Luxurious Growth

Cortina Holdings Limited

ANNUAL REPORT 2008

CONTENTS

CORPORATE PROFILE

AT A GLANCE

Founded in 1972, ours is an organisation that remains true to our mission of establishing ourselves as a leading retailer and distributor of luxury timepieces and accessories across the Asia Pacific region.

A TIMELESS RECOLLECTION

35 years on, Cortina Watch stands successful today with the operation of 17 retail outlets in locations of high potential for market growth – in Singapore, Malaysia, Indonesia, Thailand, Hong Kong and Taiwan.

Ours is a story of cultivating a legacy into a timeless identity. Renowned for our delivery of exquisite selections of luxury timepieces through a customer-centric approach, this is the mark of personable luxury that Cortina Watch has left upon our industry.

AN ENDURING MASTERPIECE

On top of geographic expansion, Cortina Watch continually reinvents our reputation of luxurious excellence through innovations such as our celebrated Espace Boutiques that have faced resounding success in our Singapore, Malaysia and Thailand markets.

With rising levels of affluence across the region and our continued eagerness to leverage upon local and regional expansion opportunities, Cortina Watch is set for a future of sustained growth, as a true industrial masterpiece in this industry of elegance and luxury.

CHAIRMAN'S MESSAGE & OPERATION REVIEW

LIM KEEN BAN, ANTHONY
Chairman & Managing Director

DEAR SHAREHOLDERS,

For this year under review, Cortina Holdings Limited has taken great efforts to maintain the momentum of success that we have achieved in our rich history of operations.

On behalf of the Board of Directors, it is with a great sense of accomplishment that I present to you the Group's results for the financial year (FY) ended 31 March 2008.

Overall, the year in review has seen an increase of 200.3% to $9.5 million in the Group's net profit after tax – a substantial development as compared to FY 2007.

THE YEAR IN REVIEW

This year marks our 35th year of operations – a milestone indeed for the Group and our heritage of success as a leader in the luxury timepiece industry. Building upon our many successes over the years, this year in review sees the Group in substantial growth and development to capitalise on favourable opportunities and conditions prevalent within the region.

For FY 2008, Cortina Holdings Limited has taken many great lengths to ensure the retail proficiency and operational effectiveness of our boutiques within the Southeast Asian region.

Overall Market Performance

The Singapore and Hong Kong markets have contributed greatly to our Group's overall retail performance for FY ended 31 March 2008.

Our other operations in Malaysia and Taiwan have delivered substantial improvements in terms of retail performance. Despite the political conditions in Thailand, we remain focussed on developing our capabilities within the country, as can be seen from our impending expansion into the Central World Plaza in Bangkok.

Our Group's sales were $238.6 million this year, higher than the last corresponding year by 20.5%. This is largely attributed to stronger retail performance in Singapore, Hong Kong and Malaysia. We believe that a key driving factor to market favourability within these countries is from sustained levels of affluence and a strengthening of the Southeast Asian economy.

Apart from strong market favourability, increased retail shop space was also a contributing factor to the Group's reported higher revenue. On top of the aforementioned achievements, sales through our distribution channels have seen a noted degree of success, especially due to more favourable sales mix through brands such as Concord, Milus, Wyler and Porsche Design making meaningful contributions to the Group's results.

Retail Outlets

For this year, the Group has been able to strengthen our retail capabilities through the addition of new outlets within the Singapore and Malaysia markets respectively. These strategic movements have done well to contribute to our company's overall increase in revenue.

In our Singapore market, the opening of a 560 square-foot outlet in Centrepoint and renovations to our boutique in Raffles City have greatly enhanced our retail capability within the country.

The new Centrepoint boutique, unveiled in July 2007, houses a total of 15 luxury brands and is noted as Cortina Watch's most compact boutique amongst its stable. With lavish décor and luxurious furnishings, this new boutique exemplifies our offering of a cosy environment for shoppers to appreciate a wide range of internationally recognised luxury brands, all under one roof.

CHAIRMAN'S MESSAGE & OPERATION REVIEW

With your continued support, it is my sincere belief that we can further contribute to the rich heritage of Cortina Holdings Limited.

This year has also seen two other additions to the Cortina family of boutiques – through the opening of the first Rolex/Tudor boutique in Gurney Plaza, Penang, in September and the first Blancpain boutique at Raffles Hotel Shopping Arcade in November.

We have strengthened our operations in Malaysia through the opening of a Rolex/Tudor boutique in Gurney Plaza, Penang – allowing us to be closer with our customers there.

Spanning 1,447 square feet and set in the most prestigious hotel in Singapore, the Blancpain Boutique at the Raffles Hotel Arcade houses an extensive collection of haute timepieces, as well as its reception and workshop for after sales service.

Together, these boutiques will do well in providing aficionados the luxury of exploring the various masterpieces on display in their respective showcases.

LOOKING FORWARD

As Cortina Holdings Limited flourishes into another year of prosperity and sustained achievement, we aim to build upon our role as a leading player in the luxury timepiece industry through the inclusion of new additions to our line of boutiques and by keeping up with our belief in the delivery of luxury timepieces through a customer-centric service approach.

The Singapore Retailers Association awarded Jewellery Time 2006 with the title of Best Retail Event of the Year in Oct 2007. Held between 19 to 29 October 2006 at the Paragon Atrium, this remarkable title bears testament to the high standard of service quality that presents itself throughout all of our establishments. To build upon this success, it is with great pride that I announce the return of Jewellery Time to the Paragon Shopping Mall in October 2008. Without a doubt, I am confident that this year's exhibition will do well to carry on the evident success we have witnessed from Jewellery Time 2006.

Apart from the showcasing of the finest luxury timepieces through our Jewellery Time exhibitions, our customers and other luxury timepiece enthusiasts can look forward to the privileges of being able to appreciate their favoured masterpieces in three new locations in the year to come. Scheduled for completion in the final quarter of 2008 and 2009, we will be unveiling a total of five new boutiques in Singapore. Three of the new boutiques will find themselves placed in the heart of Orchard road – namely, our much anticipated Longines flagship boutique at Wisma Atria, followed by a Patek Phillip boutique and another multi-brand boutique at the upcoming ION Orchard retail concept. The remaining two, a Patek Phillipe boutique and a boutique featuring Concorde timepieces, will find their home at the spectacular Marina Bay Sands Integrated Resort.

The Group retains a keen eye on newer markets for further expansion and is further developing its presence within existing markets through the establishment of boutiques in the Central World Plaza in Bangkok and the iconic 1Borneo hypermall in Kota Kinabalu. Further expansion to our boutique in Gurney Plaza can be anticipated – and this expansion will do well to build upon the luxurious presence we have established in Penang thus far.

With our organisation's track record of success as an industry leader, the Group remains committed to meeting the various challenges within our markets with great confidence and commitment.

Continued economic growth and rising affluence within the Southeast Asian region is also a key factor that drives our organisation onwards in arriving at the next height of luxury and excellence.

IN APPRECIATION

My heartfelt gratitude goes out to our management, staff, shareholders, customers and business partners for their continued support and encouragement.

With continued support from these parties, along with my fellow Board Members, it is my sincere belief that we can further contribute to the rich heritage of Cortina Holdings Limited.

Although every path brings with it newer challenges to meet, I remain confident that, through our collectively unified passion and dedication, we will be able to look upon every new horizon with confidence in our capability to seize whatever opportunities may come our way.

LIM KEEN BAN, ANTHONY
Chairman & Managing Director

CELEBRATIONS OF LUXURY

CELEBRATING 35 YEARS OF LUXURIOUS EXCELLENCE

On 27 November 2007, the Group celebrated our 35th Anniversary with our valued customers, business associates and other distinguished guests at the Ritz Carlton Millenia, Singapore.

A momentous milestone occasion in Cortina's rich heritage of luxury and elegance, the truly iconic celebration did well to attest to Cortina's long journey from its humble beginnings in 1972.

The night was filled with alluring charm and an electrifying atmosphere that did well to facilitate our celebration of excellence together with our invited guests.

From left to right: *Mr Sunny Lau Sing Liang (35 years Long Service Award),*
Mdm Rainda Loh Hai Heng (32 years Long Service Award),
Mr Anthony Lim (Managing Director),
Mr Eric Cheah Kok Chong (31 years Long Service Award)

01 04 05 02 03

01, 02, 03 *A culmination of luxury and excellence as our 35th Anniversary was spent in the company of good friendships amidst a vibrant and dynamic celebratory setting.*

04, 05 *Valued customers, business associates and media personalities gathered at the gala dinner held at the Ritz Carlton Millenia, Singapore.*

CELEBRATIONS OF LUXURY





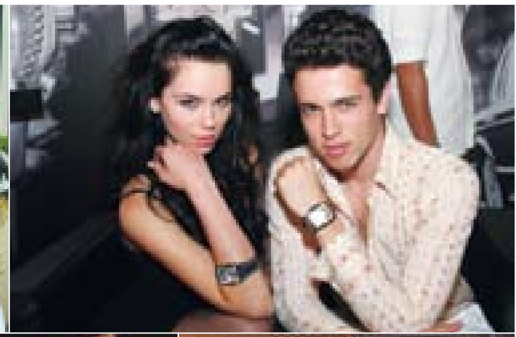
06 07
08
09 10

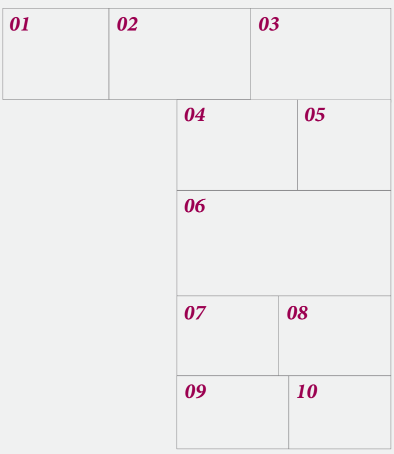
06, 07, 08 *A gathering of lavish elegance, in celebration of 35 years' worth of success in the luxury timepiece industry.*

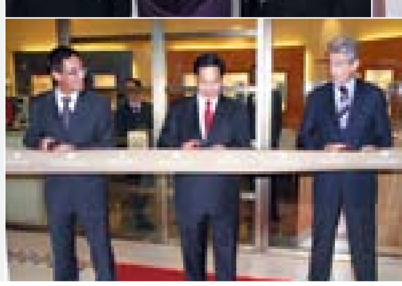
09 *Privileged guests gathered in celebration with Cortina Holdings Limited.*

10 *Elaborate Jazz performance infused with an eloquent fashion show.*

CELEBRATIONS OF LUXURY







01, 02 *The Launch of IWC 2007 novelties on the 13 June 2007 in IWC boutique in Siam Paragon Shopping Centre of Bangkok.*

03, 04 *The well-attended launch of the Breitling for Bentley with Cortina Watch 2007 - filled with VIP-guests that added to the overall setting of luxury and exclusivity.*

05, 06 *The elegant launch of Nubeo, held in August 2007 on the rooftop of the One Degree 15 Marina Club – attended by horological connoisseurs and other VIP customers.*

07, 08 *The Highly Personal party, hosted by Milus and Cortina watch at the Reflections at Keppel Bay – in celebration of the arrival of the brand in Singapore on 14 September 2007.*

09, 10 *Opening of Rolex/Tudor boutique on Sep 2007 in Gurney Plaza of Penang.*

CELEBRATIONS OF LUXURY

11, 12 *JLC Strap Animation Event on 31 Oct 2007 at Oriental Hotel Bangkok.*

13, 14, 15 *A showcasing of luxury masterpieces at the opening of our new Blancpain boutique.*

16, 17 *The launch of the latest Graham Basel 2007 novelties, as a combined effort between Graham, along with Cortina Watch.*

18, 19 *Celebrating the launch of Wyler Genève into the Singapore market in January 2008, at the Red Dot Museum.*

20, 21 *The launch of the Porsche Design 2007 novelties in Singapore, held at the stunning CIP Terminal at JetQuay, as hosted by Porsche Design and Cortina Watch.*

BOARD OF DIRECTORS

01 Lim Keen Ban, Anthony is one of the founders of our Group and was appointed Managing Director since 1972. He is our Chairman and Managing Director and is responsible for the overall management, strategic planning and business development of the Group. In addition, Mr Lim also heads the distribution business and was instrumental in building up the distribution business over the last twenty years. He has over 45 years of experience in the business of watch retailing and distribution and has gained extensive knowledge of the industry over the years. Mr Lim was the President of the Singapore Clock & Watch Trade Association from 2002 to 2008.

02 Yu Chuen Tek, Victor is our Director since 1987 and was appointed Executive Director in 1995. His main portfolio includes strategic planning and overseeing the finance and corporate affairs to ensure the Group's growth is aligned with our corporate objective. Mr Yu holds a Bachelor of Business Administration degree from the University of Singapore. He was the Singapore Honorary Consul General to Papua New Guinea from 1988 to 1992. He is currently the Honorary Consul of the Republic of the Fiji Islands in Singapore.

03 Lim Jit Ming, Raymond is an Executive Director of our Group since 1992. He is responsible for the overall regional business development and retail/distribution operations of the Group. He plays a pivotal role in assisting the Managing Director in the overall management, strategic planning and is actively involved in development of new markets. He has been with the Group since 1980 and has over 20 years of experience and know-how of the watch retail and distribution industry.

04 Lim Jit Yaw, Jeremy is an Executive Director and Executive Officer of our Group since 2002. He was appointed Operations Manager in 2000 and was subsequently promoted to Operations Director and Regional General Manager in 2003 and 2004 respectively. His duties include the management of the overall operations and merchandising of retail outlets in Singapore, Malaysia, Thailand and Indonesia. Prior to joining us in 2000, he was an audit senior with KPMG Singapore from 1997 to 2000. Mr Lim graduated from Edith Cowan University, Australia with a Bachelor of Business majoring in Accounting and Finance.

05 Foo See Jin, Michael is one of the founders of our Group and has been a Non-Executive Director of our Group since 1972. He has been in the food and beverage industry for over 37 years and was operations manager at the Yi Ru Vegetarian Restaurant, Neptune Theatre and Marina Mandarin of the Mandarin Group.

