kong (a)	720,000	Ordinary	100	–	Garment manufacture
Dorcash Industrial Limited	Hong Kong (a)	20	Ordinary	100	–	Property holding
Golden Fountain Industrial Company Limited	Hong Kong (a)	500,000	Ordinary	100	–	Property holding
Golden Will Fashions Limited	Hong Kong (a)	10,000	Ordinary	–	60	Garment trading
Sing Yang (Overseas) Limited	Hong Kong* (a)	100,000	Ordinary	100	–	Garment manufacture
Sing Yang Trading Limited	Hong Kong (a)	100,000	Ordinary	100	–	Garment trading
THL Inc.	USA (a)	US$10,000	Ordinary	–	100	Garment trading
Tung Thai Fashions Limited	Thailand (a)	Baht 100,000,000	Ordinary	100	–	Garment manufacture
Tungtex Trading Company Limited	Hong Kong (a)	6,000,000	Ordinary	100	–	Garment manufacture
Tungtex (U.K.) Limited	United Kingdom (a)	£10,000	Ordinary	100	–	Liaison office in garments
Tungtex (U.S.A.) Inc.	USA (a)	US$838,802	Ordinary	100	–	Investment holding
West Pacific Enterprises Corporation	USA (a)	US$90,000	Ordinary	–	100	Garment design and trading
Yellow River, Inc.	USA (a)	US$80,000	Ordinary	–	51	Garment design and trading
中山同得仕絲綢服裝有限公司	PRC (b)	37,800,000	Registered capital	–	90	Garment manufacture
華裳服裝(深圳)有限公司	PRC (c)	8,000,000	Registered capital	–	100	Garment manufacture
深圳百多爾時裝有限公司	PRC (c)	RMB12,000,000	Registered capital	–	100	Garment manufacture
同得仕(杭州)時裝有限公司	PRC (c)	US$5,000,000	Registered capital	100	–	Garment manufacture
杭州金譽時裝有限公司	PRC (c)	US$1,000,000	Registered capital	–	60	Garment manufacture

* Sing Yang (Overseas) Limited operates in the PRC.

Notes:

(a) These companies are private limited companies.

(b) This company is a sino-foreign equity joint venture.

(c) These companies are wholly foreign owned enterprises.

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For the year ended March 31, 2009

19. INVESTMENTS IN SUBSIDIARIES *(continued)*

During the year ended March 31, 2009, Brightmax International Limited was deregistered. During the year ended March 31, 2008, Hang Seng Knitting Factory Limited was deregistered. The subsidiaries deregistered in both years had been inactive.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, results in particulars of the excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

20. INTERESTS IN ASSOCIATES

	2009	2008
	HK$'000	*HK$'000*
THE GROUP		
Cost of investment in associates – unlisted	**8,683**	8,683
Share of post-acquisition losses and reserves	**(7,218)**	(5,459)
	1,465	3,224
THE COMPANY		
Capital contribution, at cost	**1,686**	1,686

As at March 31, 2009 and 2008, the Group had interests in the following associates, which are registered and operate in the PRC as sino-foreign equity enterprises:

Name of entity	Class of capital held	Proportion of registered capital held by the Company				Principal activity
		Directly		Indirectly		
		2009	2008	**2009**	2008	
		%	%	**%**	%	
番禺市金源時裝有限公司	Registered capital	**–**	–	**30**	30	Garment manufacture
嵊州同泰絲服飾有限公司	Registered capital	**30**	30	**–**	–	Garment manufacture

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

20. INTERESTS IN ASSOCIATES *(continued)*

The summarised financial information in respect of the Group's associates is set out below:

	2009 *HK$'000*	2008 *HK$'000*
Total assets	**50,277**	51,563
Total liabilities	**(33,463)**	(29,151)
Net assets	**16,814**	22,412
The Group's share of net assets of associates	**1,465**	3,224
Revenue	**40,608**	32,205
Loss for the year	**(5,973)**	(7,480)
The Group's share of losses of associates for the year	**(1,792)**	(2,244)

21. DEFERRED TAXATION

THE GROUP

The followings are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior years:

