The Art Of Time

Cortina Holdings Limited

Annual Report 2010

Contents

Corporate Profile

The Adornment of Art

For 36 years and counting, Cortina has been an organisation that remains true to the mission of establishing ourselves as a leading retailer and distributor of luxury timepieces and accessories across the Asia Pacific region.

A Timeless Collection

Renowned for our delivery of exquisite selections of luxury timepieces through a customer-centric approach, "Cortina Watch" has become a brand that customers and partners have come to associate quality with. We stand successful today with the operation of a growing fleet of retail outlets in locations of high potential for market growth - Singapore, Malaysia, Indonesia, Thailand, Hong Kong and Taiwan. This is our story of a legacy - timeless identity.

An Enduring Masterpiece

Beyond geographic expansion, Cortina continually reinvents our reputation of luxurious excellence through innovations. We take pride in setting ourselves apart and challenging the conventions. We look towards an eternity of redefining elegance and luxury.

Chairman's Message & Operations Review

We are proud of what we have accomplished and are well positioned to deliver results that will improve in the years ahead.

Lim Keen Ban, Anthony
Chairman & Managing Director

DEAR SHAREHOLDERS

We have performed well in 2010, during a period when the economic climate was challenging. This demonstrates the strength of our company that is supported by the drive of our people. We are proud of what we have accomplished and are well positioned to deliver results that will improve in the years ahead.

We have achieved higher revenue of S$278 million in FY 2010 as compared to S$228 million in FY 2009. Our profit margin remained healthy at 19.5% and our group's net worth has improved from S$89.4 million in FY 2009 to S$98.8 million in FY 2010.

THE YEAR IN REVIEW

During the year, we grew the Cortina brand by opening new boutiques within our existing markets, by appealing to a larger segment of these markets and by continuing to expand our consumer base. We identified the unique brands that appeal to our various markets and leveraged our powerful resources and infrastructure to ensure their healthy reception wherever they are launched.

We continued to develop our global brands within their respective niche categories. Our brands are trusted by discerning consumers of impeccable tastes world-wide. We have always positioned and developed our brands for the long term and by adopting a focused brand strategy, we persevered to create and manage a consistent brand experience across all segments and product categories.

In addition to the world renowned brands we represent such as Chronoswiss, Concord, Milus, Porsche Design timepieces and Salvatore Ferragamo, we are proud to announce the company's attainment of distributorship rights for Gucci and Swiss Kubik in the region.

In FY 2011, we decided to take a well-earned respite from organising the well-entrenched and highly popular biennial exhibition Jewellery Time. Since its inaugural and extremely successful launch in FY 2001, we have garnered much recognition and goodwill from the hosting of this stellar retail event. Not only has it firmly anchored us in our customers' minds as a leading retailer and distributor of luxury timepieces and accessories, Jewellery Time has also helped positioned Cortina firmly as a dynamic and forward looking leader that injects much life and excitement into the industry. This timely break from organising Jewellery Time will allow our team to take stock of our past efforts, regroup and consolidate new exciting ideas before we return, making it even bigger and better.

OVERALL MARKET PERFORMANCE

The 22.5% increase in our revenue in FY 2010 was contributed mainly by better performances in the Singapore, Malaysia and Taiwan markets through opening of new retail boutiques. The Group continues to see noteworthy growth in the brands that we represent.

RETAIL BOUTIQUES

Opening day of Cortina Watch at Orchard ION boutique

Indeed, it has been a most eventful year with our opening of new retail boutiques in Singapore, Malaysia and Taiwan.

We opened two outlets at ION Orchard, the brand new shopping mall that brings together the world's best brands at the prime site of Singapore's commercial and shopping artery Orchard Road. In April, Mr Thierry Stern, President of Patek Philippe, was our Guest-of-Honour at the opening of the Patek Philippe flagship boutique located on the second floor. Our 1107 square foot multi-brand boutique opening on the third floor, graced by Ms Zoe Tay, was just as enthusiastically embraced by appreciative watch connoisseurs. Both the unveiling of these boutiques further strengthened the Cortina brand presence along Singapore's main shopping belt.

There were other scintillating additions to our stable of luxurious timepiece boutiques. We made strategic impacting inroads in Taiwan with the opening of a Patek Philippe boutique at Taiwan's premier shopping mall Taipei 101 in April 2010. Over at the prestigious Suria KLCC shopping mall in Kuala Lumpur, we added another new feather in our cap with the unveiling of a new multi-brand outlet in December 2009, showcasing a total of 19 luxury brands under one roof. Both openings were much celebrated affairs amongst the local watch aficionados.

Cortina Watch at Suria KLCC boutique

These four new boutiques, making a total of 18 in Singapore, Malaysia, Thailand, Indonesia, Hong Kong and Taiwan, will continue to provide excellent public interface with our treasured customers who have come to expect nothing less than a stirling quality of service delivery from us. Although they operate in different geographical markets, we ensure that our complementary marketing and branding activities enable our different boutiques to leverage their performance with efficient development and distribution synergies.

In January this year, we closed our boutique at Lucky Plaza. Our boutique at Centrepoint as well as our IWC and JLC boutiques in Thailand have ceased operations in May. Our operations at KL Plaza in Kuala Lumpur have been temporarily halted since November 2009 due to the shopping mall's refurbishment.

With our consolidated, well-planned initiatives and the established brand power of our premium and quality timepieces, we are aiming to achieve steady market penetration for our various product brands and a significant expansion in the scale of our timepiece operations in the global marketplace.

MOVING FORWARD

On April 27 this year, we opened yet another high profile Patek Philippe flagship boutique at the Marina Bay Sands Resorts, targeted at the well-heeled with discerning tastes. We will be launching a multi-brand boutique at this resort later in the year too.

Our strategy for success will still be largely focused on the company's organic growth, with business expansion largely from increased sales accrued from market growth and market share. This has worked well for us in achieving viable and sustainable growth as we continue to focus on key imperatives that will increase value, namely growing the Cortina brand by continuing to penetrate existing and potential markets and ensuring quality service so that our customers are able to shop our entire product line in appealing, brand enhancing environments. We will continue to be vigilant when seeking out potential opportunities, be it extending our retail presence across the Asia Pacific region, or developing our presence within existing markets.

We will provide both the Cortina brand and our product brands with the resources required for consolidating their leadership and image in their segment, increasing their abilities to win market shares, while maintaining brand authenticity and authority. Furthermore, we intend to continue a selective acquisitions policy, centered on strong product brands with market positions that are clearly complementary to those already in our stable.

The momentum is continuing to build across markets with the Cortina brand. We are energized by the prospects and we expect to create significant shareholder value in the coming years. 2010 has confirmed that Cortina has progressed despite a challenging economic recession and can deliver consistent, meaningful growth in revenue and profit in exciting, profitable times ahead.

Patek Philippe flagship boutique at Orchard ION

IN APPRECIATION

Through our efforts in 2010, we have reinforced that Cortina means business. We have plans in place that we believe will further accentuate our position to be synonomous with the purveyor, distributor and sales of well-designed premium timepieces and complementary accessories in Singapore and across the Asia Pacific region. We believe that this positioning will ensure that the improvements in our business will continue for many years to come.

Our success would not have been possible without the contributions of many. My heartfelt gratitude goes to our Board of Directors whose wisdom and guidance have been invaluable over the years. I would also like to thank our management and staff for putting forth a terrific effort everyday to make our company better. As for our shareholders, business partners and valued customers, thank you for your support and we look forward to sharing continued success with you as we move through the remainder of the decade.