BOARD OF DIRECTORS

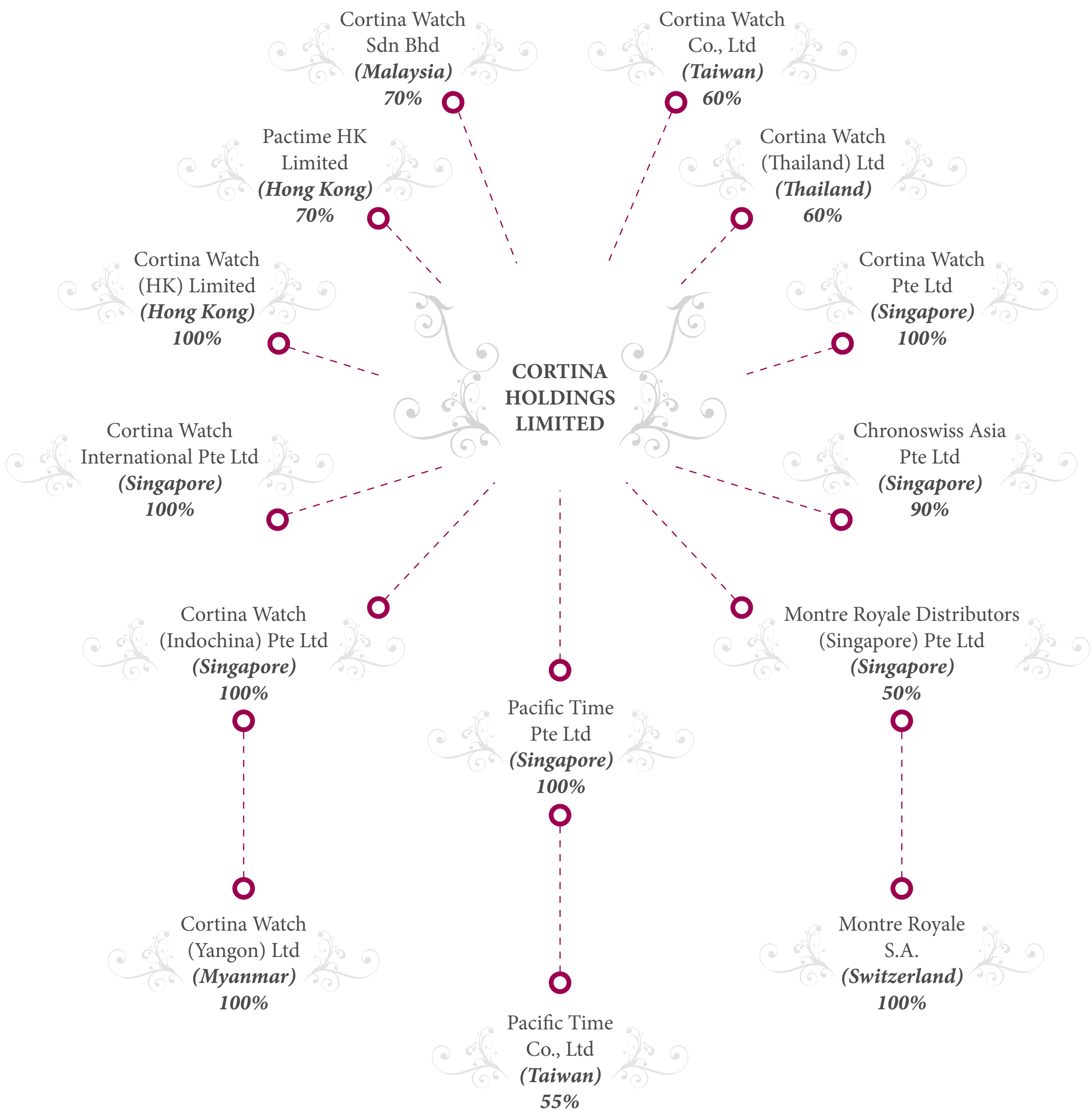
06 Long Foo Pieng, Benny is a Non-Executive Director of our Group since 2000. Prior to joining us, he was an aircraft engine specialist with Pratt and Whitney Canada (S.E.A.) Pte Ltd. Mr Long holds an Associate Degree in Aviation Maintenance Technology from Embry-Riddle Aeronautical University in Florida, the United States of America.

07 Ch'ng Jit Koon, was appointed Independent Director in 2003. He is a Justice of the Peace, and was a Member of Parliament from 1968 to 1996. He was appointed the Senior Parliamentary Secretary to the Prime Minister from 1982 to 1984, the Minister of State for Community Development from 1984 to 1991 and Senior Minister of State from 1991 until he retired in January 1997. Mr Ch'ng holds directorships in several listed and private companies, and also serves in several community organisations.

08 Lau Ping Sum, Pearce was appointed Independent Director in 2002. Having held management positions in both the public and the private sectors, Mr Lau is currently executive director of the People's Action Party Community Foundation and People's Action Party Headquarters. Mr Lau was the Member of Parliament for Yio Chu Kang and Ang Mo Kio GRC from 1980 to 1996. He is a director of several publicly listed and private companies. Mr Lau holds a Bachelor of Economics from the Australian National University and a Diploma in Business Administration from the National University of Singapore.

09 Chin Sek Peng, Michael was appointed Independent Director in 2007. Mr Chin is a Fellow (practising) member of the Institute of Certified Public Accountants of Singapore and a UK graduate Fellow member of the Institute of Chartered Accountants in England and Wales. Michael graduated with honours in accounting and finance from Lancaster University, UK in 1980 and qualified as a UK Chartered Accountant in 1983. He worked with legacy Price Waterhouse ("PW") in different countries and in 1994, Michael left PW when he was a senior audit manager and joined the Institute of Certified Public Accountants of Singapore as the first Practice Review Director to head and run the first practice monitoring programme in Singapore regulating all audit firms including the international audit firms in Singapore. From 1999 to 2002, Michael was a partner of Arthur Andersen's Assurance and Business Advisory division in Singapore. Michael is currently the co-founder director of PKF-CAP Advisory Partners Pte Ltd, a consultancy firm and a partner of PKF-CAP LLP, a public accounting practice in Singapore affiliated with PKF International Limited which has legally independent member firms worldwide. Michael is also an associate member of the Institute of Internal Auditors of Singapore and currently serves as Audit Committee Chairman to several listed companies in Singapore.

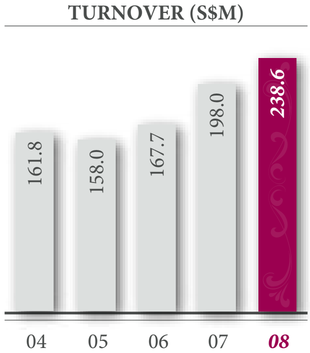
GROUP STRUCTURE



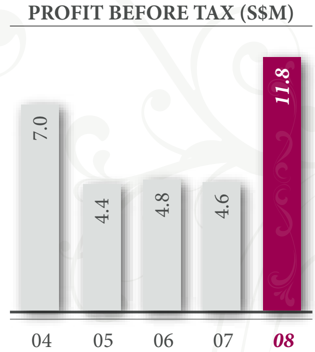
FINANCIAL HIGHLIGHTS

S$ MILLION	FY2004	FY2005	FY2006	FY2007	***FY2008***
Turnover	161.8	158.0	167.7	198.0	***238.6***
Profit Before Tax	7.0	4.4	4.8	4.6	***11.8***
Profit After Tax	6.1	3.2	3.3	3.2	***9.5***
Dividend (Net)	1.7	1.5	1.6	1.7	***3.3***
Shareholders Equity	62.0	63.5	70.8	72.2	***79.1***
CENTS					
Basic Earnings Per Share	4.0	2.0	2.3	2.4	***5.9***
Net Assets Per Share	41.2	42.2	42.7	43.6	***47.8***

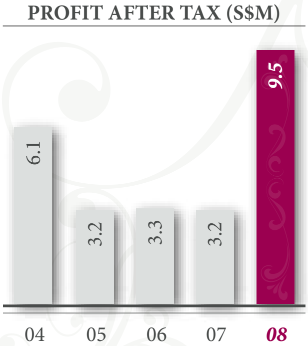
TURNOVER (S$M)



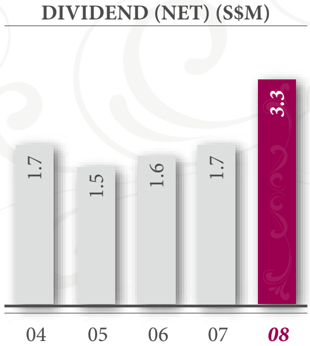
PROFIT BEFORE TAX (S$M)



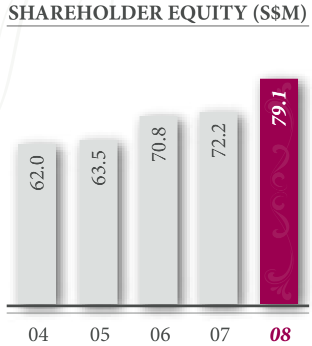
PROFIT AFTER TAX (S$M)



DIVIDEND (NET) (S$M)



SHAREHOLDER EQUITY (S$M)



CORPORATE INFORMATION

Board of Directors

Mr Lim Keen Ban, Anthony	*Chairman & Managing Director*
Mr Yu Chuen Tek, Victor	*Executive Director*
Mr Lim Jit Ming, Raymond	*Executive Director*
Mr Lim Jit Yaw, Jeremy	*Executive Director*
Mr Foo See Jin, Michael	*Non-Executive Director*
Mr Long Foo Pieng, Benny	*Non-Executive Director*
Mr Chin Sek Peng, Michael	*Lead Independent Director*
Mr Lau Ping Sum, Pearce	*Independent Director*
Mr Ch'ng Jit Koon	*Independent Director*

Company Secretaries

Ms Foo Soon Soo, FCIS, FCPA (Singapore), FCPA (Australia), LLB (HONS) (London)

Ms Prisca Low, ACIS

Audit Committee

Mr Chin Sek Peng, Michael	*Chairman*
Mr Lau Ping Sum, Pearce	
Mr Ch'ng Jit Koon	

Remuneration Committee

Mr Lau Ping Sum, Pearce	*Chairman*
Mr Ch'ng Jit Koon	
Mr Foo See Jin, Michael	

Nominating Committee

Mr Ch'ng Jit Koon	*Chairman*
Mr Chin Sek Peng, Michael	
Mr Yu Chuen Tek, Victor	
Mr Lau Ping Sum, Pearce	

Registered Office

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Fax: (65) 6336 7913
www.cortina.com.sg

Registrar and Share Transfer Office

KCK CorpServe Pte. Ltd.
333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721
Person-in-charge: Ms Foo Soon Soo

Auditors

RSM Chio Lim
18 Cross Street, #08-01
Marsh & McLennan Centre
Singapore 048423

Partner-in-charge: Mr Lim Lee Meng
Year of Appoinment: Financial year ended 31 March 2008

STATEMENT OF CORPORATE GOVERNANCE

Cortina Holdings Limited (the "Company") is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Company and its subsidiaries (collectively called the "Group").

This Statement sets out how the Company has effectively applied the principles of good corporate governance in a disclosure-based regime where accountability of the Board to the Company's shareholders and the Management to the Board provides the framework for achieving a mutually beneficial tripartite relationship aimed at creating and growing sustainable shareholders' value.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board of Directors (the "Board") comprises an Executive Chairman, three Executive Directors, and five non-executive Directors of whom three are independent. The Board has the appropriate mix of core competencies and diversity of experience to direct and lead the Company. As at the date of this report, the Board comprises the following members:

Mr Lim Keen Ban, Anthony	(Chairman & Managing Director)
Mr Yu Chuen Tek, Victor	(Executive Director)
Mr Lim Jit Ming, Raymond	(Executive Director)
Mr Lim Jit Yaw, Jeremy	(Executive Director)
Mr Foo See Jin, Michael	(Non-Executive Director)
Mr Long Foo Pieng, Benny	(Non-Executive Director)
Mr Lau Ping Sum, Pearce	(Independent Director)
Mr Chin Sek Peng, Michael	(Lead Independent Director)
Mr Ch'ng Jit Koon	(Independent Director)

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group and sets directions and goals for the Management. It supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group.

Regular meetings are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The Board has formed Board Committees, namely, the Audit Committee, the Nominating Committee and the Remuneration Committee, to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each Committee is also constantly reviewed by the Board.

STATEMENT OF CORPORATE GOVERNANCE

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2008: -

	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Number of meetings held	3	5	2	1
NAMES OF DIRECTORS	**NUMBER OF MEETINGS ATTENDED**			
Executive Directors				
Lim Keen Ban, Anthony	3	NA	NA	NA
Yu Chuen Tek, Victor	3	NA	NA	1
Lim Jit Ming, Raymond	3	NA	NA	NA
Lim Jit Yaw, Jeremy		NA	NA	NA
Non-Executive Directors				
Foo See Jin, Michael	3	NA	2	NA
Long Foo Pieng, Benny	3	NA	NA	NA
Independent Directors				
Lau Ping Sum, Pearce	3	5	2	1
Seet Keong Sam, Lawrence [1]	2	3	NA	1
Ch'ng Jit Koon	3	3	1	1
Chin Sek Peng, Michael [2]	1	2	NA	NA

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. It also takes into account the contributions by board members in other forms including periodic review, provision of guidance and advice on various matters relating to the Group.

Note 1 Seet Keong Sam, Lawrence resigned as independent director in September 2007.
Note 2 Chin Sek Peng, Michael was appointed as lead independent director effective from September 2007.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of nine Directors, of whom three are independent Directors.

The criterion for independence is based on the definition given in the Code of Corporate Governance (the "Code"). The Board considers an "independent" Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgment of the conduct of the Group's affairs.

The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

Key information regarding the Directors is given in the 'Board of Directors' section of the annual report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on page 22 of this annual report.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr Lim Keen Ban, Anthony is the Chairman and Managing Director of the Company. He has executive responsibilities for the Group's performance and also ensures the responsibilities as set out in the Code are properly discharged. In view of Mr Lim's concurrent appointment as the Chairman and Managing Director, the Company has appointed Mr Chin Sek Peng, Michael as its Lead Independent Director pursuant to the recommendations in Commentary 3.3 of the Code.