	Revaluation of properties *HK$'000*	**Accelerated tax depreciation** *HK$'000*	**Tax losses** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
At April 1, 2007	(7,912)	(6,280)	500	442	(13,250)
Credit (charge) to consolidated income statement for the year	1,626	430	(500)	(791)	765
Charge to equity for the year	(1,284)	–	–	–	(1,284)
At March 31, 2008	(7,570)	(5,850)	–	(349)	(13,769)
Credit to consolidated income statement for the year	918	216	318	396	1,848
Effect of change in tax rate credited to equity for the year	73	–	–	–	73
Effect of change in tax rate credited to consolidated income statement for the year	360	334	–	20	714
At March 31, 2009	**(6,219)**	**(5,300)**	**318**	**67**	**(11,134)**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

21. DEFERRED TAXATION *(continued)*

THE GROUP *(continued)*

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2009	2008
	HK$'000	*HK$'000*
Deferred tax assets	**430**	68
Deferred tax liabilities	**(11,564)**	(13,837)
	(11,134)	(13,769)

At March 31, 2009, the Group has unused tax losses of approximately HK$215 million (2008: HK$174 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$2 million (2008: Nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$213 million (2008: HK$174 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$152 million (2008: HK$115 million) that can be carried forward for five years and losses of approximately HK$48 million (2008: HK$45 million) that can be carried forward for twenty years. Other unrecognised tax losses may be carried forward indefinitely.

THE COMPANY

	Accelerated tax depreciation
	HK$'000
At April 1, 2007	19
Charge to income statement for the year	(3)
At March 31, 2008	16
Credit to income statement for the year	53
Effect of change in tax rate charged to income statement for the year	(1)
At March 31, 2009	**68**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2009

22. INVENTORIES

	THE GROUP 2009 HK$'000	2008 HK$'000
Raw materials	**36,503**	48,396
Work in progress	**57,513**	92,193
Finished goods	**51,232**	50,109
	145,248	190,698

23. TRADE AND OTHER RECEIVABLES

	THE GROUP 2009 HK$'000	2008 HK$'000
Trade receivables	**169,286**	294,903
Deposits, prepayments and other receivables	**85,330**	84,885
	254,616	379,788

The Group allows an average credit period ranging from 30 days to 90 days to its trade customers, with a significant portion of 30 days. Included in trade and other receivable are trade receivables, mainly denominated in USD, with the following aged analysis:

	2009 HK$'000	2008 HK$'000
Up to 30 days	**116,583**	220,541
31 – 60 days	**36,657**	58,482
61 – 90 days	**15,818**	15,880
More than 90 days	**228**	–
	169,286	294,903

23. TRADE AND OTHER RECEIVABLES *(continued)*

Before accepting any new customer, the Group will understand the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with an appropriate credit history. Credit limits attributed to customers and credit term granted to customers are reviewed regularly. The trade receivables of HK$146,426,000 (2008: HK$251,925,000) that is neither past due nor impaired have good credit quality with reference to the track records of these customers under internal assessment by the Group.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$22,860,000 (2008: HK$42,978,000) which are past due at the balance sheet date for which the Group has not provided for impairment loss, as the Group considered such balance could be recovered based on historical experience. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables which are past due but not impaired, at the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
31 – 60 days	**19,062**	33,436
61 – 90 days	**3,570**	9,542
More than 90 days	**228**	–
	22,860	42,978

As at March 31, 2008, the Group discounted certain bill receivables to financial institutions with recourse. The Group continued to recognise the full carrying amount of the receivables until they were eventually settled by the customers as the Group was still exposed to credit risk on these receivables. As at March 31, 2008, the carrying amount of bill receivables discounted with recourse was HK$13,681,000. There were no bill receivables discounted with recourse as at March 31, 2009.

23. TRADE AND OTHER RECEIVABLES *(continued)*

The trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entity are set out below:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**2,300**	3,032	**1,222**	348
RMB	**28,028**	41,228	**–**	–
	30,328	44,260	**1,222**	348

24. DERIVATIVE FINANCIAL INSTRUMENTS

At balance sheet date, major terms of outstanding foreign currency forward contracts of the Group are as follows:

Notional amount	Currency conversion
As at March 31, 2009	
2 contracts to sell HK$10,000,000 in total	HKD1: RMB0.85
As at March 31, 2008	
16 contracts to sell HK$50,000,000 in total	HKD1: RMB0.90 to 0.95
4 contracts to sell US$2,300,000 in total	USD1: RMB7.0 to 7.2

The above contracts will mature within one to two months (2008: one to seven months) from the balance sheet date and will be settled in gross amount.