What is perhaps the most encouraging observation is that Cortina's success is no accidental coincidence. It is the result of a focused strategic vision, good planning and excellent execution. As we continue to pursue our vision into 2010 and beyond, I am optimistic that the results we have seen to date will continue.

Lim Keen Ban, Anthony
Chairman & Managing Director

01


02


03


04


05


06


07


Gallery of Style

SINGAPORE

01-07

ION Orchard Multi-brand Boutique Official Opening Party

Located in Singapore's first multi-sensory experiential shopping and lifestyle mall, ION Orchard, the boutique was officiated by Mr Anthony Lim, Orchard Turn Developments Ltd's Chief Executive Officer, Soon Su Lin and beloved Mediacorp artist, Zoe Tay, on 29 October 2009.

Creating a Splash

08-11

Official Opening of Patek Philippe's First Flagship Boutique

Managed by Cortina Watch, the very first Patek Philippe flagship boutique in Singapore was officially opened on 16 November 2009 in the presence of the President of Patek Philippe, Mr Thierry Stern, CEO of Orchard Turn Developments Ltd, Ms Soon Su Lin.

12-15

Later that night, about 80 exclusive guests were invited to private soiree at Italian restaurant, Forlino at One Fullerton, where a five-course dinner was served as a string quartet played on.


08


09

10


11


12


13


14


15

01

02

03

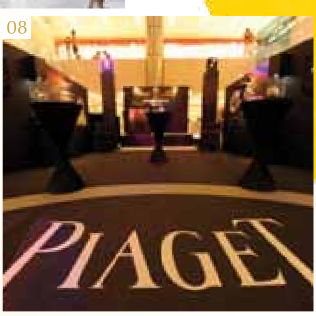
04

05

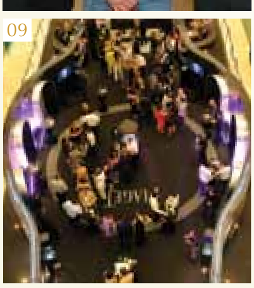
06

07

08



09



10

Of Art & Style

SINGAPORE

01-05

First Corum Hospitality Golf 2009

A collaboration with Corum in conjunction with the launch of its Black Hull Collection. Golfing customers and guests were treated to a day of fun golf at the Tanah Merah Garden Course on 26 June 2009. The day ended with a 9-course scrumptious Chinese dinner at the Garden Lounge ballroom.

06-07

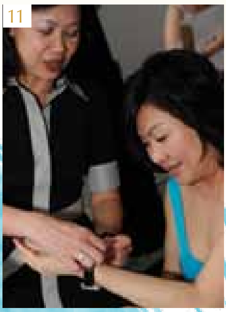
Oris Meet-and-Greet Renault F1 Team Driver, Nico Rosberg

AT&T Williams Team driver and Oris Ambassador Nico Rosberg had a rosier time off the tracks thanks to Oris. A meet-and-greet session for customers was held at Raffles City on 22 September 2009 with prizes won.

08-10

Piaget Celebrates the 30th Anniversary of its Polo 45 Collection at Paragon

Piaget marked the celebration of its Polo 45 30th Anniversary with an exhibition at Paragon Shopping Mall main atrium from 21 – 30 August 2009. The exhibition designed and built around the shape of the Polo 45 highlighted the collection's past and present.



11

12

13

14

15

A Colourful Life

11-13

Preview of Vacheron Constantin 2009 SIHH Novelties

A showcase of luxury timepieces amongst great food and company at the Mimolette on 17 June 2009.

MALAYSIA

14-15

Cocktail Reception Hosted by Cartier

Cartier hosted guests to a much welcomed cocktail reception on 6 August 2009 at Novotel, 1 Borneo Mall.

16-17

Dinner Hosted by Vacheron Constatin

On 16 December 2009, Vacheron Constantin hosted customers to a private dinner at Ferdinand's at the Sutera Harbour.

18-20

Piaget Polo 45 30th Anniversary Celebration

In conjunction to the 30th anniversary of Piaget Polo 45 collection, the brand hosted guests to a wild party time at White Room Lounge on 7 January 2010.

16

17

18

19

20

01

02


03

04


05


06


07


08


09


10


11


12

Palette of Life

THAILAND

01-02

Launch of Baume & Mercier in Bangkok

Baume & Mercier, exclusively retailing with Cortina Watch Thailand was officially launched in Bangkok, Thailand on 8 October 2009. A media event was hosted at Create 8 restaurant, Central World.

03-04

10th Anniversary Omega Co-Axial at VIP room, Cortina Watch Espace

An exclusive evening, with a thoughtfully arranged cocktail reception for 30 invited guests was held at Cortina Watch Espace Private Room at Erawan Bangkok on 2 July 2009 in celebration of the 10th Anniversary of the Omega Co-Axial escapement as well as the launch of the brand's latest 2009 collection.

05-06

Presenting Jaeger-LeCoultre's Le Lierre High Jewellery Collection

In conjunction with the annual Siam Paragon Watch Fair, Jaeger-LeCoultre presented for the first time in Bangkok its high jewellery, Le Lierre to a group of distinguished guests and media representatives at the Crystal Jade Garden.

Splashes of Colours

07-08

Launch of Porsche Design Basel 2009 Collection

Porsche Design timepieces launched its Basel 2009 collection with much fanfare at the MET Bar at the Metropolitan Hotel on 25 June 2009 in the presence of the brand's CEO, Mr Patrick Schwarz.

INDONESIA

09-10

Chopard Dinner

Sumptuous dinner and viewing of glamourous jewellery watches.

11-12

Patek Philippe Private Dinner

Held at Grand Hyatt on 10 December 2009.

TAIWAN

13-21

Celebrity Guests at Taipei 101

A series of star studded events took place in Taiwan hosted by Zenith, Hublot, Harry Winston and Glashutte at Taipei 101.


13

14

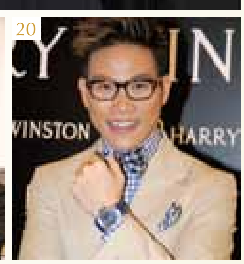

15


16


17

18

19


20


21

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.

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 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.

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.