As the Chairman, Mr Lim Keen Ban, Anthony is primarily responsible for the overall management, strategic planning and business development of the Group.

In assuming his roles and responsibilities, Mr Lim consults with the Board, Audit, Nominating and Remuneration Committees on major issues. The Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new Directors to the Board.

The Company has established a Nominating Committee "(NC") which is guided by the Terms of Reference approved by the Board.

The NC comprises four members the majority of whom, including its Chairman, are independent Directors. The members of the NC are:

- Mr Ch'ng Jit Koon (Chairman)
- Mr Chin Sek Peng, Michael
- Mr Lau Ping Sum, Pearce
- Mr Yu Chuen Tek, Victor

The NC ensures a formal and transparent process for the appointment of new Directors and re-election of Directors to the Board having regard to their academic background, working experience, management skill, attendance, preparedness, participation, candour and other salient factors.

The NC reviews and determines annually whether a Director is independent, is able to, and has adequately carried out his duties as a Director. The NC will then make the necessary recommendations to the Board for re-nomination and re-election purposes.

The Company's Articles of Association requires one-third of the Directors to retire by rotation at every Annual General Meeting. They can be re-elected if eligible. The Managing Director appointment is not subject to this retirement by rotation.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

The NC, as set out in the Terms of Reference, is responsible for reviewing and evaluating the Board's performance. The evaluations are based on certain objective performance criteria which are decided by the NC.

The NC has reviewed and evaluated the performance of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the overall effectiveness of the Board.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on a regular basis.

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognizant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information.

Senior members of management staff are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends all Board meetings and meetings of the Committees of the Company and ensure that Board procedures are followed and that applicable rules and regulations are complied with.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Company has established a Remuneration Committee ("RC") whose duties are to recommend to the Board a framework of remuneration for the Board and Key Executives and to determine remuneration packages for each Executive Director and the Managing Director. The RC is also to recommend to the Board the terms of renewal of service agreements for Directors who entered into service agreement with the Company.

The Remuneration Committee ("RC") comprises three members, the majority of whom, including its Chairman, are independent Directors. The members of the RC are:

- Mr Lau Ping Sum, Pearce (Chairman)
- Mr Ch'ng Jit Koon (Independent Director)
- Mr Foo See Jin, Michael (Non-executive Director)

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his remuneration package.

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the Directors to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The level and mix of each remuneration package of the Directors are designed after considering the market's pay and employment conditions, the individual's level of responsibilities, the company's relative performance and the performance of individual Directors.

For the financial year ended 31 March 2008 the Directors were each paid a basic fee of S$25,000.00, and a variable Committee fee based on their participation in various Committees. The quantum of the Directors' fee was approved by shareholders at the last Annual General Meeting held on 12 July 2007.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key executives, and performance.

The details of the remuneration of Directors of the Group disclosed in bands for services rendered during the financial year ended 31 March 2008 are as follows:

	Number of Directors 2008	2007
$1,000,000 to $1,250,000	1	0
$750,000 to $999,999	1	1
$500,000 to $749,999	1	2
$250,000 to $499,999	1	0
Below $250,000	5	6
Total	9	9

The summary compensation table for the Directors and Top Key Executives of the Group for the financial year ended 31 March 2008 is set out below:

	SALARY	BONUS	DIRECTORS' FEES	ALLOWANCES AND OTHER BENEFITS	TOTAL COMPENSATION
Directors	%	%	%	%	%
$1,000,000 to $1,250,000					
Lim Keen Ban, Anthony	36	57	4	3	100
$750,000 to $999,999					
Lim Jit Ming, Raymond	42	50	3	5	100
$500,000 to $749,999					
Yu Chuen Tek, Victor	46	46	4	4	100
$250,000 to $499,999					
Lim Jit Yaw, Jeremy	43	43	7	7	100
Below $250,000					
Foo See Jin, Michael	-	-	100	-	100
Long Foo Pieng, Benny	-	-	100	-	100
Lau Ping Sum, Pearce	-	-	100	-	100
Seet Keong Sam, Lawrence	-	-	100	-	100
Ch'ng Jit Koon	-	-	100	-	100
Chin Sek Peng, Michael	-	-	100	-	100

	SALARY	BONUS	ALLOWANCES AND OTHER BENEFITS	TOTAL COMPENSATION
Top Key Executives	%	%	%	%
$250,000 to $499,999				
Lim Yin Chian, Sharon	58	35	7	100
Below $250,000				
Yuen King Yu, Andrew	70	29	1	100
Tshai Kin Chon, Ivan	87	13	-	100
Cheah Yok Khian, Dorris	56	15	29	100
Krist Chatikaratana	92	8	-	100
Shih Wen Lian	96	-	4	100

Remuneration of Top Key Executives (who are not Directors of the Company)

For the financial year ended 31 March 2008, the top Key Executives (who are not Directors of the Company) of the Group are Yuen King Yu,Andrew, Lim Yin Chian, Sharon, Tshai Kin Chon, Ivan, Cheah Yok Kian, Dorris, Krist Chatikaratana and Shih Wen Lian.

There are two immediate family members of the Managing Director whose remuneration exceeded S$150,000 and S$250,000 respectively for the financial year ended 31 March 2008.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within legally prescribed periods.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The establishment of an Audit Committee ("AC") is to assist the Board in discharging its fiduciary responsibilities pertaining to accountability to the Company's shareholders and maintaining high standards of corporate governance.

The AC comprises the following members:

- Mr Chin Sek Peng, Michael (Chairman)
- Mr Lau Ping Sum, Pearce
- Mr Ch'ng Jit Koon

The AC's scope of authority, as defined by its Terms of Reference, includes:

- reviews with the auditors the audit plan and the evaluation of internal accounting controls,
- audit reports and any matters which the auditors wish to discuss (in the absence of management where necessary);
- reviews any significant findings of internal investigations and management's response;
- makes recommendations to the Board on the appointment of external auditors, audit fee and any questions of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or dismissal of the internal auditors;
- monitors interested person transactions and conflict of interest situations that may arise within the Group, including any transactions, procedures or courses of action that raise questions about Management's integrity. The Committee is also required to ensure that directors report such transactions annually to shareholders via the annual report;
- reviews half yearly reporting to SGX-ST and year end annual financial statements of the Group before submission to the Board, focusing on
  - going concern assumption
  - compliance with Financial Reporting Standards and regulatory requirements
  - any changes in accounting policies and practices
  - significant issues arising from the audit
  - major judgmental areas; and
- any other functions which may be agreed by the AC and the Board.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its duties.

The AC meets with both the external and internal auditors without the presence of Management, at least once a year. The auditors have unrestricted access to the AC.

STATEMENT OF CORPORATE GOVERNANCE

The AC reviews the independence of the external auditors annually. The AC, having reviewed the range and value of non-audit services performed by the external auditors, RSM Chio Lim, was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC recommended that RSM Chio Lim be nominated for re-appointment as auditors at the forthcoming AGM.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. Each member of the AC shall abstain from voting any resolutions in respect of matters he is interested in.

The Company has in place a whistle-blowing framework where staff of the Company can access the AC Chairman to raise concerns about improprieties.

Internal Controls and Risk Management

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

(a) Internal controls

The Board through the AC will ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational, and compliance controls is conducted annually. In this respect, the AC will review the audit plans, and the findings of the auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process. Additionally, the Board acknowledges that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Based on the discussions with the auditors and the management's responses to the auditors' recommendations for improvements to the Group's internal controls, the Board is satisfied that there are adequate internal controls to safeguard the assets and ensure the integrity of financial statements.

(b) Risk management

The Company also reviews its business and operational risks on an on-going basis to ensure that those risks that are important to the achievement of corporate objectives are controlled and mitigated. Any significant risks identified from this review are highlighted to the attention of the AC and the Board for further consideration and action if appropriate.

Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The Company has engaged Paul Wan & Co. as its internal auditors. The internal auditors report directly to the Chairman of the AC on all internal audit matters.

The primary functions of internal audit are to :-

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;
(b) assess if operations of the business processes under review are conducted efficiently and effectively; and
(c) identify and recommend improvement to internal control procedures, where required.

The AC has reviewed the Group's internal control assessment and based on the internal auditors' and external auditors' reports and the internal controls in place, it is satisfied that there are adequate internal controls in the Group.

STATEMENT OF CORPORATE GOVERNANCE

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGM's and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;
(b) Annual Report prepared and issued to all shareholders;
(c) Press releases on major developments of the Group;
(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGM"); and
(e) Company's website at www.cortina.com.sg where shareholders can access information on the Group.

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any questions relating to the work of these Committees. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the AGM/EGM to ensure a high level of interaction and to stay apprised of the Group's strategy and goals. Notice of the meeting will be advertised in newspapers and announced on SGXNET.

Dealing In Securities

The Company has in place a policy prohibiting share dealings by Directors and employees of the Company for the period of one month prior to the announcement of the Company's half yearly and yearly results, as the case may be, and ending on the date of the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

Interested Person Transactions Policy

The Company has adopted an internal policy, which sets out the procedures for the notification to and approval by the AC , in relation to transactions with interested persons. There was no interested person transaction which requires disclosure or shareholders' approval under SGX-ST rules regulating interested persons transactions.

Material Contracts

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the Managing Director, any Director or controlling shareholder.

FINANCIAL CONTENTS

DIRECTORS' REPORT

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the financial year ended 31 March 2008.

1. DIRECTORS AT DATE OF REPORT

The directors of the company in office at the date of this report are:

Lim Keen Ban
Yu Chuen Tek
Lim Jit Ming
Lim Jit Yaw
Foo See Jin
Long Foo Pieng
Lau Ping Sum, Pearce
Ch'ng Jit Koon
Chin Sek Peng (appointed on 13 September 2007)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Cap. 50 except as follows:

	Direct Interest		
Name of directors and companies in which interests are held	At 1.4.07	At 31.3.08	At 21.4.08
Cortina Holdings Limited	**Number of shares of no par value**		
Yu Chuen Tek	14,585,015	14,585,015	14,585,015
Foo See Jin	8,757,320	7,107,320	7,107,320
Long Foo Ping	10,214,940	8,564,940	8,564,940
Lau Ping Sum, Pearce	30,000	30,000	30,000

	Deemed Interest		
Name of directors and companies in which interests are held	At 1.4.07	At 31.3.08	At 21.4.08
Cortina Holdings Limited	**Number of shares of no par value**		
Lim Keen Ban	56,362,425	58,012,425	58,012,425
Yu Chuen Tek	10,328,000	8,678,000	8,678,000
Lim Jit Ming	56,362,425	58,012,425	58,012,425
Lim Jit Yaw	56,362,425	58,012,425	58,012,425

At the beginning and end of the financial year, Messrs Lim Keen Ban, Lim Jit Ming and Lim Jit Yaw, who by virtue of their deemed interests of not less than 20% of the issued capital of the company, are deemed to have interests in the shares held by the company in all its subsidiaries.

DIRECTORS' REPORT

4. CONTRACTUAL BENEFITS OF DIRECTORS

Since the beginning of the financial year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Cap. 50, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

6. OPTIONS EXERCISED

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares under option.

8. AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Mr Chin Sek Peng	(Chairman of audit committee and lead independent and non-executive director)
Lau Ping Sum, Pearce	(Independent and non-executive director)
Mr Ch'ng Jit Koon	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Companies Act. Among others, it performed the following functions:

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the company's internal accounting control, and their report on the financial statements and the assistance given by the company's officers to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures;
- Reviewed the financial statements of the group and the balance sheet and statement of changes in equity of the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim, be nominated for re-appointment as independent auditors at the next annual general meeting of the company.

9. INDEPENDENT AUDITORS

The independent auditors, RSM Chio Lim, have expressed their willingness to accept re-appointment.

10. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 23 May 2008, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of the Directors

....
Lim Keen Ban
Director

....
Yu Chuen Tek
Director

30 May 2008

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2008 and the results, changes in equity and cash flows of the group and the changes in equity of the company for the year ended on that date and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On Behalf of the Director

....
Lim Keen Ban
Director

....
Yu Chuen Tek
Director

30 May 2008

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

We have audited the accompanying financial statements of Cortina Holdings Limited and its subsidiaries (the group), which comprise the balance sheets of the group and the company as at 31 March 2008, and the income statement, statement of changes in equity and cash flow statement of the group, and statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

INDEPENDENT AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

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,

(a) the consolidated financial statements of the group and the balance sheet of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2008 and the results, changes in equity and cash flows of the group and the changes in equity of the company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the independent auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim
Public Accountants and Certified Public Accountants

Singapore
30 May 2008

Partner in charge of audit: Lim Lee Meng
Effective from year ended 31 March 2008

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Notes	Group 2008 $'000	Group 2007 $'000
Revenue	5	**238,553**	198,029
Other Items of Income			
Interest Income		**164**	3
Other Credits	6	**116**	345
Other Items of Expense			
Cost of Inventories Recognised as an Expense		**(194,383)**	(165,506)
Employee Benefits Expense	7	**(11,913)**	(9,648)
Rental Expenses		**(7,546)**	(6,204)
Depreciation expense and impairment adjustment	8	**(1,598)**	(2,011)
Other Expenses	9	**(8,022)**	(6,676)
Other Charges	6	**(849)**	(222)
Finance Costs	10	**(2,725)**	(3,419)
Share of Loss from Equity-Accounted Associates		**(12)**	(70)
Profit Before Tax From Continuing Operations		**11,785**	4,621
Income Tax Expense	11	**(2,313)**	(1,467)
Profit From Continuing Operations, Net of Tax		**9,472**	3,154
Profit Attributable to Equity Holders of Parent, Net of Tax		**9,697**	3,916
(Loss) Attributable to Minority Interest, Net of Tax		**(225)**	(762)
		9,472	3,154
Earnings Per Share from Continuing Operations		**Cents**	**Cents**
Basic	14	**5.9**	2.4
Diluted	14	**5.9**	2.4
Dividends Paid Per Equity Share	13	**1.22**	1.22