As at March 31, 2009, a fair value loss of HK$338,000 (2008: fair value gain of HK$3,167,000) has been recognised in the consolidated income statement. The above foreign currency forward contracts are measured at fair value at balance sheet date, determined based on the prices quoted from the counterparty financial institutions with reference to estimated cash flows with appropriate yield curve for equivalent instruments at the balance sheet date.

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For the year ended March 31, 2009

25. BANK BALANCES AND CASH

Bank balances and cash of the Group and of the Company comprises bank balances and cash held by the Group and the Company and short-term bank deposits with an original maturity of three months or less. The bank deposits carried market interest rates ranging from 0.003% to 4% (2008: 3.1% to 5.5%) per annum.

The bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**28,276**	14,045	**2,355**	627
RMB	**31,552**	33,412	**–**	–
	59,828	47,457	**2,355**	627

26. ASSET CLASSIFIED AS HELD FOR SALE

The asset classified as held for sale is as follows:

	THE GROUP
	2009
	HK$'000
Prepaid lease payments	351
Property, plant and equipment	1,555
	1,906

On December 3, 2008, the Group entered into an agreement with an independent third party for the disposal of a piece of land in Malaysia which is held under medium lease, together with a building erected thereon for a consideration, net of negligible selling costs, of HK$1,906,000. At March 31, 2009, the disposal is still subject to the approval of the relevant government bureau. The disposal is expected to be completed within twelve months from the balance sheet date and accordingly the asset has been classified as held for sale.

The aggregate carrying value of the prepaid lease payments and building amounted to HK$2,798,000 and an impairment loss of HK$892,000 (2008: Nil) on asset classified as held for sale has been recognised in the consolidated income statement and included in administrative expenses.

27. TRADE AND OTHER PAYABLES

	THE GROUP	
	2009	2008
	HK$'000	*HK$'000*
Trade payables	**136,892**	250,866
Other payables and accrued charges	**97,201**	122,884
	234,093	373,750

The aged analysis of the Group's trade payables as at the balance sheet date are as follows:

	THE GROUP	
	2009	2008
	HK$'000	*HK$'000*
Up to 30 days	**85,936**	118,936
31 – 60 days	**40,590**	88,010
61 – 90 days	**6,506**	18,527
More than 90 days	**3,860**	25,393
	136,892	250,866

The average credit period on purchases of goods is ranging from 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The trade and other payables that are denominated in currencies other than the functional currencies of the relevant group entity are set out below:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**62,905**	119,584	**878**	907
RMB	**25,596**	41,028	**–**	–
	88,501	160,612	**878**	907

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28. OBLIGATIONS UNDER FINANCE LEASES

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Amounts payable under finance leases:				
Within one year	**300**	490	**275**	437
More than one year but not exceeding two years	**149**	100	**135**	88
More than two years but not exceeding three years	**36**	–	**30**	–
	485	590		
Less: Future finance charges	**(45)**	(65)		
Present value of lease obligations	**440**	525	**440**	525
Less: Amount due within one year shown under current liabilities			**(275)**	(437)
Amount due after one year			**165**	88

It is the Group's policy to lease certain of its furniture and fixtures and motor vehicles under finance leases. The average lease term is three years. For the year ended March 31, 2009, the effective borrowing rate was 8.9% (2008: 9.5%) per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

29. BANK BORROWINGS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Floating-rate borrowings:				
Bank overdrafts	**181**	238	**–**	220
Trust receipt loans	**–**	18,481	**–**	–
Bills discounted with full recourse	**–**	13,681	**–**	–
Bank loans	**17,007**	13,084	**–**	–
	17,188	45,484	**–**	220

All the bank borrowings of the Group and of the Company are secured. All the bank borrowings at the balance sheet date are repayable within one year or upon demand and are included under current liabilities.

The effective interest rate (which is also equal to contracted interest rate) on the Group's borrowings is 7.23% (2008: ranged from 2.85% to 6.3%) per annum.