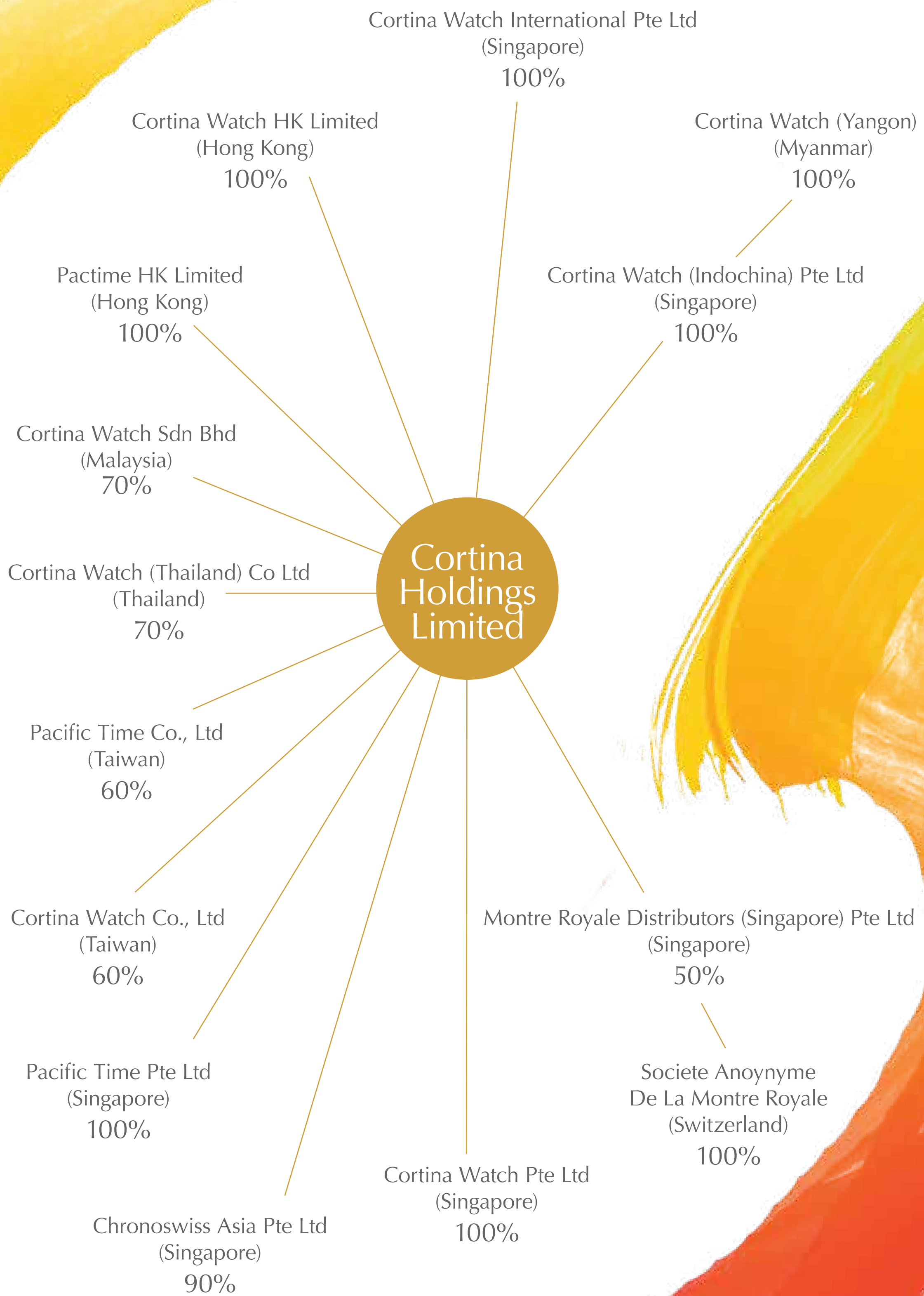
07 Lau Ping Sum, Pearce was appointed Independent Director in 2002. Having held management positions in both the public and the private sectors, Mr Lau is currently executive director of the People's Action Party community Foundation and People's Action Party Headquarters. Mr Lau was the Member of Parliament 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.

08 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 a member of the Institute of Internal Auditors of Singapore and currently serves as Audit Committee Chairman to several listed companies in Singapore.

09 Lee Ah Fong, James was appointed Independent Director on 15 April 2010. James was a civil servant before becoming a practising lawyer in 1981. He is currently a partner of Ng, Lee & Partners. James is the Chairman of Yuying Secondary School Management Committee and has been serving in various capacities in Non-Government organizations and clan associations for many years. James is also an Independent Director of another listed company in Singapore.

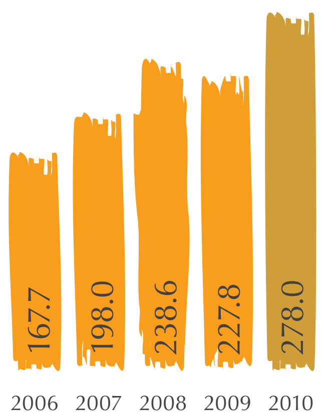
Group Structure



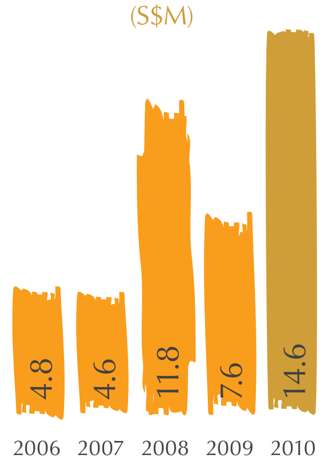
Financial Highlights

S$ Million	FY2006	FY2007	FY2008	FY2009	FY2010
Turnover	167.7	198.0	238.6	227.8	278.0
Profit Before Tax	4.8	4.6	11.8	7.6	14.6
Profit After Tax	3.3	3.2	9.5	5.7	11.4
Dividend (Net) (Note)	1.6	1.7	3.3	1.7	3.3
Shareholders Equity	70.8	72.2	79.1	82.9	92.6
Cents					
Basic Earnings Per Share	2.3	2.4	5.9	3.8	7.4
Net Assets Per Share	42.7	43.6	47.8	50.1	55.9

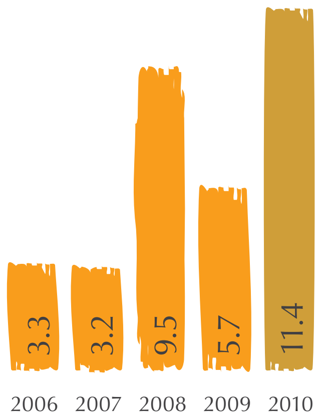
Turnover
(S$M)



Profit Before Tax
(S$M)

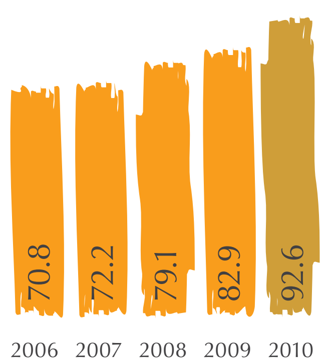


Profit After Tax
(S$M)



Dividend (Net)
(S$M)

Shareholders Equity
(S$M)



Note: This is inclusive of all interim dividends paid and final dividends proposed.

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 Lee Ah Fong, James	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 Lee Ah Fong, James

Remuneration Committee
Mr Lau Ping Sum, Pearce – Chairman
Mr Lee Ah Fong, James
Mr Foo See Jin, Michael

Nominating Committee
Mr Lee Ah Fong, James – Chairman
Mr Chin Sek Peng, Michael
Mr Yu Chuen Tek, Victor
Mr Lau Ping Sum, Pearce

Registered Office
391B Orchard Road
#18-01 Ngee Ann City Tower B
Singapore 238874
Tel: (65) 6339 9447
Fax: (65) 6336 7913
www.cortina.com.sg
Co. Registration No.: 197201771W

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 LLP
8 Wilkie Road #03-08
Wilkie Edge
Singapore 228095
Partner-in-charge: Mr Lim Lee Meng
Year of Appointment:
Financial year ended 31 March 2008

Statement of Corporate Governance

Cortina Holdings Limited ("the Company") is committed to ensure high standards of corporate governance within the Group. This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2005 (the "Code"). The Company will continue to improve its systems and corporate governance processes in compliance with the Code. There are other sections in this annual report which contain information required by the Code. Hence the annual report should be read in totality.