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2008

		Group		Company	
	Notes	**2008**	**2007**	**2008**	**2007**
ASSETS		**$'000**	**$'000**	**$'000**	**$'000**
Non-Current Assets					
Property, Plant and Equipment, Total	15	**8,700**	7,780	–	2
Investment Properties	16	**1,610**	1,376	**1,610**	1,376
Investments in Subsidiaries	17	–	–	**21,049**	9,813
Investment in Associates	18	**3,119**	3,131	**1,000**	1,000
Deferred Tax Assets	11	**451**	789	–	154
Trade and Other Receivables, Non-current	19	–	–	**16,000**	4,300
Other Assets, Non-current	20	**3,115**	1,830	–	–
Total Non-Current Assets		**16,995**	14,906	**39,659**	16,645
Current Assets					
Inventories	21	**133,418**	131,063	–	–
Trade and Other Receivables, Current	22	**11,390**	11,635	**5,449**	24,808
Other Assets, Current	23	**1,739**	1,273	**14**	9
Cash and Cash Equivalents	24	**13,122**	4,075	**195**	34
Total Current Assets		**159,669**	148,046	**5,658**	24,851
Total Assets		**176,664**	162,952	**45,317**	41,496
EQUITY AND LIABILITIES					
Equity					
Share Capital	25	**35,481**	35,481	**35,481**	35,481
Other Reserves, Total	26	**(2,709)**	(1,572)	–	–
Retained Earnings		**46,307**	38,266	**7,286**	4,560
Equity, Attributable to Equity Holders of Parent, Total		**79,079**	72,175	**42,767**	40,041
Minority Interest		**6,829**	3,464	–	–
Total Equity		**85,908**	75,639	**42,767**	40,041
Non-Current Liabilities					
Provisions, Non-current, Total	27	**365**	272	–	–
Deferred Tax Liabilities	11	**19**	9	**643**	–
Other Financial Liabilities, Non-current	28	**2,374**	2,755	–	75
Other Liabilities, Non-current	29	**39**	154	–	–
Total Non-Current Liabilities		**2,797**	3,190	**643**	75
Current Liabilities					
Income Tax Payable, Current		**2,082**	1,309	–	–
Trade and Other Payables, Current	30	**34,129**	29,936	**1,832**	1,230
Other Financial Liabilities, Current	28	**51,748**	52,878	**75**	150
Total Current Liabilities		**87,959**	84,123	**1,907**	1,380
Total Liabilities		**90,756**	87,313	**2,551**	1,455
Total Equity and Liabilities		**176,664**	162,952	**45,317**	41,496

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

Group	Capital $'000	Translation reserves $'000	Retained earnings $'000	Parent Sub-total $'000	Minority Interest $'000	Total equity $'000
Current Year:						
Opening Balance at 1 April 2007	35,481	(1,572)	38,266	72,175	3,464	75,639
Items of Income and Expense Recognised Directly in Equity:						
Exchange Differences on Translating Foreign Operations	–	(1,137)	–	(1,137)	–	(1,137)
Net Income Recognised Directly in Equity	–	(1,137)	–	(1,137)	–	(1,137)
Profit for the Year	–	–	9,697	9,697	(225)	9,472
Total Recognised Income and Expenses for the Year	–	(1,137)	9,697	8,560	(225)	8,335
Other Movements in Equity:						
Transactions With Equity Holders						
Issuance of Subsidiaries Shares to Minority Shareholders	–	–	–	–	3,640	3,640
Dividends Paid (Note 13)	–	–	(1,656)	(1,656)	–	(1,656)
Dividends Paid to Minority Shareholder of a Subsidiary	–	–	–	–	(50)	(50)
Total Other Movements in Equity	–	–	(1,656)	(1,656)	3,590	1,934
Closing Balance at 31 March 2008	35,481	(2,709)	46,307	79,079	6,829	85,908
Previous Year:						
Opening Balance at 1 April 2006	35,481	(718)	36,006	70,769	4,102	74,871
Items of Income and Expense Recognised Directly in Equity:						
Exchange Differences on Translating Foreign Operations	–	(854)	–	(854)	(18)	(872)
Net Income Recognised Directly in Equity	–	(854)	–	(854)	(18)	(872)
Profit for the Year	–	–	3,916	3,916	(762)	3,154
Total Recognised Income and Expenses for the Year	–	(854)	3,916	3,062	(780)	2,282
Other Movements in Equity:						
Transactions With Equity Holders:						
Dividends Paid (Note 13)	–	–	(1,656)	(1,656)	–	(1,656)
Issuance of Subsidiary Shares to a Minority Shareholder	–	–	–	–	142	142
Total Other Movements in Equity	–	–	(1,656)	(1,656)	142	(1,514)
Closing Balance at 31 March 2007	35,481	(1,572)	38,266	72,175	3,464	75,639

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

Company:	**Capital $'000**	**Retained Earnings $'000**	**Total $'000**
Current Year:			
Opening Balance at 1 April 2007	35,481	4,560	40,041
Profit for the Year	–	4,382	4,382
Total Recognised Income and Expenses for the Year	–	4,382	4,382
Other Movements in Equity:			
Transactions With Equity Holders:			
Dividends Paid (Note 13)	–	(1,656)	(1,656)
Total Other Movements in Equity	–	(1,656)	(1,656)
Closing Balance at 31 March 2008	35,481	7,286	42,767
Previous Year:			
Opening Balance at 1 April 2006	35,481	6,036	41,517
Profit for the Year	–	180	180
Total Recognised Income and Expense for the Year	–	180	180
Other Movements in Equity:			
Dividends Paid (Note 13)	–	(1,656)	(1,656)
Total Other Movements in Equity	–	(1,656)	(1,656)
Closing Balance at 31 March 2007	35,481	4,560	40,041

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	2008 $'000	2007 $'000
Cash Flows From Operating Activities		
Profit Before Tax	**11,785**	4,621
Depreciation expense and impairment adjustment	**1,598**	2,011
Interest Income	**(164)**	(3)
Interest Expense	**2,725**	3,419
Share of the Loss from Equity-Accounted Associates	**12**	70
Gain on Disposal of Plant and Equipment	**(116)**	–
Amortisation of Deferred Income	**(115)**	(153)
Plant and Equipment Written Off	**298**	201
Provisions, Non-current	**93**	–
Operating Cash Flows before Changes in Working Capital	**16,116**	10,166
Inventories	**(2,355)**	4,013
Trade and Other Receivables, Current	**245**	(866)
Other Assets	**(1,751)**	(737)
Trade and Other Payables, Current	**4,193**	4,335
Net Cash Flows From Operations Before Interest and Tax	**16,448**	16,911
Income Taxes Paid	**(1,192)**	(1,424)
Net Cash Flows From Operating Activities	**15,256**	15,487
Cash Flows From Investing Activities		
Proceeds from Sale of Plant and Equipment	**443**	–
Purchase of Plant and Equipment (Note 24)	**(2,734)**	(124)
Capital Repayment from Associate	–	268
Interest Received	**164**	3
Net Cash Flows (Used in) From Investing Activities	**(2,127)**	147
Cash Flows From Financing Activities		
Proceeds from Shares Issued by Subsidiaries	**3,640**	142
Increase/(Decrease) in Other Financial Liabilities	**1,016**	(4,062)
Decrease in Finance Leases	**(531)**	(210)
Interest Paid	**(2,725)**	(3,014)
Dividends Paid	**(1,656)**	(1,656)
Dividends Paid to Minority Shareholder of a Subsidiary	**(50)**	–
Net Cash Used In Financing Activities	**(306)**	(8,800)
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	**(1,102)**	(557)
Net Increase In Cash and Cash Equivalents	**11,721**	6,277
Cash and Cash Equivalents Cash Flow Statement, Beginning Balance	**(333)**	(6,610)
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance (Note 24)	**11,388**	(333)

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the parent and the group's entities. The company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Cap. 50, no income statement is presented for the company.

The financial statements were approved and authorised for issue by the board of directors on 30 May 2008.

The company is an investment holding company and provides management and financial related services to its subsidiaries and associates. It is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are described in Note 17.

The registered office is: 391B Orchard Road, #18-01 Ngee Ann City Tower B, Singapore 238874. The company is domiciled in Singapore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") as issued by the Singapore Accounting Standards Council as well as all related Interpretations to FRS ("INT FRS") and the Companies Act, Cap 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of Presentation

The consolidation accounting method is used for the consolidated financial statements that include the financial statements made up to the balance sheet date each year of the company and all of its directly and indirectly controlled subsidiaries. Consolidated financial statements are the financial statements of the group presented as those of a single economic entity. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and dividends, are eliminated in full on consolidation. The equity accounting method is used for associates in the group financial statements. The results of the investees acquired or disposed of during the financial year are accounted for from the respective dates of acquisition or up to the dates of disposal. On disposal the attributable amount of goodwill if any is included in the determination of the gain or loss on disposal.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the entity and it is shown net of sales related taxes, estimated returns, discounts and volume rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are of short duration is recognised when the services are completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Dividends on equity instrument are recognised in profit or loss when the entity's right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund. This includes the government managed retirement benefit plan such as the Central Provident Fund in Singapore. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Tax and deferred tax are recognised in the income statement except that when they relate to items that initially bypass the income statement and are taken to equity, in which case they are similarly taken to equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability is not recognised for all taxable temporary differences associated with investments in subsidiaries, and associates because (a) the company is able to control the timing of the reversal of the temporary difference; and (b) it is probable that the temporary difference will not reverse in the foreseeable future. A deferred tax amount is not recognised if it arises from goodwill for which amortisation is not deductible for tax purposes.

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the balance sheet and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the income statement except when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Foreign Entities

The foreign entities determine the appropriate functional currency as it reflects the primary economic environment in which the entities operate. In translating the financial statements of a foreign entity for incorporation in the consolidated financial statements the assets and liabilities denominated in currencies other than the functional currency of the group are translated at year end rates of exchange and the income and expense items are translated at average rates of exchange for the year. The resulting translation adjustments (if any) are accumulated in a separate component of equity until the disposal of the foreign entity.

Borrowing Costs

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognised as an expense in the period in which they are incurred. The interest expense is calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Freehold Property	–	2%
Leasehold Property	–	Over terms of lease which is approximately 2%
Plant and Equipment	–	16.67 to 33.33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the income statement. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement when they are incurred.

Investment Property

Investment property is property owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value less costs to sell. For disclosure purposes, the fair values are determined periodically on a systematic basis at least once in three years by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Leased Assets

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. At the commencement of the lease term, a finance lease is recognised as an asset and as liability in the balance sheet at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in the income statement as an integral part of the total lease expense. Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Segment Reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

In the company's own separate financial statements, the investments in subsidiaries are stated at cost less any provision for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amounts that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the investor has a substantial financial interest (usually not less than 20% of the voting power), significant influence and that is neither a subsidiary nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investments in associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value. The income statement reflects the group's share of the results of operations of the associate. Profits and losses resulting from transactions between the group and an associate are recognised in the financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Losses of associates in excess of the group's interest in the relevant entity are not recognised except to the extent that the group has an obligation. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

In the company's own separate financial statements, the investments in associates are stated at cost less any provision for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the associates are not necessarily indicative of the amounts that would be realised in a current market exchange.

Business Combinations

Business combinations are accounted for by applying the purchase method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree; plus any costs directly attributable to the business combination. Any excess of the cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised is accounted for as goodwill. The excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is accounted for as "negative goodwill". The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed. There was no negative goodwill.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

Minority Interest - The minority interest in the net assets and net results of consolidated subsidiary are shown separately in the consolidated balance sheet and consolidated income statement. Any minority interest in the acquiree (subsidiary) is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Impairment of Non-Financial Assets

The carrying amount of such assets (other than (i) intangible assets not yet available for use, (ii) goodwill and other indefinite life intangible assets) is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income statement to its estimated recoverable amount. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life available for use.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income statement. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at fair value as part of the business combination process. After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Financial Assets

Initial recognition and measurement:

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit and loss: As at year end date there were no financial assets classified in this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not be classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement. The trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at year end date there were no financial assets classified in this category.

4. Available for sale financial assets: As at year end date there were no financial assets classified in this category.

Derecognition of financial assets:

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Cash and cash equivalents:

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the cash flow statement the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Hedging

The group is exposed to currency and interest rate risks. The policy is to reduce currency exposures through derivatives and other hedging instruments. From time to time, there may be foreign exchange arrangements or similar instruments entered into as hedges against changes in the fair value of the financial assets and liabilities. These arrangements are not used for trading or speculative purposes. The derivatives and other hedging instruments used are described below in the notes to the financial statements. There is no arrangement to reduce interest rate exposure through derivatives and other hedging instruments.

Derivatives

Derivatives: All derivatives are initially recognised and subsequently carried at fair value. The policy is to use derivatives only for non-speculative purposes. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in the income statement and the hedged item follows normal accounting policies.

Financial Liabilities

Initial recognition and measurement:

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit and loss: As at year end date there were no financial liabilities classified in this category.

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Financial Guarantees

A financial guarantee contract requires that the issuer makes specified payments to reimburse the holder for a loss when a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18.

Fair Value of Financial Instruments

The carrying values of current financial assets and financial liabilities including cash, accounts receivable, short-term borrowings, accounts payable approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount is a reasonable approximation of fair value. The fair values of non-current financial instruments are not disclosed unless there are significant items at the end of the year and in the event the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is the fair value of the financial instruments at the balance sheet date. The fair value of a financial instrument is derived from an active market. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of similar instruments and incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. As far as unquoted equity instruments are concerned, in cases where it is not possible to reliably measure the fair value, such instruments are carried at cost less accumulated allowance for impairment.

Inventories

Inventories are measured at the lower of cost (on the specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Equity

Equity instruments are contracts that give a residual interest in the net assets of the company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. The shares have no par value. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when paid.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the income statement in the period they occur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to make sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful accounts:

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. At the balance sheet date, the receivables are measured at fair value and their fair values might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the balance sheet date.

Net realisable value of inventories:

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the balance sheet date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgment and materially affects the carrying amount of inventories at the balance sheet date. Possible changes in these estimates could result in revisions to the valuation of inventory. As at the balance sheet date, the carrying amount of the inventories was S$133,418,000 (2007: S$131,063,000).

Income taxes:

The group has exposure to income taxes in more than one jurisdiction. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the group's income tax payables and deferred tax liabilities at the balance sheet date was S$2,082,000 (2007: S$1,309,000) and S$19,000 (2007: S$9,000) respectively.