The bank borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**–**	238	**–**	220
RMB	**17,007**	13,084	**–**	–
	17,007	13,322	**–**	220

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30. SHARE CAPITAL

	Number of shares	Amount *HK$'000*
Authorised:		
Ordinary shares of HK$0.20 each		
At April 1, 2007, March 31, 2008 and March 31, 2009	500,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK$0.20 each		
At April 1, 2007 and March 31, 2008	352,137,298	70,428
Shares repurchased *(Note)*	(406,000)	(82)
At March 31, 2009	351,731,298	70,346

Note: During the year ended March 31, 2009, the Company repurchased its own ordinary shares through the Stock Exchange in October 2008. 406,000 shares were repurchased at an aggregate consideration of approximately HK$493,000. The highest price and the lowest price paid were HK$1.35 per share and HK$1.08 per share, respectively.

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares.

Save as disclosed above, at no time during the year ended March 31, 2009 was there any purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

31. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on September 5, 2006 for the primary purpose of attracting and retaining suitable and high-calibre personnel, incentivising them to contribute to the future development and growth of the Group and any invested entity by sharing in the equity interests of the Company, and will expire on September 4, 2016. Under the Scheme, the Board of the Company may grant options to full time employees, including executive directors of the Company, its subsidiaries or any invested entity ("Participants"), to subscribe for shares in the Company.

At March 31, 2009, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 13,800,000 (2008: 15,400,000), representing 3.92% (2008: 4.37%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 5% of the shares of the Company in issue at any point in time, without prior approval form the Company's shareholders. The total number of shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue at any point in time, without prior approval from the Company's shareholders.

31. SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

The Scheme shall be valid and effective for a period of ten years. The Scheme does not contain any minimum period(s) for which an option must be held before it can be exercised. However, at the time of grant of the options, the Board may specify any vesting period.

Options granted must be taken up within twenty-eight days of the date of grant upon payment of HK$1 per grant. The exercise price in respect of any particular option shall be such price as determined by the Board at its absolute discretion at the time of the making of the offer but in any case the exercise price shall not be lower than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a share.

The following table discloses the movement of the Scheme held by the directors and employees of the Company or the Group and movements in such holdings during the year:

					Number of share options					
Category	Date of grant	Vesting period	Exercisable period	Exercisable price per share HK$	At April 1, 2007	Granted during the year	Cancelled/ lapsed during the year	At March 31, 2008	Cancelled/ lapsed during the year	At March 31, 2009
Directors	November 9, 2006	3 years	November 9, 2009 – November 8, 2014	1.80	4,000,000	–	–	4,000,000	–	4,000,000
Employees	November 9, 2006	3 years	November 9, 2009 – November 8, 2014	1.80	11,800,000	–	(800,000)	11,000,000	(1,400,000)	9,600,000
	June 8, 2007	3 years	June 8, 2010 – June 7, 2015	2.08	–	200,000	–	200,000	–	200,000
	December 19, 2007	3 years	December 19, 2010 – December 18, 2015	2.08	–	200,000	–	200,000	(200,000)	–
					15,800,000	400,000	(800,000)	15,400,000	(1,600,000)	13,800,000
Weighted average exercise price					HK$1.80	HK$2.08	HK$1.80	HK$1.81	HK$1.84	HK$1.80

No options are exercisable at March 31, 2009 and 2008.

The options granted to the above directors and employees are because of their services to the Group.

Total consideration received by the Group during the year ended March 31, 2008 from the above directors and employees for taking up the options granted amounted to HK$2.

During the year ended March 31, 2008, options were granted on June 8, 2007 and December 19, 2007. The estimated fair values of the options granted were HK$40,000 and HK$37,000, respectively.

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For the year ended March 31, 2009

31. SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

The fair value was calculated using the Binomial Option Pricing model. The inputs into the model were as follows:

	June 8, 2007	December 19, 2007
Closing share price at date of grant	HK$2.0400	HK$2.0600
Exercise price	HK$2.0800	HK$2.0800
Expected volatility	26.40%	27.06%
Expected life	8 years	8 years
Risk-free rate	4.877%	3.347%
Expected dividend yield	9.07%	8.98%
Fair value per option	HK$0.2000	HK$0.1850

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 250 trading days. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non transferability, exercise restrictions and behavioral considerations.

The Binomial Option Pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Company recognised a total expense of HK$211,000 (2008: HK$270,000) for the year ended March 31, 2009 in relation to share options granted by the Company, of which HK$142,000 (2008: HK$201,000) was related to options granted to the Group's employees, and the remaining balance of HK$69,000 (2008: HK$69,000) was related to options granted to directors which has been included in director's remuneration set out in note 10.