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 Chin Sek Peng, Michael (Lead Independent Director)
Mr Lau Ping Sum, Pearce (Independent Director)
Mr Lee Ah Fong (Independent Director)*

*Appointed on 15 April 2010.

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.

Meetings are held as appropriate to deliberate on issues and strategic policies of the Company including a review and approval of annual budgets, a review of the performance of the business and an approval of the public release of periodic financial results and the annual report.

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 Board also regularly reviews the effectiveness of each Committee.

Board Matters (Cont'd)

The Board's Conduct of its Affairs (Cont'd)

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 2010:

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	2	2	1	1
Name Of Directors	**Number Of Meetings Attended**			
Executive Directors				
Lim Keen Ban, Anthony	2	NA	NA	NA
Yu Chuen Tek, Victor	2	NA	NA	1
Lim Jit Ming, Raymond	2	NA	NA	NA
Lim Jit Yaw, Jeremy	2	NA	NA	NA
Non-Executive Directors				
Foo See Jin, Michael	2	NA	1	NA
Long Foo Pieng, Benny	2	NA	NA	NA
Independent Directors				
Lau Ping Sum, Pearce	2	2	1	1
Ch'ng Jit Koon (1)	2	2	1	1
Chin Sek Peng, Michael	2	2	NA	1
Lee Ah Fong (2)	NA	NA	NA	NA

(1) Mr Ch'ng Jit Koon resigned on 31 March 2010
(2) Mr Lee Ah Fong was appointed on 15 April 2010

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.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment 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. 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.

Board Composition and Balance (Cont'd)

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 28 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 is both 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.

As the Chairman, Mr Lim Keen Ban 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.

The Company has adopted the recommendation in Commentary 3.3 of the Code to appoint a lead independent Director where the Chairman and the Chief Executive Officer ("CEO") is the same person. 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 in September 2007 pursuant to the recommendations in Commentary 3.3 of the Code.

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. The members of the NC are:

Mr Lee Ah Fong (Chairman) (Independent)
Mr Chin Sek Peng, Michael (Independent)
Mr Lau Ping Sum, Pearce (Independent)
Mr Yu Chuen Tek, Victor (Executive Director)

Board Membership (Cont'd)

The NC functions under the terms of reference which sets out its responsibilities:

- To recommend to the Board on all board appointments, re-appointments and re-nominations.
- To ensure that independent directors meet SGX-ST's guidelines and criteria; and
- To assess the effectiveness of the Board as a whole and the effectiveness and contribution of each director to the Board.

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board. The NC may recommend the appointment of a new director to fill a casual vacancy in the Board.

The NC will deliberate and propose based on the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, the new director to add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board's discussion.

New Directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

The Articles of Association of the Company require one-third of the Board to retire from office at each Annual General Meeting. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. 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 Nominating Committee ("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 an on-going 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.

Access to Information (Cont'd)

The Board has separate and independent access to the Company Secretaries and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretaries attend 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 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 (Chairman) (Independent)
Mr Lee Ah Fong (Independent)
Mr Foo See Jin, Michael (Non-Executive Director)

The Remuneration Committee ("RC") recommends to the Board a framework of remuneration for the directors and executive officers, and determines specific remuneration package for each executive director and the Managing Director. The RC recommends to the Board the terms of renewal of service agreements for directors who entered into service agreement with the Company.

The Remuneration Committee functions under the terms of reference which sets out its responsibilities:

- To recommend to the Board a framework for remuneration for the directors and key executives of the Company.
- To determine specific remuneration packages for each executive director; and
- To review the appropriateness of compensation for non-executive directors.

The recommendations of the Remuneration Committee are submitted to the Board for endorsement.

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.

Statement of Corporate Governance (Cont'd)

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the Directors needed 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 2010 the Directors were each paid a basic fee of S$27,500 per annum, and a variable Committee fee based on their participation in various Committees. The quantum of the Directors' fee for the year ended 31 March 2010 was $382,125 and was approved by shareholders at the last Annual General Meeting held on 24 July 2009.

The Company will submit the quantum of directors' fee of each year to the shareholders for approval at each Annual General Meeting.

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.

A breakdown showing the level and mix of each director's remuneration for the financial year ended 31 March 2010 is as follows:

Remuneration Band & Name of Director	Salary %	Bonus %	Directors' Fee %	Allowances and Other Benefits %	Total Compensation %
Above $1,000,000					
Lim Keen Ban, Anthony	28	65	4	3	100
$750,000 to $999,999					
Yu Chuen Tek, Victor	37	54	4	5	100
Lim Jit Ming, Raymond	34	58	3	5	100
$250,000 to $499,999					
Lim Jit Yaw, Jeremy	32	53	6	9	100
Below $250,000					
Foo See Jin, Michael	-	-	100	-	100
Long Foo Pieng, Benny	-	-	100	-	100
Lau Ping Sum, Pearce	-	-	100	-	100
Ch'ng Jit Koon (1)	-	-	100	-	100
Chin Sek Peng, Michael	-	-	100	-	100
Lee Ah Fong (2)	-	-	-	-	-

(1) Mr Ch'ng Jit Koon resigned on 31 March 2010
(2) Mr Lee Ah Fong was appointed on 15 April 2010

Statement of Corporate Governance (Cont'd)

Access to Information (Cont'd)

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

Remuneration Band & Name of Key Executives	Salary %	Bonus %	Allowances and Other Benefits %	Total Compensation %
$250,000 to $499,999				
Lim Yin Chian, Sharon	59	25	16	100
Below $250,000				
Yuen King Yu, Andrew	70	25	5	100
Tshai Kin Chon, Ivan	81	7	12	100
Cheah Yok Khian, Dorris	51	10	39	100
Krist Chatikaratana	99	-	1	100
Shih Wen Lian	88	8	4	100

For the financial year ended 31 March 2010, the Key Executives (who are not Directors of the Company) of the Group are Yuen King Yu, Lim Yin Chian, Tshai Kin Chon, Cheah Yok Kian, Krist Chatikaratana and Shih Wen Lian.

Immediate Family Member of Directors or Substantial Shareholders

Other than the key executives, there was one immediate family member of the Managing Director whose remuneration exceeded $150,000 during the financial year ended 31 March 2010.

Share Incentive Scheme

The Company does not have any share option or other share incentive schemes for its employees.

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.

Audit Committee (Cont'd)

The AC comprises the following members:

Mr Chin Sek Peng, Michael (Chairman) (Independent)
Mr Lau Ping Sum, Pearce (Independent)
Mr Lee Ah Fong (Independent)

The AC is guided by the following Terms of Reference, which includes:

- Review with the external and internal auditors their audit plans and their evaluation of internal accounting controls including management responses;
- Review the findings relating to auditing and accounting matters as presented by the external and internal auditors including any other matters which the external and internal auditors wish to discuss with the AC in the absence of management;
- Review findings of any internal investigations and management's response;
- Make recommendations to the Board on the appointment or change of auditors;
- Review and ratify any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;
- Review any potential conflict of interest situations that may arise including any transactions, procedures or courses of action that raise questions about Management's integrity;
- Review half yearly reporting to SGX-ST and year end annual financial statements of the Group and financial position and statement of changes in equity of the Company before submission to the Board, focusing on such matters as:

    - 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 judgemental areas, and
    - any other functions which may be agreed by the AC and the Board.