Deferred tax estimation:

Management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. A deferred tax asset is recognised if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilised. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognised in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination. The deferred tax assets at the balance sheet date was S$451,000 (2007: S$789,000).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and investment properties:

The group has property, plant and equipment and investment properties stated at carrying value of S$8,700,000 (2007: S$7,780,000) and S$1,610,000 (2007: S$1,376,000) respectively. An assessment is made at each reporting date whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. If the revised estimated gross margin is less favourable than that used in the calculations there would be a need to provide for impairment. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

Useful lives of plant and equipment and investment properties:

The estimates for the useful lives and related depreciation charges for plant and equipment and investment properties is based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete or non-strategic assets that have been abandoned or sold. The carrying amounts of all property, plant and equipment and investment properties as at 31 March 2008 and 2007 were S$8,700,000 and S$7,780,000 and S$1,610,000 and S$1,376,000 respectively.

Estimated impairment of subsidiaries and associate:

When a subsidiary or associate is in net equity deficit and has suffered operating losses a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. The amount of the relevant investments are S$3,477,000 (2007: S$3,477,000) at the balance sheet date. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

3. RELATED PARTY TRANSACTIONS

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

3.1 Related companies:

Related companies in these financial statements include the members of the company's group of companies.

There are transactions and arrangements between the company and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For non-current balances an interest is imputed based on the prevailing market interest rate for similar debt less the interest rate if any provided in the agreement for the balance. For financial guarantees a fair value is imputed and is recognised accordingly if significant where no charge is payable.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3. RELATED PARTY TRANSACTIONS (CONT'D)

3.2 Other related parties (cont'd):

There are transactions and arrangements between the company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For non-current balances an interest is imputed based on the prevailing market interest rate for similar debt less the interest rate if any provided in the agreement for the balance.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:-

	Associates		Minority shareholders of subsidiaries	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Purchase of goods	**149**	79	**2,139**	1,428
Rental income	**(28)**	(18)	**–**	–
Advertising rebate	**–**	–	**(95)**	(72)

3.3 Key management compensation:

	Group	
	2008	**2007**
	$'000	**$'000**
Salaries and other short-term employee benefits	**4,347**	3,512

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group	
	2008	**2007**
	$'000	**$'000**
Remuneration of directors of the company	**2,972**	2,592
Remuneration of directors of the subsidiaries	**674**	455
Fees to directors of the company	**318**	344

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

3. RELATED PARTY TRANSACTIONS (CONT'D)

3.4. Other receivables from and other payables to related parties:

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from related parties are as follows:

	Other related parties	
	2008	**2007**
	$'000	**$'000**
Balance at beginning of year	**10**	10
Amounts received during the year	**(10)**	–
Balance at end of year	**–**	10

The movements in other payables to related parties are as follows:

	Minority shareholders of subsidiaries		Associates	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	**911**	462	**90**	88
Amounts paid out during the year	**(497)**	(58)	**–**	–
Amounts received during the year	**500**	507	**–**	2
Balance at end of year	**914**	911	**90**	90

3.5. Commitments and contingencies

Bank facilities of $112,995,000 extended to subsidiaries were guaranteed by the company. The fair value of the corporate guarantee is not considered material and is not recognised.

4. FINANCIAL INFORMATION BY SEGMENTS

The primary reporting format is by geographical segments. The geographical segments have been determined by reference to the location of assets. The group operates in one business segment, namely the distribution and retailing of watches. Accordingly, no business segment information is presented.

4. FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

4A Primary analysis by geographical area

31 March 2008	Southeast Asia $'000	Northeast Asia $'000	Elimination $'000	Group $'000
REVENUE				
External sales	197,119	41,434	–	238,553
Inter-segment sales	4,314	196	(4,510)	–
	201,433	41,630	(4,510)	238,553
RESULTS				
Segment results	11,089	3,389	–	14,478
Unallocated Costs				(120)
				14,358
Interest Income				164
Finance Costs				(2,725)
Share of Loss from Equity-Accounted Associates				(12)
Profit before tax				11,785
Income tax expense				(2,313)
Profit for the year				9,472
ASSETS				
Segment assets	148,903	25,620	(1,429)	173,094
Associates	3,119	–	–	3,119
Unallocated assets				451
Total assets				176,664
LIABILITIES				
Segment liabilities	27,884	8,020	(1,371)	34,533
Unallocated liabilities				56,223
Total liabilities				90,756
Other information:-				
Capital expenditures	3,371	41	–	3,412
Depreciation expense	1,824	66	–	1,890
Impairment adjustment of investment properties (reversal)	(292)	–	–	(292)

4. FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

4A Primary analysis by geographical area (cont'd)

31 March 2007	Southeast Asia $'000	Northeast Asia $'000	Elimination $'000	Group $'000
REVENUE				
External sales	174,238	23,791	–	198,029
Inter-segment sales	973	59	(1,032)	–
	175,211	23,850	(1,032)	198,029
RESULTS				
Segment results	8,149	507	(126)	8,530
Unallocated costs				(423)
				8,107
Interest Income				3
Finance costs				(3,419)
Share of Loss from Equity-Accounted Associates				(70)
Profit before tax				4,621
Income tax expense				(1,467)
Profit for the year				3,154
ASSETS				
Segment assets	140,993	19,034	(995)	159,032
Associate	3,131	–	–	3,131
Unallocated Assets				789
Total assets				162,952
LIABILITIES				
Segment liabilities	27,146	4,085	(869)	30,362
Unallocated liabilities				56,951
Total liabilities				87,313
Other information:-				
Capital expenditures	96	28	–	124
Depreciation expense	1,983	80	–	2,063
Impairment adjustment of investment properties (reversal)	(52)	–	–	(52)

Inter-segment transactions are determined on an arm's length basis. Unallocated costs represent corporate expenses.

4. FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

The following table analyses assets and liabilities not allocated to geographic segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis:

	2008 $'000	2007 $'000
Assets:		
Deferred tax assets	**451**	789
Liabilities:		
Income tax payables	**2,082**	1,309
Finance leases	**803**	656
Other financial liabilities	**53,319**	54,977
Deferred tax liabilities	**19**	9
	56,223	56,951
Net balance at 31 March	**55,772**	56,162

Revenue from sales to external customers, had it been classified based on customer-based geographical segment, is as follows:

	2008 $'000	2007 $'000
Southeast Asia	**173,167**	139,037
Northeast Asia	**57,601**	52,281
Other	**7,785**	6,711
	238,553	198,029

5. REVENUE

	Group	
	2008 $'000	2007 $'000
Sale of goods	**237,616**	197,292
Rental income	**125**	56
Amortisation of deferred income (Note 29)	**121**	153
Other income	**691**	528
	238,553	198,029

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER CREDITS AND (OTHER CHARGES)

	Group 2008 $'000	Group 2007 $'000
Allowance for impairment on trade receivables	–	(13)
Bad debts written off other receivables	–	(1)
Bad debts written off trade receivables	**(59)**	(2)
Foreign exchange adjustments (losses) / gains	**(298)**	345
Gain on disposal of plant and equipment	**116**	–
Inventory written off	**(194)**	(5)
Plant and equipment written off	**(298)**	(201)
Net	**(733)**	123
Presented in the income statement as:		
Other Credits	**116**	345
Other Charges	**(849)**	(222)
Net	**(733)**	123

7. EMPLOYEE BENEFITS EXPENSE

	Group 2008 $'000	Group 2007 $'000
Employee benefits expense	**11,158**	9,043
Contributions to defined contribution plan	**755**	605
Total employee benefits expense	**11,913**	9,648

8. DEPRECIATION EXPENSE AND IMPAIRMENT ADJUSTMENT

	Group 2008 $'000	Group 2007 $'000
Depreciation expense of property, plant and equipment	**1,832**	2,004
Depreciation expense of investment properties	**58**	59
Impairment loss (reversed) on investment property	**(292)**	(52)
	1,598	2,011

9. OTHER EXPENSES

The major components include the following:

	Group 2008 $'000	Group 2007 $'000
Advertising and promotion	**2,551**	2,254
Credit card commission	**2,020**	1,532

10. FINANCE COSTS

	Group 2008 $'000	Group 2007 $'000
Interest expense	**2,725**	3,419

11. INCOME TAX

	Group 2008 $'000	Group 2007 $'000
Current tax	**1,965**	1,460
Deferred tax	**348**	7
Total income tax expense	**2,313**	1,467

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is domiciled. The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 18% (2007: 18%) to profit before income tax as a result of the following differences:

	Group 2008 $'000	Group 2007 $'000
Tax rate reconciliation:		
Profit Before Tax	**11,785**	4,621
Add: Share of loss from equity-accounted associate	**12**	70
	11,797	4,691
Income tax expense at the above rate	**2,123**	844
Not deductible items	**545**	469
Tax exemptions	**(157)**	(275)
(Over)/under adjustments to tax in respect of previous periods	**(347)**	145
Effect of different tax rates in different countries	**(23)**	(75)
Change in tax rates	**13**	49
Deferred tax assets not recognised on unutilised tax losses	**153**	317
Other minor items less than 3% each	**6**	(7)
Total income tax expense	**2,313**	1,467
Effective tax rate	**19.6%**	31.3%

There are no income tax consequences of dividends to shareholders of the company.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

11. INCOME TAX (CONT'D)

Deferred tax:
The deferred tax amounts and movements in the year are as follows:

	Group			
	Balance Sheet		Net change in income statement	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Deferred tax liabilities:				
Excess of net book value of plant and equipment over tax values	**(27)**	(205)	**(178)**	(62)
Unrealised foreign exchange losses	**(8)**	–	**8**	–
Total deferred tax liabilities	**(35)**	(205)	**(170)**	(62)
Deferred tax assets:				
Excess of tax values over net book value of plant and equipment	**29**	31	**2**	79
Tax loss carryforwards	**286**	358	**72**	7
Unrealised foreign exchange gain/(loss)	**2**	(24)	**(26)**	16
Provisions	**138**	465	**327**	59
Others	**12**	155	**143**	(92)
Total deferred tax assets	**467**	985	**518**	69
Net total of deferred tax assets	**432**	780	348	7
Presented in the balance sheet as follows:				
Deferred tax liabilities	**(19)**	(9)	**10**	(23)
Deferred tax assets	**451**	789	**338**	30
Net position	**432**	780	**348**	7

	Company	
	Balance sheet	
	2008 $'000	2007 $'000
Deferred tax liabilities:		
Fair value adjustment on interest-free intercompany receivables from subsidiaries	**(703)**	–
Total deferred tax liabilities	**(703)**	–
Deferred tax assets:		
Excess of tax values over net book value of plant and equipment	**1**	1
Tax loss carryforwards	**59**	153
Total deferred tax assets	**60**	154
Net total of deferred tax (liabilities)/assets	**(643)**	154
Presented in the balance sheet as follows:		
Deferred tax liabilities	**(643)**	–
Deferred tax assets	**–**	154
Net position	**(643)**	154

It is impracticable to estimate the amount to be settled or used within one year.

The realisation of the future income tax benefits from tax carryforwards and temporary difference from capital allowances amounting to $1,387,000 (2007: $1,836,000) is available for unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined except for the amounts of $66,000, $8,000, $246,000 and $107,000 which will expire in 2010, 2011, 2012 and 2013 respectively.

NOTES TO THE FINANCIAL STATEMENTS

12. ITEMS IN THE INCOME STATEMENT

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:-

	Group	
	2008	**2007**
	$'000	**$'000**
Other fees to independent auditors:		
– Other independent auditors	**69**	55

13. DIVIDENDS ON EQUITY SHARES

	Group	
	2008	**2007**
	$'000	**$'000**
Final dividend paid of 1.22 cents net of income tax (2007: 1.22 cents) per share	**1,656**	1,656

In respect of the current year, the directors propose that a final dividend of 1 cent per share and special dividend of 1 cent per share with a total of $ 3,312,000 be paid to shareholders after the annual general meeting. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend for 2008 is payable in respect of all ordinary shares in issue at the balance sheet date and including the new qualifying shares issued up to the date the dividend becomes payable.

14. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2008	**2007**
Numerators: earnings attributable to equity:		
Continuing operations: attributable to equity holders ($'000)	**9,697**	3,916
Denominators: weighted average number of equity shares		
Basic	**165,578,415**	165,578,415

Basic earnings per share ratio is based on the weighted average number of common shares outstanding during each period. There is no dilution of earnings per share as there are no dilutive potential ordinary shares outstanding as at the year end.

15. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property $'000	Leasehold property and improvement $'000	Plant and equipment $'000	Total $'000
Cost:				
At 1 April 2006	2,507	6,708	8,215	17,430
Additions	–	21	103	124
Reclassification to investment properties	–	(2,954)	–	(2,954)
Disposals	–	(260)	(294)	(554)
Exchange adjustments	(2)	88	(34)	52
At 31 March 2007	2,505	3,603	7,990	14,098
Additions	–	797	2,615	3,412
Disposals	–	(97)	(1,597)	(1,694)
Exchange adjustments	(39)	8	(54)	(85)
At 31 March 2008	2,466	4,311	8,954	15,731
Depreciation and Impairment:				
At 1 April 2006	95	2,426	3,728	6,249
Depreciation for the year	50	814	1,140	2,004
Reclassification to investment properties	–	(1,571)	–	(1,571)
Disposals	–	(97)	(256)	(353)
Exchange adjustments	–	19	(30)	(11)
At 31 March 2007	145	1,591	4,582	6,318
Depreciation for the year	50	691	1,091	1,832
Disposals	–	(39)	(1,030)	(1,069)
Exchange adjustments	(2)	(3)	(45)	(50)
At 31 March 2008	193	2,240	4,598	7,031
Net book value:				
At 1 April 2006	2,412	4,282	4,487	11,181
At 31 March 2007	2,360	2,012	3,408	7,780
At 31 March 2008	2,273	2,071	4,356	8,700

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold property and improvement $'000	Plant and equipment $'000	Total $'000
Cost:			
At 1 April 2006	2,954	129	3,083
Reclassification to investment properties	(2,954)	–	(2,954)
At 31 March 2007 and 31 March 2008	–	129	129
Depreciation and Impairment:			
At 1 April 2006	1,571	125	1,696
Depreciation for the year	–	2	2
Reclassification to investment properties	(1,571)	–	(1,571)
At 31 March 2007	–	127	127
Depreciation for the year	–	2	2
At 31 March 2008	–	129	129
Net book value:			
At 1 April 2006	1,383	4	1,387
At 31 March 2007	–	2	2
At 31 March 2008	–	–	–

Certain items are under finance lease agreements (see Note 28).