32. RESERVES

	Share premium account HK$'000	Capital redemption reserve HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
THE COMPANY					
At April 1, 2007	84,880	3,848	107	158,435	247,270
Profit for the year	–	–	–	98,109	98,109
Dividends *(note 13)*	–	–	–	(66,026)	(66,026)
Equity-settled share based payments	–	–	270	–	270
At March 31, 2008	84,880	3,848	377	190,518	279,623
Profit for the year	–	–	–	66,715	66,715
Dividends *(note 13)*	–	–	–	(50,162)	(50,162)
Equity-settled share based payments	–	–	211	–	211
Shares repurchased and cancelled	–	82	–	(493)	(411)
At March 31, 2009	**84,880**	**3,930**	**588**	**206,578**	**295,976**

33. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease contracts of HK$336,000 (2008: HK$229,000).

34. OPERATING LEASE ARRANGEMENTS

The Group as lessee

During the year, the Group made minimum lease payments under operating leases of HK$22,991,000 (2008: HK$21,729,000) in respect of rented premises.

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rental premises, which fall due as follows:

	THE GROUP	
	2009	2008
	HK$'000	*HK$'000*
Within one year	**15,343**	18,006
In second to fifth year inclusive	**26,236**	28,549
Over five years	**8,455**	12,726
	50,034	59,281

Operating lease payments represent rentals payable by the Group for certain of its office premises, factories and retail shops. Leases are negotiated for a term ranging from one to six years and rentals are fixed.

The Group as lessor

Property rental income (before outgoings) earned during the year was HK$2,579,000 (2008: HK$2,447,000). The properties held have committed tenants for an average term of two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	THE GROUP	
	2009	2008
	HK$'000	*HK$'000*
Within one year	**1,379**	1,754
In second to fifth year inclusive	**1,036**	700
	2,415	2,454

35. CAPITAL COMMITMENTS

At the balance sheet date, the Group had capital expenditure committed as follows:

	THE GROUP	
	2009	2008
	HK$'000	*HK$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**227**	–

36. CONTINGENT LIABILITIES

At March 31, 2009, the Company has issued guarantees to banks to secure general banking facilities granted to certain subsidiaries to the extent of HK$235 million (2008: HK$288 million) and has also issued unlimited guarantees to banks to secure banking facilities granted to certain subsidiaries. The extent of the above facilities utilised by the subsidiaries at March 31, 2009 amounted to HK$17 million (2008: HK$45 million). In the opinion of the directors of the Company, the amount of financial guarantee contracts involved is insignificant at initial recognition and subsequent balance sheet dates.

37. PLEDGE OF ASSETS

At the balance sheet date, the following assets have been pledged to banks to secure general banking facilities granted to the Group:

	2009	2008
	HK$'000	*HK$'000*
Prepaid lease payments	**10,042**	10,295
Investment properties	**26,895**	28,723
Buildings	**2,951**	3,048

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38. RETIREMENT BENEFIT SCHEMES

The Group operates the MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% or HK$1,000 of the relevant payroll costs, for each of the employees every month, to the MPF Scheme, which contribution is matched by employees.

The employees in the Company's subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the government in the PRC. The subsidiaries in the PRC are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefit. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

In addition, certain subsidiaries of the Company are required to contribute amounts based on employees' salaries to the retirement benefit scheme as stipulated by relevant local authorities. The employees are entitled to the Group's contributions subject to the regulations of the relevant local authorities.

The total cost charged to the consolidated income statement of HK$9,889,000 (2008: HK$9,806,000) represents contributions payable to these schemes by the Group in respect of the current accounting year.

39. CONNECTED AND RELATED PARTIES DISCLOSURES

(a) During the year, details of transactions with connected persons, as defined in Rule 14A.11 of the Listing Rules, and related parties are set out as follows:

(i) Connected transactions

	2009	2008
	HK$'000	*HK$'000*
Fabric print and artwork service expenses paid to Fine Print Studio Inc. ("Fine Print")	**1,119**	1,875
Rental income received from Fine Print	**–**	98

Fine Print is wholly owned by Mr. Peter Kan Mui, a minority shareholder that has significant influence over a subsidiary of the Company, and his associates (as defined in the Listing Rules).