The AC has presented a report to the Board in respect of:

(i) the co-operation given by the Company's officers to the external and internal auditors and whether the auditors in the course of carrying out their duties, was obstructed or impeded by management;

(ii) the adequacy of the Group's internal accounting control system and its internal control procedures as reported by the external and internal auditors to the AC;

(iii) compliance with legal and other regulatory requirements; and

(iv) any other matters which in the AC's opinion should be brought to the attention of 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 has met with both the external and internal auditors without the presence of Management, at least once a year.

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 LLP, 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 LLP be nominated for re-appointment as auditors at the forthcoming AGM.

Audit Committee (Cont'd)

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.

The Board through the Audit Committee ensures that a review of the effectiveness of the Group's material internal controls is conducted annually. In this respect, the Audit Committee reviews the audit plans, and the findings of the external and internal auditors and ensures that management follows up on the auditors' recommendations raised 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 external and internal 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.

The Group currently does not have a Risk Management Committee but the management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management will highlight any crucial matters noted in its review of the significant business risks including the controls to mitigate such risks to the Board of Directors and the Audit Committee.

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 primary functions of Internal Audit are to:

- Assess if adequate system of internal controls is in place to protect the funds and assets of the Group and to ensure control procedures are complied with;
- Assess if operations of the business processes under review are conducted efficiently and effectively; and
- Identify and recommend improvement to internal control procedures, where required.

The Internal Audit function reports directly to the Audit Committee. The Audit Committee is satisfied that the Internal Audit function is adequately resourced to carry out its function.

The Audit Committee reviews the audit plans of the internal auditors, ensures that adequate resources are directed to carry out those plans and reviews the results of the internal auditors' review of the Group's system of internal controls.

The internal auditors have unrestricted access to the Audit Committee.

Statement of Corporate Governance (Cont'd)

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:

- SGXNET announcements and news release;
- Annual Report prepared and issued to all shareholders;
- Press releases on major developments of the Group;
- Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGM"); and
- 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 informed 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 before the announcement of the Company's half yearly and full yearly results, 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

There were no interested person transactions which require disclosure or shareholders' approval under Singapore Exchange Securities Trading Limited rules regulating interested person transactions.

Material Contracts

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

Financial Report

For The Financial Year Ended 31 March 2010

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 2010.

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	Chin Sek Peng	Lee Ah Fong (Appointed on 15 April 2010)

2. Arrangements to Enable Director 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:

Name of directors and companies in which interests are held	Direct Interest At 1.4. 09	Direct Interest At 31.3.10	Direct Interest At 21.4.10
Cortina Holdings Limited	**Number of shares of no par value**		
Yu Chuen Tek	14,585,015	11,335,015	11,335,015
Foo See Jin	7,107,320	7,107,320	7,107,320
Long Foo Pieng	8,564,940	8,564,940	8,564,940
Lau Ping Sum, Pearce	30,000	30,000	30,000

	Deemed Interest At 1.4. 09	Deemed Interest At 31.3.10	Deemed Interest At 21.4.10
Cortina Holdings Limited	**Number of shares of no par value**		
Lim Keen Ban	59,662,425	62,912,425	62,912,425
Yu Chuen Tek	8,678,000	8,678,000	8,678,000
Lim Jit Ming	59,662,425	62,912,425	62,912,425
Lim Jit Yaw	59,662,425	62,912,425	62,912,425

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.

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. Certain directors of the company received remuneration from related corporations in their capacity as directors and or executives of those related corporations.

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)
Mr Lau Ping Sum, Pearce	(Independent and non-executive director)
Mr Lee Ah Fong	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Companies Act. Among other functions, 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 their audit of 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 and their internal control report on the group's internal controls;
- Reviewed the financial statements of the group and the statement of financial position 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).

8. Audit Committee (Cont'd)

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 LLP, 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 LLP, have expressed their willingness to accept re-appointment.

10. Subsequent Developments

Except as disclosed in note 40 to the financial statements, there are no other significant developments subsequent to the release of the group's and the company's preliminary financial information, as announced on 20 May 2010, 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

9 June 2010

Statement by Directors

In the opinion of the directors,

(a) the accompanying consolidated statements of income and comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 March 2010 and of the results and cash flows of the group and changes in equity of the company and of the group for the financial year then ended; and

(b) 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.

The board of directors approved and authorised these financial statements for issue on 9 June 2010.

On Behalf of The Directors

Lim Keen Ban
Director

Yu Chuen Tek
Director

9 June 2010

Independent Auditors' Report

To the Members of Cortina Holdings Limited

We have audited the accompanying financial statements of Cortina Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the statements of financial position of the group and the company as at 31 March 2010, and the consolidated statements of income and comprehensive income, statement of changes in equity and consolidated statement of cash flows 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 statements of income and comprehensive income and statements of financial position 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.

Independent Auditors' Report (Cont'd)

To the Members of Cortina Holdings Limited

In our opinion,

(a) the consolidated financial statements of the group and the statement of financial position and statement of changes in equity 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 2010 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 LLP
Public Accountants and
Certified Public Accountants
Singapore

9 June 2010

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

Consolidated Statement of Income

Year Ended 31 March 2010

	Notes	Group 2010 $'000	Group 2009 $'000
Revenue	5	278,016	227,777
Other Items of Income			
Interest Income	6	8	57
Other Credits	7	588	989
Other Items of Expense			
Change in Inventories of Finished Goods		1,954	(20,227)
Purchase of Goods and Consumables		(225,887)	(158,477)
Employee Benefits Expense	8	(14,441)	(12,846)
Rental Expenses		(11,734)	(8,930)
Depreciation Expense	9	(2,765)	(2,166)
Impairment Losses Reversed (Made)		262	(58)
Other Expenses	10	(8,612)	(10,726)
Other Charges	7	(825)	(4,864)
Finance Costs	11	(2,122)	(2,705)
Share of Profit (Loss) from Equity-Accounted Associates		164	(240)
Profit Before Income Tax		14,606	7,584
Income Tax Expense	12	(3,200)	(1,903)
Profit, Net of Tax		11,406	5,681
Profit Attributable to Owners of Parent, Net of Tax		12,273	6,334
Loss Attributable to Non-Controlling Interests, Net of Tax		(867)	(653)
		11,406	5,681
Earnings Per Share		**Cents**	**Cents**
Basic	15	7.4	3.8
Diluted	15	7.4	3.8

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

Consolidated Statement of Comprehensive Income

Year Ended 31 March 2010

	Notes	Group 2010 $'000	Group 2009 $'000
Profit, Net of Tax		11,406	5,681
Other Comprehensive Income:			
Exchange Differences on Translating Foreign Operations		(776)	519
Total Comprehensive Income for the Year, Net of Tax		10,630	6,200
Total Comprehensive Income Attributable to:			
Owners of Parent, Net of Tax		11,335	7,124
Non-Controlling Interests, Net of Tax		(705)	(924)
Total Comprehensive Income		10,630	6,200