Certain items of property, plant and equipment at a carrying value of $3,462,000 (2007: $ 3,585,000) are pledged as security for the bank facilities (see Notes 28).

16. INVESTMENT PROPERTIES

	Group and company 2008 $'000	2007 $'000
At cost:		
At beginning and end of year	**2,954**	2,954
Depreciation and Impairment:		
At beginning of year	**1,578**	1,571
Depreciation for the year	**58**	59
Impairment loss (reversal)	**(292)**	(52)
At end of year	**1,344**	1,578
Net book value:		
At beginning of year	**1,376**	1,383
At end of year	**1,610**	1,376
Fair value:		
Fair value at end of year	**1,610**	1,376
Rental and service income from investment property	**126**	56

The fair value is determined periodically on a systematic basis at least once in three years by external independent valuers having an appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

17. INVESTMENTS IN SUBSIDIARIES

	Company 2008 $'000	2007 $'000
Unquoted shares, at cost:		
At beginning of year	**13,106**	12,773
Additions	**6,555**	333
	19,661	13,106
Less: provision for impairment	**(3,293)**	(3,293)
Fair value adjustment on interest-free intercompany receivables from subsidiaries (Note 19)	**4,681**	–
At end of year	**21,049**	9,813
Analysis of above amount denominated in non-functional currencies:		
Hong Kong Dollars	**5,142**	5,142
New Taiwan Dollars	**3,234**	332
Malaysian Ringgit	**6,518**	2,865
Thailand Baht	**2,858**	2,858
Net book value of subsidiaries	**62,802**	48,704

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the company and the group are listed below:

Name of Subsidiaries, country of incorporation, place of operations and principal activies (and Independent Auditors)	Cost in Books of Group		Effective Percentage of equity held by Group	
	2008	2007	2008	2007
	$'000	$'000	%	%
Chronoswiss Asia Pte Ltd [(a)] Singapore Import and export of Chronoswiss watches	**90**	90	**90**	90
Cortina Watch HK Limited [(b)] Hong Kong Retail, import and export of watches (RSM Nelson Wheeler)	**2,529**	2,529	**100**	100
Cortina Watch Pte Ltd [(a)] Singapore Retail, import and export of watches, pens, lighters and clocks	**1,200**	1,200	**100**	100
Cortina Watch (Indochina) Pte Ltd [(a)] Singapore Dormant	**519**	519	**100**	100
Cortina Watch International Pte Ltd [(a)] Singapore Dormant	**(d)**	(d)	**100**	100
Cortina Watch Sdn Bhd [(b)] Malaysia Retail, import and export of watches, pens and clocks (RSM Robert Teo, Kuan & Co.)	**6,518**	2,865	**70**	70
Pactime HK Limited [(b)] Hong Kong Import and export of watches (RSM Nelson Wheeler)	**2,613**	2,613	**70**	70
Pacific Time Pte Ltd [(a)] Singapore Import and export of watches	**100**	100	**100**	100
Cortina Watch (Thailand) Co. Ltd [(b)] Thailand Retail, import and export of watches (RSM Audit Services (Thailand) Limited)	**2,858**	2,858	**60**	60
Cortina Watch Co. Ltd [(c)] Taiwan Retail, import and export of watches (Sun Rise CPAs & Company)	**3,234**	332	**60**	70
	19,661	13,106		
Held through Pacific time Pte Ltd				
Pacific Time Co., Ltd [(c)] Taiwan Distribution of watches (Sun Rise CPAs & Company)	**427**	427	**55**	55

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

[a] Audited by RSM Chio Lim.
[b] Audited by member firms of RSM International of which RSM Chio Lim in Singapore is a member.
[c] Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim in Singapore is a member. Their names are indicated above.
[d] Cost of investment is less than $1,000.

18. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Movements in carrying value:				
At 1 April 2007	**3,131**	3,473	**1,000**	1,000
Exchange adjustments	**–**	(4)	**–**	–
Capital repayment	**–**	(268)	**–**	–
Share of loss for the year	**(12)**	(70)	**–**	–
	3,119	3,131	**1,000**	1,000
Carrying value:				
Unquoted equity shares at cost	**1,000**	1,000	**1,000**	1,000
Share of post-acquisition profits, net of dividends received	**2,119**	2,131	**–**	–
	3,119	3,131	**1,000**	1,000

The associates held by the company and the subsidiaries are listed below:

Name of Subsidiaries, country of incorporation, place of operations and principal activies (and Independent Auditors)	**Effective Percentage of equity held by Group**	
	2008	**2007**
	%	%
Montre Royale Distributors (Singapore) Pte Ltd [a] Singapore Dealers in watches	**50**	50
Held through Montre Royale Distributors (Singapore) Pte Ltd		
Societe Anoynyme De La Montre Royale [b] Switzerland Commission agents and general trading (CRC Cabinet de Revision & Conseil S.A.)	**50**	50

[a] Audited by RSM Chio Lim.
[b] Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim in Singapore is a member. Their names are indicated above.

The summarised financial information of the associates, not adjusted for the percentage ownership held by the group, is as follows:

	Assets	**Liabilities**	**Revenues**	**Loss**
	$'000	**$'000**	**$'000**	**$'000**
2008				
All associates	**6,206**	**43**	**131**	**(23)**
2007				
All associates	6,286	20	96	(127)

19. TRADE AND OTHER RECEIVABLES, NON-CURRENT

	Company	
	2008	2007
	$'000	$'000
Loan receivable from subsidiaries (Note 17)	**16,000**	4,300

	2008	2007
	$'000	$'000
Movements during the year- at amortised cost:		
Amortised cost at beginning of year [(a)]	**4,300**	–
Additions at cost	–	4,300
Reclassified as non-current [(b)]	**15,608**	–
Fair value adjustment	**(4,681)**	–
Unwinding of discount	**773**	–
Balance at end of year	**16,000**	4,300

(a) This represents, in substance, part of the company's net investment in the subsidiary. The amount is non-interest bearing, unsecured and not expected to be repaid within the next one year.

(b) The loan receivable reclassified from current to non-current, at beginning of financial year ended 31 March 2008, is stated at fair value and the difference between the fair value and the loan receivable is recognised as an increase in cost of investment. Subsequently, the loan receivable is measured at amortised cost using the effective interest rate method. The fair values at beginning of financial year ended 31 March 2008 is determined based on interest rate of 7.07% (2007: nil) per annum and yearly repayment of $1,560,920 commencing from April 2008.

20. OTHER ASSETS, NON-CURRENT

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Deposits to secure services	**3,115**	1,830	–	–

21. INVENTORIES

	Group	
	2008	2007
	$'000	$'000
Goods for resale	**133,418**	131,063
Inventories are stated after allowance. Movement in allowance:		
Balance at beginning of year	**3,532**	3,175
Charged to income statement included in the cost of inventories recognised as an expense	**1,181**	438
Exchange adjustment	**(101)**	(81)
Balance at end of year	**4,612**	3,532

There are no inventories pledged as security for liabilities.

22. TRADE AND OTHER RECEIVABLES, CURRENT

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade receivables:				
Outside parties	**7,732**	6,618	–	–
Less allowance for impairment	**(18)**	(20)	–	–
Minority shareholder of a subsidiary (Note 3)	–	46	–	–
Subtotal	**7,714**	6,644	–	–
Other receivables:				
Related parties (Note 3)	–	10	–	–
Subsidiaries (Note 3)	–	–	**2,297**	23,199
Outside parties	**3,586**	4,981	–	–
Other receivables	–	–	**3,170**	1,627
Less allowance for impairment	–	–	**(18)**	(18)
Minority shareholder of a subsidiary (Note 3)	**90**	–	–	–
Subtotal	**3,676**	4,991	**5,449**	24,808
Total trade and other receivables	**11,390**	11,635	**5,449**	24,808
Movements in above allowance:				
Balance at beginning of year	**20**	7	**18**	18
Charge for trade receivables to income statement included in other charges	–	13	–	–
Exchange adjustment	**(2)**	–	–	–
Balance at end of year	**18**	20	**18**	18

The allowance is based on individual accounts that are determined to be impaired at the year end date. These are not secured.

Current receivables with a short duration are not discounted and the carrying values are assumed to approximate the fair values.

23. OTHER ASSETS, CURRENT

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Deposits to secure services	**687**	677	–	–
Prepayments	**1,052**	596	**14**	9
	1,739	1,273	**14**	9

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Not restricted in use	**13,122**	4,075	**195**	34

The interest earning balances are not insignificant. The carrying amounts are assumed to be a reasonable approximation of fair value.

24. CASH AND CASH EQUIVALENTS (CONT'D)

Cash and cash equivalents in the consolidated cash flow statement:

	Group	
	2008 $'000	2007 $'000
As shown above	**13,122**	4,075
Bank overdrafts (Note 28)	**(1,734)**	(4,408)
Cash and cash equivalents (overdrawn) for consolidated cash flow statement purpose at end of year	**11,388**	(333)

NON-CASH TRANSACTIONS – During the year, there were acquisitions of plant and equipment with a total cost of S$678,000 (2007: Nil) acquired by means of finance leases.

25. SHARE CAPITAL

	Group and company	
	Number of shares issued	Share capital $'000
Ordinary shares of no par value:		
Balance at 1 April 2006, 31 March 2007 and 31 March 2008	165,578,415	35,481

The ordinary shares of no par value carry no right to fixed income and are fully paid. The only externally imposed capital requirement is that for the group to maintain its listing on the Singapore Stock Exchange it has to have share capital with at least a free float of 10% of the shares.

The objectives when managing capital are: to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The management sets the amount of capital in proportion to risk. The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity.

	2008 $'000	2007 $'000
Net debt:		
All current and non-current borrowings including finance leases	**54,122**	55,633
Less cash and cash equivalents	**(13,122)**	–
Net debt	**41,000**	55,663
Net capital:		
Equity	**85,908**	75,639
Debt-to-adjusted capital ratio	**47.7%**	73.6%

The reduction in the debt-to-adjusted capital ratio during 2008 resulted primarily from a favourable change with improved retained earnings.

26. OTHER RESERVES

	Currency translation $'000
Group	
At 1 April 2006	(718)
Exchange adjustment	(854)
At 31 March 2007	(1,572)
At 1 April 2007	(1,572)
Exchange adjustment	(1,137)
At 31 March 2008	(2,709)

The currency translation reserve accumulates all foreign exchange differences on translating the financial statements of foreign subsidiaries for incorporation in the consolidated financial statements.

27. PROVISIONS, NON-CURRENT

	Group	
	2008 $'000	2007 $'000
Provision for dismantling and removing the item and restoring the site relating to property, plant and equipment:		
Movements in above provision:		
Balance at beginning of year	**272**	272
Additions	**93**	–
Balance at end of year	**365**	272

The provision is based on the present value of costs to be incurred.

28. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Non-Current:				
Bank loans (secured) (Note 28A)	**1,812**	2,319	–	75
Finance lease liabilities (Note 28B)	**562**	436	–	–
Non-current, total	**2,374**	2,755	–	75
Current:				
Bank overdrafts (secured) (Note 28A)	**1,734**	4,408	–	–
Bank loans (secured) (Note 28A)	**8,505**	12,394	**75**	150
Bills payable (secured) (Note 28A)	**41,268**	35,856	–	–
Finance lease liabilities (Note 28B)	**241**	220	–	–
Current, total	**51,748**	52,878	**75**	150
Total	**54,122**	55,633	**75**	225

28. OTHER FINANCIAL LIABILITIES (CONT'D)

The weighted effective interest rates paid are as follows:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Bank overdrafts	**5.50%**	7.80%	–	–
Bank loans	**5.30%**	6.70%	**5.30%**	5.30%
Bills payable	**3.10%**	4.80%	–	–
Finance leases	**3.25%**	4.30%	–	–

The carrying amounts of the current portions and non-current portions are assumed to be a reasonable approximation of fair values.

28A Bank Loans And Bank Overdrafts (Secured)

Certain of the bank loans, bank overdrafts and other credit facilities are covered by a joint and several guarantee from certain directors of the company and a first and legal charge on the group's leasehold and freehold properties.

The bank loans are repayable in equal monthly to quarterly instalments of amounts ranging from S$11,000 to S$75,000 over 1 to 10 years commencing from July to October 2003.

28B Finance Leases

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2008			
Minimum lease payments payable:			
Due within one year	276	(35)	241
Due within 2 to 5 years	603	(41)	562
Total	879	(76)	803
Net book value of plant and equipment under finance leases			1,044
2007			
Minimum lease payments payable:			
Due within one year	244	(24)	220
Due within 2 to 5 years	459	(23)	436
Total	703	(47)	656
Net book value of plant and equipment under finance leases			789

It is a policy to lease certain of its plant and equipment under finance leases. The average lease term ranges from 1 to 4 years. There is an exposure to fair value interest risk because the 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. The obligations under finance leases are secured by the lessor's charge over the leased assets.

The carrying value of the lease liabilities approximates to their fair value. All lease obligations are denominated in Singapore Dollar.

29. OTHER LIABILITIES, NON-CURRENT

	Group	
	2008	2007
	$'000	$'000
Deferred income	**39**	154

This relates to one-time payments from suppliers for their share of costs incurred in the creation of boutique corners in the retail outlets, to be amortised over a period of 2 to 5 years.