39. CONNECTED AND RELATED PARTIES DISCLOSURES *(continued)*

(a) ***(ii) Related party transactions***

	2009 HK$'000	2008 HK$'000
Purchases from the Group's associate	**32,821**	23,197
Sales of finished goods to the Group's associate	**261**	1,740

(b) The Group and the Company had the following balances with related parties at the balance sheet date:

The Group

Amount due from an associate of HK$8,708,000 (2008: HK$4,644,000) is unsecured, interest-free and repayable on demand. None of the amount due from an associate is past due or impaired and this amount has a good quality attributable under the internal assessment by the Group.

The amount due from an associate is denominated in HKD, foreign currency of a subsidiary of the Company having USD as functional currency.

Amount due to a minority shareholder of a subsidiary of HK$5,000,000 (2008: HK$4,000,000) is unsecured, bearing interest at Hong Kong Interbank Offered Rate plus 1.5% (2008: 0.85%) per annum, repayable within one year and denominated in HKD, foreign currency of a subsidiary of the Company having USD as functional currency.

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For the year ended March 31, 2009

39. CONNECTED AND RELATED PARTIES DISCLOSURES *(continued)*

(b) *The Company*

(i) At March 31, 2009, the amounts due from subsidiaries amounted to HK$292,198,000 (2008: HK$277,419,000). The amounts due from subsidiaries are unsecured and repayable on demand. Included in the amount is a balance of HK$87,403,000 (2008: HK$97,788,000) which bears interest at Hong Kong Prime Rate and the remaining balances are interest-free. Before making any advances, the Company will review the potential subsidiary's credit quality and defines its credit limit. Loan receivables are advanced to subsidiaries with appropriate credit history. Credit limit attributed to subsidiaries are reviewed regularly.

At the balance sheet dates, the Company reviews the carrying amounts of the amounts due from subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount due from a subsidiary is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount.

At March 31, 2009 and 2008, all the Company's amounts due from subsidiaries are not impaired at the balance sheet date. The amounts due from subsidiaries have good credit quality with reference to the track records of these subsidiaries under internal assessment by the Company and a significant amount of balances were recovered subsequent to the balance sheet date. In addition, the Company does not hold any collateral over these balances.

(ii) Amounts due to subsidiaries of HK$43,647,000 (2008: HK$44,419,000) are unsecured, interest-free and repayable on demand.

The amounts due from/to subsidiaries are denominated in HKD, foreign currency of the Company.

39. CONNECTED AND RELATED PARTIES DISCLOSURES *(continued)*

(c) Compensation of key management personnel

The remuneration of key management personnel, including amounts paid to the Company's executive directors as disclosed in note 10 and certain highest paid employees as disclosed in note 11, during the year was as follows:

	2009	2008
	HK$'000	*HK$'000*
Short-term benefits	**20,856**	21,956
Post-employment benefits *(note)*	**196**	183
Share-based payment expense	**83**	83
	21,135	22,222

Note: The amount represents contributions to retirement benefit schemes and has been included in the amount disclosed in notes 9 and 38.

The emoluments are determined, among other things, by reference to their duties and responsibilities, their experience for the industry, prevailing market conditions and the Group's performance.

Financial Summary

RESULTS

	For the year ended March 31,				
	2005	2006	2007	2008	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Revenue	1,962,598	1,974,483	2,276,176	2,252,055	**2,012,529**
Profit before tax	98,056	118,246	156,022	133,038	**65,743**
Profit for the year attributable to equity holders of the Company	71,209	72,393	89,913	81,233	**42,232**
	HK cents	*HK cents*	*HK cents*	*HK cents*	***HK cents***
Earnings per share					
– Basic	20.2	20.6	25.5	23.1	**12.0**
– Diluted	N/A	N/A	25.5	22.9	**N/A**

ASSETS AND LIABILITIES

	As at March 31,				
	2005	2006	2007	2008	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	855,033	927,353	1,031,845	1,069,366	**892,319**
Total liabilities	(319,386)	(394,252)	(465,917)	(475,940)	**(305,811)**
	535,647	533,101	565,928	593,426	**586,508**
Equity attributable to equity holders of the Company	470,813	477,059	507,201	531,048	**528,599**
Minority interests	64,834	56,042	58,727	62,378	**57,909**
	535,647	533,101	565,928	593,426	**586,508**

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