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

Statements of Financial Position

As at 31 March 2010

	Notes	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Assets					
Non-Current Assets					
Property, Plant and Equipment	16	9,232	9,066	–	–
Investment Properties	17	1,696	1,493	1,696	1,493
Investments in Subsidiaries	18	–	–	23,296	22,637
Investment in Associates	19	3,043	2,879	1,000	1,000
Deferred Tax Assets	12	262	459	–	127
Trade and Other Receivables, Non-current	20	–	–	13,153	14,026
Other Assets, Non-current	21	2,622	3,984	–	–
Total Non-Current Assets		16,855	17,881	39,145	39,283
Current Assets					
Assets Held for Sale	22	1,076	–	–	–
Inventories	23	151,691	153,645	–	–
Trade and Other Receivables, Current	24	7,159	7,488	9,098	6,373
Other Assets, Current	25	2,158	1,124	16	19
Cash and Bank Balances	26	12,686	7,965	63	47
Total Current Assets		174,770	170,222	9,177	6,439
Total Assets		191,625	188,103	48,322	45,722
Equity and Liabilities					
Equity					
Share Capital	27	35,481	35,481	35,481	35,481
Other Reserves	28	(2,857)	(1,919)	–	–
Retained Earnings		59,946	49,329	10,269	9,007
Equity, Attributable to Owners of Parent, Total		92,570	82,891	45,750	44,488
Non-Controlling Interests		6,263	6,529	–	–
Total Equity		98,833	89,420	45,750	44,488
Non-Current Liabilities					
Provisions, Non-Current	29	469	378	–	–
Other Financial Liabilities, Non-Current	30	1,606	2,497	–	–
Trade and Other Payables, Non-Current	31	–	3,241	–	–
Other Liabilities, Non-Current	32	1	4	–	–
Total Non-Current Liabilities		2,076	6,120	–	–
Current Liabilities					
Income Tax Payable, Current		2,170	1,394	133	37
Trade and Other Payables, Current	33	17,111	18,236	2,439	1,197
Other Financial Liabilities, Current	30	67,694	68,995	–	–
Other Liabilities, Current	34	3,741	3,938	–	–
Total Current Liabilities		90,716	92,563	2,572	1,234
Total Liabilities		92,792	98,683	2,572	1,234
Total Equity and Liabilities		191,625	188,103	48,322	45,722

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

Statements of Changes in Equity

Year Ended 31 March 2010

	Total Equity $'000	Parent Sub-total $'000	Capital $'000	Translation Reserves $'000	Retained Earnings $'000	Non-Controlling Interests $'000
Group						
Current Year:						
Opening Balance at 1 April 2009	89,420	82,891	35,481	(1,919)	49,329	6,529
Movements in Equity:						
Total Comprehensive Income for the Year	10,630	11,335	–	(938)	12,273	(705)
Dividends Paid (Note 14)	(1,656)	(1,656)	–	–	(1,656)	–
Issuance of Subsidiaries Shares to Non-Controlling Shareholders	439	–	–	–	–	439
Closing Balance at 31 March 2010	98,833	92,570	35,481	(2,857)	59,946	6,263
Previous Year:						
Opening Balance at 1 April 2008	85,908	79,079	35,481	(2,709)	46,307	6,829
Movements in Equity:						
Total Comprehensive Income for the Year	6,200	7,124	–	790	6,334	(924)
Dividends Paid (Note 14)	(3,312)	(3,312)	–	–	(3,312)	–
Issuance of Subsidiaries Shares to Non-Controlling Shareholders	441	–	–	–	–	441
Gain on Dilution of Interest of Non-Controlling Shareholders of Subsidiaries	183	–	–	–	–	183
Closing Balance at 31 March 2009	89,420	82,891	35,481	(1,919)	49,329	6,529

	Total Equity $'000	Capital $'000	Retained Earnings $'000
Company			
Current Year:			
Opening Balance at 1 April 2009	44,488	35,481	9,007
Movements in Equity:			
Total Comprehensive Income for the Year	2,918	–	2,918
Dividends Paid (Note 14)	(1,656)	–	(1,656)
Closing Balance at 31 March 2010	45,750	35,481	10,269
Previous Year:			
Opening Balance at 1 April 2008	42,767	35,481	7,286
Movements in Equity:			
Total Comprehensive Income for the Year	5,033	–	5,033
Dividends Paid (Note 14)	(3,312)	–	(3,312)
Closing Balance at 31 March 2009	44,488	35,481	9,007

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

Consolidated Statement of Cash Flows

Year Ended 31 March 2010

	2010 $'000	2009 $'000
Cash Flows From Operating Activities		
Profit Before Income Tax	14,606	7,584
Depreciation Expense	2,765	2,166
Impairment Loss (Reversed) Made	(262)	58
Interest Income	(8)	(57)
Interest Expense	2,122	2,705
Share of (Profit) Loss from Equity-Accounted Associates	(164)	240
Loss (Gain) on Disposal of Plant and Equipment	17	(168)
Amortisation of Deferred Income	(3)	(35)
Loss on Dilution of Interest of Non-Controlling Shareholders of Subsidiaries	–	183
Plant and Equipment Written Off	–	72
Preliminary Expenses Written Off	–	322
Fair Value Adjustment on Interest Free Loan Payable to Associate (Note 31)	447	(616)
Fair Values Losses on Interest Rate Swaps	213	–
Provisions, Non-Current	91	13
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	(573)	663
Operating Cash Flows Before Changes in Working Capital	19,251	13,130
Inventories	1,954	(20,227)
Trade and Other Receivables, Current	329	3,902
Other Assets	328	(576)
Trade and Other Payables, Current	(4,813)	(11,110)
Other Liabilities, Current	(197)	(845)
Net Cash Flows from (Used in) Operations Before Interest and Tax	16,852	(15,726)
Income Taxes Paid	(2,227)	(2,618)
Net Cash Flows from (Used in) Operating Activities	14,625	(18,344)
Cash Flows From Investing Activities		
Proceeds from Sale of Plant and Equipment	21	242
Purchase of Plant and Equipment (Note 26)	(3,883)	(1,952)
Interest Received	8	57
Net Cash Flows Used in Investing Activities	(3,854)	(1,653)
Cash Flows From Financing Activities		
Proceeds from Shares Issued by Subsidiaries	439	441
(Decreases) Increase in Other Financial Liabilities	(2,815)	17,067
Decrease in Finance Leases	(248)	(625)
Trade and Other Payables, Non-Current	–	3,688
Interest Paid	(2,122)	(2,536)
Dividends Paid (Note 14)	(1,656)	(3,312)
Net Cash (Used in) from Financing Activities	(6,402)	14,723
Net Increase (Decrease) in Cash and Cash Equivalents	4,369	(5,274)
Cash and Cash Equivalents, Statement of Cash Flow, Beginning Balance	6,114	11,378
Effect of Foreign Exchange Rate Adjustments	(306)	10
Cash and Cash Equivalents, Statement of Cash Flow, Ending Balance (Note 26)	10,177	6,114

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

Notes to the Financial Statements

31 March 2010

1. General

Cortina Holdings Limited (the "company") is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company and its subsidiaries (the "group").

The board of directors approved and authorised these financial statements for issue on 9 June 2010.

The company is an investment holding company and provides management service 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 18 to the financial statements.

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") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council 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 end of the reporting year 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 which is the date on which effective control is obtained of the acquired business until that control ceases. On disposal, the attributable amount of goodwill if any is included in the determination of the gain or loss on disposal.

The company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Cap. 50, no statement of income is presented for the company.

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 year. 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.

2. Summary of Significant Accounting Policies (Cont'd)

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 and collection is reasonably assured.

Revenue from rendering of services that are of short duration is recognised when the services are completed and collection is reasonably assured.

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 and when collection is reasonably assured.

Interest income is recognised using the effective interest method and dividends from equity instruments are recognised as income when the entity's right to receive payment is established.