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Trade payables:				
Advanced deposits from customers	**4,783**	2,553	–	–
Outside parties and accrued liabilities	**21,963**	20,956	**1,539**	950
Associate (Note 3)	**3,917**	3,994	–	–
Subtotal	**30,663**	27,503	**1,539**	950
Other payables:				
Associate (Note 3)	**90**	90	–	–
Subsidiary (Note 3)	–	–	**235**	235
Minority shareholders of subsidiaries	**1,004**	911	–	–
Other payables	**2,372**	1,432	**58**	45
Subtotal	**3,466**	2,433	**293**	280
Total trade and other payables	**34,129**	29,936	**1,832**	1,230

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

31A Financial Risk Management

The company has certain strategies for the management of financial risks and action to be taken in order to manage the financial risks. However these are not formally documented in formal written form. The following guidelines are followed:

1. Minimise interest rate, currency and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. Enter into derivatives or any other similar instruments solely for hedging purposes.
4. All financial risk management activities are carried out and monitored by senior management staff.
5. All financial risk management activities are carried out following good market practices.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31B Carrying Amount Of Financial Assets And Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the year by FRS 39 categories:

	Group	
	2008 $'000	2007 $'000
Financial assets:		
Cash and cash equivalents	**13,122**	4,075
Loan and receivables	**11,390**	11,635
At end of year	**24,512**	15,710
Financial liabilities:		
Measured at amortised cost:		
Borrowings	**54,122**	55,633
Trade and other payables	**34,129**	29,936
At end of year	**88,251**	85,569

	Company	
	2008 $'000	2007 $'000
Financial assets:		
Cash and cash equivalents	**195**	34
Loan and receivables	**21,449**	29,108
At end of year	**21,644**	29,142
Financial liabilities:		
Measured at amortised cost:		
Borrowings	**75**	225
Trade and other payables	**1,832**	1,230
At end of year	**1,907**	1,455

31C Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations consist principally of cash, cash equivalents and trade and other accounts receivable. Credit risk on cash balances and derivative financial instruments is limited because the counter-parties are banks with high credit ratings. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. As part of the process of setting customer credit limits, different external credit reference agencies are used, according to the country of the customer.

The average credit period generally granted to non-related party trade receivable customers is about 30 to 90 days (2007: 30 to 90 days). But some customers take a longer period to settle the amounts. The total of overdue accounts was $533,000 (2007: $46,000). The total settled after the year end date was about $464,000 (2007: $21,000).

Other receivables are normally with no fixed terms and therefore there is no maturity.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31C Credit risk on financial assets (cont'd)

The table below illustrates the trade and other receivables ageing analysis:

	Group 2008 $'000	Group 2007 $'000
Trade and other receivables:		
Less than 30 days	**4,694**	5,082
31-60 days	**5,156**	5,959
61-90 days	**1,007**	548
91- 180 days	**377**	26
Over 180 days	**156**	20
At end of year	**11,390**	11,635

	2008 $'000	2007 $'000
Concentration of trade receivables customers		
Top 1 customer	**2,534**	1,516
Top 2 customers	**3,469**	2,386
Top 3 customers	**3,836**	3,187

31D Liquidity risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities.

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Other Financial Liabilities $'000	Trade and other payables $'000	Total $'000
2008			
Less than 1 year	51,748	34,129	85,877
Due within 2 to 5 years	1,913	–	1,913
Over 5 years	461	–	461
At end of year	54,122	34,129	88,251
2007			
Less than 1 year	52,878	29,936	82,814
Due within 2 to 5 years	2,127	–	2,127
Over 5 years	628	–	628
At end of year	55,633	29,936	85,569

The average credit period taken to settle non-related party trade payables is about 30 to 90 days (2007: 30 to 90 days). The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair values.

It is expected that all the liabilities will be paid at their contractual maturity. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

In additions, the financial assets are held for which there is liquid market and that are readily available to meet liquidity needs.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31D Liquidity risk (cont'd)

Bank facilities:

	2008 $'000	2007 $'000
Undrawn borrowing facilities	**52,111**	56,605
Bank guarantees	**112,995**	112,995

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for budgeted operations. A monthly schedule showing the maturity of financial liabilities and unused borrowing facilities is provided to management to assist them in monitoring the liquidity risk.

31E Interest rate risk

The interest rate risk exposure is mainly on financial liabilities and financial assets. These financial instruments are both at fixed rate and floating rates. The interest rate risk on financial assets is not significant. The following table analyses the breakdown of the financial liabilities by type of interest rate:

	2008 $'000	2007 $'000
Financial liabilities:		
Fixed rate	**803**	656
Floating rate	**53,319**	54,977
At end of year	**54,122**	55,633

The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	2008 $'000	2007 $'000
A hypothetical increase in interest rates by 50 basis points would have an adverse effect on profit before tax of	**267**	275
A hypothetical increase in interest rates by 100 basis points would have an adverse effect on profit before tax of	**533**	550
A hypothetical increase in interest rates by 150 basis points would have an adverse effect on profit before tax of	**800**	825
A hypothetical increase in interest rates by 200 basis points would have an adverse effect on profit before tax of	**1,066**	1,100

The analysis has been performed separately for fixed interest rate liabilities and floating interest rate financial liabilities. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. This is not expected to be significant. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses.

In management's opinion, the above effective interest rates are unrepresentative of the inherent interest risks as the historical exposure does not reflect the exposure in future.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31F Foreign currency risk

There is exposure to foreign currency risk as part of its normal business.

Analysis of amounts denominated in non-functional currency of respective entities in the group:

	Group		
Financial assets:	**Cash and cash equivalents $'000**	**Trade and other Receivables $'000**	**Total $'000**
At 31 March 2008:			
Euro	–	369	369
Hong Kong Dollars	6,236	561	6,797
Malaysian Ringgit	1,715	63	1,778
New Taiwan Dollars	955	628	1,583
Singapore Dollars	2,731	7,013	9,744
Swiss Francs	1,010	1,179	2,189
Thailand Bhat	382	1,326	1,708
Others	93	251	344
	13,122	11,390	24,512
At 31 March 2007:			
Euro	–	187	187
Hong Kong Dollars	1,739	72	1,811
Malaysian Ringgit	8	–	8
New Taiwan Dollars	512	593	1,105
Singapore Dollars	1,184	8,542	9,726
Swiss Francs	526	800	1,326
Thailand Bhat	94	1,441	1,535
Others	12	–	12
	4,075	11,635	15,710

	Company		
Financial assets:	**Cash and cash equivalents $'000**	**Trade and other Receivables $'000**	**Total $'000**
At 31 March 2008:			
Singapore Dollars	107	21,449	21,556
Others	88	–	88
	195	21,449	21,644
At 31 March 2007:			
Singapore Dollars	29	29,108	29,137
Others	5	–	5
	34	29,108	29,142

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31F Foreign currency risk (cont'd)

	Group		
Financial liabilities:	**Other Financial Liabilities $'000**	**Trade and other payables $'000**	**Total $'000**
At 31 March 2008:			
Euro	–	1,303	1,303
Hong Kong Dollars	354	3,963	4,317
Malaysian Ringgit	4,343	653	4,996
New Taiwan Dollars	1,796	399	2,195
Singapore Dollars	36,444	24,328	60,772
Swiss Francs	–	3,017	3,017
Thailand Bhat	11,185	456	11,641
Others	–	10	10
	54,122	34,129	88,251
At 31 March 2007:			
Euro	–	132	132
Hong Kong Dollars	1,533	2,897	4,430
Malaysian Ringgit	7,958	907	8,865
New Taiwan Dollars	3,655	1,001	4,656
Singapore Dollars	31,684	23,853	55,537
Swiss Francs	–	596	596
Thailand Bhat	10,803	539	11,342
Others	–	11	11
	55,633	29,936	85,569

	Company		
Financial liabilities:	**Other Financial Liabilities $'000**	**Trade and other payables $'000**	**Total $'000**
At 31 March 2008:			
Singapore Dollars	75	1,832	1,907
At 31 March 2007:			
Singapore Dollars	225	1,230	1,455

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31F Foreign currency risk (cont'd)

Sensitivity analysis:

	Group 2008 $'000	Group 2007 $'000
A hypothetical 10% increase in the exchange rate of the functional currency $ against the Singapore Dollars would have a favourable / (adverse) effect on profit before tax of	**112**	159
A hypothetical 10% increase in the exchange rate of the functional currency $ against the Hong Kong Dollars would have a favourable / (adverse) effect on profit before tax of	**(74)**	(79)
A hypothetical 10% increase in the exchange rate of the functional currency $ against the Swiss Francs would have a favourable / (adverse) effect on profit before tax of	**84**	(80)
A hypothetical 10% increase in the exchange rate of the functional currency $ against the Euro would have a favourable / (adverse) effect on profit before tax of	**93**	(5)
A hypothetical 10% increase in the exchange rate of the functional currency $ against all other currencies would have a favourable / (adverse) effect on profit before tax of	**(34)**	(1)

The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposures during the year.

32. CAPITAL COMMITMENTS

Estimated amounts committed at the balance sheet date for future capital expenditure but not recognised in the financial statements are as follows:

	Group 2008 $'000	Group 2007 $'000
Commitments to purchase of property, plant and equipment	–	832

33. CONTINGENT LIABILITIES

	Company	
	2008	2007
	$'000	$'000
Corporate guarantee given to bank in favour of subsidiaries	**112,995**	112,995
Undertaking to provide continuing financial support to subsidiaries in a net liability position	**611**	745

34. OPERATING LEASE PAYMENT COMMITMENTS

At the balance sheet date the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2008	2007
	$'000	$'000
Not later than one year	**7,661**	5,518
Later than one year and not later than five years	**11,399**	4,781
Later than five years	**–**	–
Rental expense for the year	**7,546**	6,204

Operating lease payments represent rentals payable by the Group for its retail outlets and office space. The lease rental terms are negotiated for an average of 1 to 3 years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

35. OPERATING LEASE INCOME COMMITMENTS

At the balance sheet date the total of future minimum lease receivables under non-cancellable operating leases are as follows:

	2008	2007
	$'000	$'000
Not later than one year	**119**	105
Rental income for the year	**125**	56

Operating lease income represents rentals receivable from certain of the company's investment properties.

36. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

The XBRL format has been used for the first time. Adoption of the new XBRL format has resulted in some reclassifications in the components of financial statements and related notes but these did not require modifications to financial statements measurements.

For the year ended 31 March 2008 the following new or revised Singapore Financial Reporting Standards were adopted for the first time. The new or revised standards did not require any material modification of the measurement method or the presentation in the financial statements.

FRS No.	Title
FRS 1	Presentation of Financial Statements - Amendments relating to capital disclosures
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
FRS 107	Financial Instruments: Disclosures - Implementation Guidance
INT FRS 105	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (*)
INT FRS 107	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies (*)
INT FRS 108	Scope of FRS 102 (*)
INT FRS 109	Reassessment of Embedded Derivatives (*)
INT FRS 110	Interim Financial Reporting and Impairment
INT FRS 111	FRS102 - Group and Treasury Share Transactions (*)
INT FRS 112	Service Concessions Arrangements (*)

(*) Not relevant to the entity.

37. FUTURE CHANGES IN ACCOUNTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to have a material impact on the financial statements.

FRS No.	Title	Effective date for periods beginning on or after
FRS 23	Borrowing Costs	1.1.2009
FRS 108	Operating Segments	1.1.2009

38. CHANGES IN ACCOUNTING POLICIES, RECLASSIFICATIONS AND COMPARATIVE FIGURES

Effective from 1 April 2007, certain new or revised Singapore Financial Reporting Standards and XBRL format was adopted as mentioned in Note 36. Adoption of these has resulted in some modifications to financial statements presentation and these changes are summarized below:

Group	After reclassification $'000	Before reclassification $'000	Difference $'000
2007 Income Statement			
Revenue	198,029	197,292	737
Other Gains	–	1,165	(1,165)
Staff Costs	–	(9,289)	9,289
Interest Income	3	–	3
Other Credits	345	–	345
Employee Benefits Expense	(9,648)	–	(9,648)
Other Expenses	(6,676)	(7,337)	661
Other Charges	(222)	–	(222)
2007 Balance Sheet			
Property, plant and equipment	7,780	9,156	(1,376)
Investment Properties	1,376	–	1,376
Deferred income	–	154	(154)
Other liabilities, Non-current	154	–	154
Borrowings, Current	–	52,878	(52,878)
Other Financial Liabilities, Current	52,878	–	52,878
Borrowings, Non-current	–	2,755	(2,755)
Other Finance Liabilities, Non-current	2,755	–	2,755
Company			
2007 Balance Sheet			
Investment Properties	1,376	–	1,376
Property, plant and equipment	2	1,378	(1,376)
Borrowings, Current	–	150	(150)
Other Financial Liabilities, Current	150	–	150
Borrowings, Non-current	–	75	(75)
Other Finance Liabilities, Non-Current	75	–	75

SHAREHOLDING STATISTICS

AS AT 16 JUNE 2008

Issued and Fully Paid-up Capital	:	S$35,481,183
Number of Shares	:	165,578,415
Class of Shares	:	Ordinary
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of shares	%
1 - 999	-	-	-	-
1,000 - 10,000	441	79.60	1,743,000	1.05
10,001 - 1,000,000	98	17.69	5,502,000	3.32
1,000,001 and above	15	2.71	158,333,415	95.63
Grand Total	**554**	**100.00**	**165,578,415**	**100.00**

TWENTY LARGEST REGISTERED SHAREHOLDERS

No	Name	Holdings	%
1	LIM KEEN BAN HOLDINGS PTE LTD	51,457,490	31.08
2	DBS NOMINEES PTE LTD	20,681,000	12.49
3	YU CHUEN TEK	14,585,015	8.81
4	PHILLIP SECURITIES PTE LTD	13,011,000	7.86
5	LONG FOO PIENG	8,564,940	5.17
6	CITIBANK NOMS S'PORE PTE LTD	7,123,000	4.30
7	FOO SEE JIN MICHAEL	7,107,320	4.29
8	YU LEE CHIUN	6,880,010	4.16
9	YU YUNG TEK	6,880,010	4.16
10	MING YAW PTE LTD	6,554,935	3.96
11	HSBC (SINGAPORE) NOMS PTE LTD	4,850,000	2.93
12	FONG TIT FUNG	3,445,000	2.08
13	HOW SOW CHUEN	3,068,000	1.85
14	LONG AH HIAN	2,475,695	1.50
15	NG KWAN SIANG	1,650,000	1.00
16	HUI YI WAN	600,000	0.36
17	JEREMY TAN JUN DA	459,000	0.28
18	CHEAH YOK KIAN	350,000	0.21
19	TAN SOO YONG	250,000	0.15
20	LOH YONG HUAT	200,000	0.12
TOTAL:		**160,192,415**	**96.76**

PUBLIC FLOAT

Based on the information available to the Company as at 16 June 2008, approximately 29.03% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

SHAREHOLDING STATISTICS

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Number of Shares Direct Interest	Deemed Interest
LIM KEEN BAN HOLDINGS PTE LTD	51,457,490	6,554,935[(1)]
LIM KEEN BAN	-	58,012,425[(2)]
CHIA NYOK SONG @ CHEAH YOKE HENG	-	58,012,425[(3)]
LIM JIT MING	-	58,012,425[(4)]
LIM JIT YAW	-	58,012,425[(5)]
LIM YIN CHIAN	-	58,012,425[(6)]
MING YAW PTE LTD	6,554,935	-
YU CHUEN TEK	14,585,015	8,678,000[(7)]
MARIA NORMA D YU	118,000	23,145,015[(8)]
RENNICK PTE LTD	8,560,000	-
HENRY TAY YUN CHWAN	20,533,000[(9)]	-
LONG FOO PIENG	8,564,940	-
FOO SEE JIN	7,107,320	-

(1) This represents Lim Keen Ban Holdings Pte Ltd's deemed interest of 6,554,935 shares held in the name of Ming Yaw Pte Ltd (a company owned by Mr Lim Keen Ban, Mdm Chia Nyok Song @ Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian).