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 which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). 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. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in 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 end of the reporting year 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 or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

2. Summary of Significant Accounting Policies (Cont'd)

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 end of the reporting year, recorded monetary balances and non-monetary balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Other Entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the entity operates. In translating the financial statements of an investee for incorporation in the consolidated financial statements the assets and liabilities denominated in currencies other than the functional currency of the company are translated at end of the reporting year 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 recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that investee.

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.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets 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 50%

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 profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly 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 profit or loss when they are incurred.

2. **Summary of Significant Accounting Policies (Cont'd)**

Property, Plant and Equipment (Cont'd)

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs rather when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 29 on long-term provisions.

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.

Leases

Whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. 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. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position 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, 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 profit or loss 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 profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss 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.

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.

2. Summary of Significant Accounting Policies (Cont'd)

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 statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value. The consolidated statement of income 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. 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. There were none during the year.

Non-Controlling Interests

The non-controlling interests in the net assets and net results of consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Losses applicable to the non-controlling interest in excess of the non-controlling interest's interest in the subsidiary's equity are not allocated against the interests of the owners of the parent after 1 July 2009.

Assets Classified as Held for Sale

Identifiable assets, liabilities and contingent liabilities are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. It includes a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement. The depreciation on depreciable assets is ceased.

Impairment of Non-Financial Assets

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 or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss.

2. **Summary of Significant Accounting Policies (Cont'd)**

Impairment of Non-Financial Assets (Cont'd)

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 end of the reporting year 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.

Financial Assets

Initial recognition and measurement and derecognition of financial assets:

A financial asset is recognised on the statement of financial position 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 profit or loss 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 or loss are expensed immediately. The transactions are recorded at the trade date.

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.

Subsequent measurement:

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 or loss: As at end of the reporting year date there were no financial assets classified in this category.

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 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. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. 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 profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

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

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

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

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 statement of cash flow 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 entity is exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. These arrangements are not used for trading or speculative purposes. They are carried at fair value. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Financial Liabilities

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position 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 profit or loss 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 end of the reporting year.

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 or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as 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 borrowings are usually 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.

2. Summary of Significant Accounting Policies (Cont'd)

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 instruments approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting 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 end of the reporting year. The fair value of a financial instrument is derived from an active market or by using an acceptable valuation technique. 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 an acceptable valuation technique. The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, that is, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Inventories

Inventories are measured at the lower of cost (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. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

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 profit or loss 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 end of the reporting year, 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 ensure 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 trade 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 generally analyses trade accounts receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade accounts. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Net realisable value of inventories:

A review is made periodically on inventory for excess inventory 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 consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations 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 (in particular the prestigious mechanical time pieces) and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year was $151,691,000 (2009: S$153,645,000).

Income tax:

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 expected liabilities for tax based on an estimation of whether additional taxes will be due. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made. The carrying amount of group's income tax payables at the end of the reporting year was S$2,170,000 (2009: S$1,394,000).

Deferred tax estimation:

Management judgment is required in determining the amount of current and deferred tax recognised as income or expense and the extent to which deferred tax assets can be recognised. A deferred tax asset is recognised if it is more likely than not 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.

2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (Cont'd)

Deferred tax estimation (Cont'd):
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 amount of the deferred tax asset at the end of the reporting year was S$262,000 (2009: S$459,000).

Property, plant and equipment:
The group has property, plant and equipment and investment properties stated at carrying value of S$9,232,000 (2009: S$9,066,000) and S$1,696,000 (2009:S$1,493,000) 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 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 property, plant and equipment and investment properties:
The estimates for the useful lives and related depreciation charges for property, 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 amount of property, plant and equipment and investment properties as at the end of the reporting year were S$9,232,000 (2009: S$9,066,000) and S$1,696,000 (2009: S$1,493,000) respectively.

Estimated impairment of subsidiary or 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 cost of investment is $7,622,000 (2009: S$7,622,000) at the end of the reporting year. 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 asset or liability affected.

3. Related Party Transactions

FRS 24 defines a related party as 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. The definition includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

3. Related Party Transactions (Cont'd)

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 if significant an interest is imputed unless stated otherwise 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.

3.2 Other Related Parties:

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 if significant an interest is imputed unless stated otherwise 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.

Significant related party transactions:

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, the following are significant related party transactions agreed on terms between the parties concerned:

	Associates		**Non-Controlling Shareholders of Subsidiaries**	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Purchase of goods	75	404	190	2,153
Sale of goods	(15)	–	–	–
Advertising rebate	–	–	(63)	(116)
Interest expense	–	169	–	–

3.3 Key Management Compensation:

	Group	
	2010 $'000	**2009 $'000**
Salaries and other short-term employee benefits	4,899	4,021

3. Related Party Transactions (Cont'd)

3.3 Key Management Compensation (Cont'd):

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

	Group	
	2010 $'000	2009 $'000
Remuneration of directors of the company	3,421	2,389
Remuneration of directors of the subsidiaries	707	794
Fees to directors of the company – current year	382	382
Fees to directors of the company – prior year	–	15

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.

3.4. Other Receivables from and Other Payables to Related Parties:

The trade transactions and the trade receivable and payable 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	
	2010 $'000	2009 $'000
Balance at beginning of year	49	–
Amounts paid out and settlement of liabilities on behalf of another party	–	49
Amounts received and settlement of liabilities on behalf of the company	(49)	–
Balance at end of year (Note 24)	–	49

3.5. Commitments and Contingencies:

Bank facilities of $145,376,000 (2009: $112,995,000) extended to subsidiaries were guaranteed by the company. The financial guarantee fee is imputed and is recognised as an increase in cost of investment at the company level.

4. Financial Information by Operating Segments

4A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

FRS 108 Operating Segments was applied for the first time this year. FRS 108 requires the disclosure of information about operating segments, products and services, the geographical areas, and the major customers. It is a disclosure standard which results in a redesignation of the group's reportable segments, but has no impact on the reported results or financial position of the group. The segment information for the prior year that is reported as comparative information is restated to conform to the requirements of FRS 108.

4. Financial Information by Operating Segments

4A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (Cont'd)

For management purposes the group is organised into the following major strategic operating segments that offer different products and services: (1) wholesale and (2) retail. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

The wholesale segment is involved in wholesaling of watches and clocks.

The retail segment is involved in retailing of watches, pens, lighters and clocks.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before income taxes and other unallocated items (called "ORBT").

4B. Profit and Loss from Continuing Operations and Reconciliations

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
2010					
Revenue by Segment					
Total revenue by segment	51,035	226,687	294	–	278,016
Inter-segment sales	7,109	211	1,102	(8,422)	–
Total revenue	58,144	226,898	1,396	(8,422)	278,016
Recurring EBITDA	8,170	10,265	2,997	(2,365)	19,067
Finance costs	(271)	(1,559)	(344)	52	(2,122)
Depreciation	(258)	(2,448)	(59)	–	(2,765)
Impairment loss reversed	–	–	262	–	262
ORBT	7,641	6,258	2,856	(2,313)	14,442
Share of profit of associate	–	–	164	–	164
Profit before income tax					14,606
Income tax expense					(3,200)
Profit from continuing operations					11,406

4. Financial Information by Operating Segments (Cont'd)

4B. Profit and Loss from Continuing Operations and Reconciliations (Cont'd)