(2) This represents Mr Lim Keen Ban's deemed interest of 58,012,425 shares held in the name of the following:
- (a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
- (b) 6,554,935 shares held by Ming Yaw Pte Ltd (a company owned by Mr Lim Keen Ban, Mdm Chia Nyok Song @ Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian).

(3) This represents Mdm Chia Nyok Song @ Cheah Yoke Heng's deemed interest of 58,012,425 shares held in the name of the following:
- (a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
- (b) 6,554,935 shares held by Ming Yaw Pte Ltd (a company owned by Mr Lim Keen Ban, Mdm Chia Nyok Song @ Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian).

(4) This represents Mr Lim Jit Ming's deemed interest of 58,012,425 shares held in the name of the following:
- (a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
- (b) 6,554,935 shares held by Ming Yaw Pte Ltd (a company owned by Mr Lim Keen Ban, Mdm Chia Nyok Song @ Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian).

(5) This represents Mr Lim Jit Yaw's deemed interest of 58,012,425 shares held in the name of the following:
- (a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
- (b) 6,554,935 shares held by Ming Yaw Pte Ltd (a company owned by Mr Lim Keen Ban, Mdm Chia Nyok Song @ Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian).

(6) This represents Ms Lim Yin Chian's deemed interest of 58,012,425 shares held in the name of the following:
- (a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
- (b) 6,554,935 shares held by Ming Yaw Pte Ltd (a company owned by Mr Lim Keen Ban, Mdm Chia Nyok Song @ Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian).

SHAREHOLDING STATISTICS

(7) This represents Mr Yu Chuen Tek's deemed interest of 8,678,000 shares held in the name of the following:
   (a) 118,000 shares held by Mrs Maria Norma D Yu (spouse of Mr Yu Chuen Tek); and
   (b) 8,560,000 shares held by Rennick Pte Ltd (a company owned by Mr Yu Chuen Tek and Mrs Maria Norma D Yu).

(8) This represents Mrs Maria Norma D Yu's deemed interest of 23,145,015 shares held in the name of the following:
   (a) 14,585,015 shares held by Mr Yu Chuen Tek (spouse of Mrs Maria Norma D Yu); and
   (b) 8,560,000 shares held by Rennick Pte Ltd (a company owned by Mr Yu Chuen Tek and Mrs Maria Norma D Yu).

(9) This represents Mr Henry Tay Yun Chwan's direct interest of 20,533,000 shares held in the name of UOB Nominees (HK) Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Monet Room, 3rd floor, Pan Pacific Orchard Hotel on Thursday, 24 July 2008 at 9.00 a.m. to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2008 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To declare a Final Dividend of 1 cent per share tax-exempt (one-tier) for the financial year ended 31 March 2008. **(Resolution 2)**

3. To declare a Special Dividend of 1 cent per share tax-exempt (one-tier) for the financial year ended 31 March 2008. **(Resolution 3)**

4. To approve the Directors' fee of S$382,125/- for the financial year ending 31 March 2009. **(Resolution 4)**

5. To re-appoint the following Directors retiring pursuant to Section 153(6) of the Companies Act, Cap. 50:

   (i) Mr Lim Keen Ban **(Resolution 5)**
   Mr Lim Keen Ban will, upon re-appointment as Director of the Company, remain as the Chairman and Managing Director of the Company.

   (ii) Mr Ch'ng Jit Koon **(Resolution 6)**
   Mr Ch'ng Jit Koon will, upon re-appointment as Director of the Company, remains as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

6. To re-elect the following Directors:

   (i) Mr Yu Chuen Tek who is retiring under Article 91 of the Company's Articles of Association **(Resolution 7)**
   Mr Yu Chuen Tek will, upon re-election as Director of the Company, remain as an Executive Director of the Company and a member of the Nominating Committee.

   (ii) Mr Lim Jit Yaw who is retiring under Article 91 of the Company's Articles of Association **(Resolution 8)**
   Mr Lim Jit Yaw will, upon re-election as Director of the Company, remain as an Executive Director of the Company.

   (iii) Mr Chin Sek Peng who is retiring under Article 97 of the Company's Articles of Association **(Resolution 9)**
   Mr Chin Sek Peng will, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as a member of the Nominating Committee.

7. To re-appoint RSM Chio Lim as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

8. Authority to allot and issue shares

(a) "That pursuant to Section 161 of the Companies Act, and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 11)**
(See Explanatory Note)

9. To transact any other business which may be properly transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed after 5.00 p.m. from 4 August 2008 to 5 August 2008, for the purpose of determining the Members' entitlements to the dividends to be proposed at the Annual General Meeting of the Company to be held on 24 July 2008.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. at 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 up to 5.00 p.m. on 4 August 2008 will be registered to determine the Members' entitlements to such dividends. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares of the Company as at 5.00 p.m. on 4 August 2008 will be entitled to such proposed dividends.

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 19 August 2008.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

9 July 2008
SINGAPORE

Explanatory Note:-
The ordinary resolution 11 in item 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. Rule 806(3) of the Listing Manual of SGX-ST currently provides that the total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time of this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:
1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.
2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 not later than 48 hours before the time appointed for the Meeting.

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ANNUAL GENERAL MEETING
CORTINA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 197201771W

PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies to buy Cortina Holdings Limited shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees, and is sent FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____

of ____

being *a member/members of Cortina Holdings Limited (the "Company"), hereby appoint

Name	Address	NRIC/Passport	Proportion of Shareholdings to be represented by proxy (%)
*and/or			

or failing him/her, the Chairman of the Meeting as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at Monet Room, 3rd floor, Pan Pacific Orchard Hotel on Thursday, 24 July 2008 at 9.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2008 and the Reports of the Directors and Auditors thereon.		
2.	To declare a Final Dividend of 1 cent per share tax-exempt (one-tier) for the financial year ended 31 March 2008.		
3.	To declare a Special Dividend of 1 cent per share tax-exempt (one-tier) for the financial year ended 31 March 2008.		
4.	To approve the Directors' fee of S$382,125/- for the financial year ending 31 March 2009.		
5.	To re-appoint Mr Lim Keen Ban, Anthony, a Director of the Company, pursuant to Section 153(6) of the Companies Act, Chapter. 50.		
6.	To re-appoint Mr Ch'ng Jit Koon, a Director of the Company, pursuant to Section 153(6) of the Companies Act, Chapter. 50.		
7.	To re-elect Mr Yu Chuen Tek, a Director of the Company, pursuant to Article 91 of the Articles of Association.		
8.	To re-elect Mr Lim Jit Yaw, a Director of the Company, pursuant to Article 91 of the Articles of Association.		
9.	To re-elect Mr Chin Sek Peng, a Director of the Company, pursuant to Article 97 of the Articles of Association.		
10.	To re-appoint RSM Chio Lim as Auditors of the Company and to authorise the Directors to fix their remuneration.		
11.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ____________ day of ____________ 2008

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

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Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

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AFFIX STAMP

The Company Secretary
CORTINA HOLDINGS LIMITED
c/o 333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

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CORPORATE OFFICE

Singapore
Cortina Holdings Limited
391B Orchard Road
#18-01 Ngee Ann City Tower B
Singapore 238874
Tel : (65) 6339 9447
Fax : (65) 6336 7913
www.cortina.com.sg

OFFICES

Singapore
Cortina Watch Pte Ltd
391B Orchard Road
#18-01 Ngee Ann City Tower B
Singapore 238874
Tel :(65) 6339 9447
Fax : (65) 6336 4939 / 6336 7913
Regional General Manager: Jeremy Lim
www.cortinawatch.com

Malaysia
Cortina Watch Sdn Bhd
C7 and C8, Ground Floor
Block C, KL Plaza
179 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : (603) 2148 2814
Fax : (603) 2145 1866
Director : Ivan Tshai

Hong Kong
Cortina Watch HK Limited
3F Wing Cheong House
53 Queen's Road Central
HongKong
Tel : (852) 2537 6236
Fax : (852) 2537 9612
Executive Director : Dorris Cheah

Thailand
Cortina Watch (Thailand) Co Ltd
26/59, 16th Floor Orakam Building
Soi Chidlom, Ploenchit Road
Lumpini, Pathumwan
Bangkok 10330
Tel: (66) 2254 8480
Fax: (66) 2254 6682
General Manager: Krist Chatikaratana

CORTINA WATCH ESPACE

Singapore
Millenia Walk
9 Raffles Boulevard
#01-62/65A
Singapore 039596
Tel : (65) 6339 1728
Fax : (65) 6339 3458
Key Personnel : Sonny Tan

Malaysia
Starhill Gallery
UG19/UG24, Upper Ground Floor
181 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : (03) 2142 1171/1161
Fax : (03) 2142 1172
Key Personnel : Teh Chin Soon

Thailand
Erawan Bangkok
1st Floor, Room 110,112, 116
Erawan Bangkok
494 Ploenchit Road
Lumpini, Pathumwan
Bangkok 10330
Tel: (66) 2250 7888 / 2250 7999
Fax: (66) 2250 7799
Key Personnel: Krist Chatikaratana

CORTINA WATCH BOUTIQUES

Singapore
Paragon
290 Orchard Road #01-13
Singapore 238859
Tel : (65) 6235 0084
Fax : (65) 6736 1641
Key Personnel : Eric Cheah

Raffles City Shopping Centre
252 North Bridge Road #01-36
Singapore 179103
Tel : (65) 6339 9185
Fax : (65) 6339 1566
Key Personnel : Sunny Lau

Lucky Plaza
304 Orchard Road #01-32
Singapore 238863
Tel : (65) 6734 3668
Fax : (65) 6738 1873
Key Personnel: Joseph Lay

Centrepoint
176 Orchard Road #01-19/20
Singapore 238843
Tel: (65) 6738 9961
Fax: (65) 6738 7735
Key Personnel: Jack Cher

Malaysia
K.L.Plaza
G32, 179 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : (603) 2145 5171
Fax : (603) 2145 3089
Key Personnel : Samantha Chen

Hong Kong
Queen's Road Central
53 Queen's Road Central
Tel : (852) 2522 0645
Fax : (852) 2522 8898
Key Personnel : Raymond Lee

Taiwan
Ren-ai
No.123, Sec. 4, Ren-ai Rd.
Da-an District, Taipei, Taiwan. R.O.C.
Tel: (886) 2 27752385
Fax: (886) 2 27752397
Key Personnel : Nicole Lee

Hsinchu City
No.204, Dongmen St., North District
Hsinchu City, Taiwan. R.O.C.
Tel : (886) 3 5261825
Fax : (886) 2 5261836
Key Personnel : Alex Hong

EXCLUSIVE BRAND BOUTIQUES

Singapore
Blancpain Boutique
328 North Bridge Road #01-24
Raffles Hotel Shopping Arcade
Singapore 188719
Tel: (65) 6338 5081
Fax: (65) 638 3287
Key Personnel : Sam Lim

Malaysia
Rolex Boutique
170-G-33/33A Plaza Gurney
Persiaran Gurney
10250 Penang
Tel : (604) 2271239
Fax : (604) 2270871
Key Personnel : Teh Soon Kheng

Thailand
IWC Boutique
1st Floor Room 128
Siam Paragon Shopping Centre
991 Rama l Road
Pathumwan Bangkok 10330
Tel: (66) 2610 9485
Fax (66) 2610 9480
Key Personnel: Krist Chatikaratana

Jaeger-LeCoultre Boutique
1st Floor Room 128
Siam Paragon Shopping Centre
991 Rama l Road
Pathumwan Bangkok 10330
Tel (66) 2610 9484
Fax (66) 2610 9480
Key Personnel: Krist Chatikaratana

Taiwan
IWC Boutique
Taipei 101 Shopping Mall
2 Fl, No 45, Shihfu Road
Sinyi District, Taipei, Taiwan, R.O.C.
Tel: (886) 2 8101 8255 / (886) 2 8101 8379
Fax:(886) 2 8101 8685
Key Personnel: Nicole Lee

DISTRIBUTION DIVISION

Singapore
Chronoswiss Asia Pte Ltd
391B Orchard Road
#18-06 Ngee Ann City Tower B
Singapore 238874
Tel : (65) 6271 9600
Fax : (65) 6271 4711
Executive Director: Sharon Lim

Pacific Time Pte Ltd
391B Orchard Road
#18-06 Ngee Ann City Tower B
Singapore 238874
Tel : (65) 6271 9600
Fax : (65) 6271 4711
Executive Director: Sharon Lim

Taiwan
Pacific Time Co., Ltd.
Room C. 10F, No 3, Sec 1
Dunhua S. Rd, Songshan District
Taipei City 105, Taiwan (R.O.C)
Tel: (886) 2 25796186
Fax: (886) 2 25796185
Managing Director: Douglas Shih

391B Orchard Road
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Tel: (65) 6339 9447 ***Fax:*** (65) 6336 7913

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