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
2009					
Revenue by Segment					
Total revenue by segment	45,744	182,033	–	–	227,777
Inter-segment sales	9,292	124	1,362	(10,778)	–
Total revenue	55,036	182,157	1,362	(10,778)	227,777
Recurring EBITDA	8,676	4,107	2,728	(2,758)	12,753
Finance costs	(159)	(2,377)	(169)	–	(2,705)
Depreciation	(250)	(1,857)	(59)	–	(2,166)
Impairment losses made	–	–	(58)	–	(58)
ORBT	8,267	(127)	2,442	(2,758)	7,824
Share of (loss) of associate	–	–	(240)	–	(240)
Profit before income tax					7,584
Income tax expense					(1,903)
Profit from continuing operations					5,681

4C. Assets and Reconciliations

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
2010					
Total assets for reportable segments	20,979	169,892	–	(16,937)	173,934
Unallocated:					
Deferred tax assets	–	–	262	–	262
Cash and bank balances	–	–	12,686	–	12,686
Investment properties	–	–	1,696	–	1,696
Investment in associates	–	–	3,043	–	3,043
Others	–	–	1,653	(1,649)	4
Total group assets	20,979	169,892	19,340	(18,586)	191,625

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
2009					
Total assets for reportable segments	41,952	151,140	–	(17,798)	175,294
Unallocated:					
Deferred tax assets	–	–	586	(127)	459
Cash and bank balances	–	–	7,965	–	7,965
Investment properties	–	–	1,493	–	1,493
Investment in associates	–	–	2,879	–	2,879
Others	–	–	4,340	(4,327)	13
Total group assets	41,952	151,140	17,263	(22,252)	188,103

4. Financial Information by Operating Segments (Cont'd)

4D. Liabilities and Reconciliations

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
2010					
Total liabilities for reportable segments	1,463	29,203	–	(15,466)	15,200
Unallocated:					
Income tax payable	–	–	2,170	–	2,170
Other financial liabilities	–	–	69,300	–	69,300
Others	–	–	6,122	–	6,122
Total group liabilities	1,463	29,203	77,592	(15,466)	92,792

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
2009					
Total liabilities for reportable segments	4,559	34,837	–	(19,362)	20,034
Unallocated:					
Income tax payable	–	–	1,394	–	1,394
Other financial liabilities	–	–	71,492	–	71,492
Trade payables and accruals	–	–	1,189	–	1,189
Others	–	–	4,574	–	4,574
Total group liabilities	4,559	34,837	78,649	(19,362)	98,683

4E. Other Material Items and Reconciliations

	Wholesale $'000	Retail $'000	Unallocated $'000	Elimination $'000	Group $'000
Other material items and reconciliations					
Impairment (reversal) of assets:					
2010	–	–	(262)	–	(262)
2009	–	–	58	–	58
Expenditures for non-current assets					
2010	70	3,813	–	–	3,883
2009	7	2,756	–	–	2,763

4. Financial Information by Operating Segments (Cont'd)

4F. Geographical Information

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods and services:

	Revenue		Total Assets	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore	140,011	106,567	105,275	106,637
South East Asia (a)	74,094	61,682	53,004	49,187
North East Asia (b)	59,244	50,501	33,084	31,820
Others (c)	4,667	9,027	–	–
Unallocated	–	–	262	459
Total	278,016	227,777	191,625	188,103

(a) South East Asia includes Malaysia and Thailand
(b) North East Asia includes Hong Kong and Taiwan
(c) Other countries include mainly Russia, Dubai and Cambodia

Revenues are attributed to countries on the basis of the customer's location. The non-current assets are analysed by the geographical area in which the assets are located.

4G. Information About Major Customers

There are no customers with revenue transactions of over 10% of the Group revenue.

5. Revenue

	Group	
	2010 $'000	2009 $'000
Sale of goods	276,448	226,985
Rental income	299	88
Other income	1,269	704
	278,016	227,777

6. Interest Income

	Group	
	2010 $'000	2009 $'000
Interest income	8	57

7. Other Credits and (Other Charges)

	Group 2010 $'000	Group 2009 $'000
Fair value losses on interest rate swaps	(213)	–
Bad debts written off in respect of other receivables	(7)	–
Bad debts recovered on trade receivables	19	–
Allowance for impairment on trade receivables	–	(4)
Bad debts written off in respect of trade receivables	(102)	(13)
FRS 39 adjustment on interest free loan payable to associate	(447)	616
Foreign exchange adjustments gain / (losses)	569	(197)
(Loss) / gain on disposal of plant and equipment	(17)	168
Insurance claim from inventory theft	–	205
Inventory written off	(39)	(342)
Loss on inventory theft	–	(3,731)
Loss on dilution of interest of non-controlling shareholders of subsidiaries	–	(183)
Plant and equipment written off	–	(72)
Preliminary expenses written off	–	(322)
Net	(237)	(3,875)
Presented in the consolidated statement of income as:		
Other Credits	588	989
Other Charges	(825)	(4,864)
Net	(237)	(3,875)

8. Employee Benefits Expense

	Group 2010 $'000	Group 2009 $'000
Employee benefits expense	13,627	11,987
Contributions to defined contribution plan	814	859
Total employee benefits expense	14,441	12,846

9. Depreciation Expense

	Group 2010 $'000	Group 2009 $'000
Depreciation expense of property, plant and equipment	2,706	2,107
Depreciation expense of investment properties	59	59
	2,765	2,166

10. Other Expenses

The major components include the following:

	Group	
	2010 $'000	2009 $'000
Advertising and promotion	1,582	4,468
Credit card commission	2,938	2,235

11. Finance Costs

	Group	
	2010 $'000	2009 $'000
Interest expense	2,122	2,536
Interest expense imputed on interest-free loan payable to associate (Note 3)	–	169
	2,122	2,705

12. Income Tax

12A. Components of tax expense (income) recognised in profit or loss include:

	Group	
	2010 $'000	2009 $'000
Current tax expense:		
Current tax expense	2,824	2,008
Under (Over) adjustments to current tax in respect of prior periods	179	(78)
Subtotal	3,003	1,930
Deferred tax expense (income):		
Deferred tax expense (income)	203	(37)
Over adjustments to deferred tax in respect of prior periods	(6)	–
Deferred tax expense relating to changes in tax rates	–	10
Subtotal	197	(27)
Total income tax expense	3,200	1,903

12. Income Tax (Cont'd)

12A. Components of tax expense (income) recognised in profit or loss include: (Cont'd)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax on profit or loss varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit or loss before income tax as a result of the following differences:

	Group	
	2010 $'000	2009 $'000
Profit Before Income Tax	14,606	7,584
Less: Share of (profit) loss from equity-accounted associate	(164)	240
	14,442	7,824
Income tax expense at the above rate	2,455	1,330
Not deductible items	296	513
Tax exemptions	(104)	(128)
Overprovision for tax in respect of previous periods	173	(78)
Effect of different tax rates in different countries	(25)	(60)
Change in tax rates	–	10
Deferred tax assets not recognised on unutilised tax losses	405	312
Other minor items	–	4
Total income tax expense	3,200	1,903

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

12B. Deferred Tax expense (income) recognised in profit or loss include:

	Group	
	2010 $'000	2009 $'000
Excess of net book value of plant and equipment over tax value	77	324
Excess of tax values over net book value of plant and equipment	(24)	(597)
Provisions	110	(2)
Unrealised foreign exchange loss/(gain)	167	(61)
Tax losses carryforwards	(57)	221
Fair value adjustment on interest free loan payable to an associate	(76)	76
Others	–	12
	197	(27)

12. Income Tax (Cont'd)

12C. Deferred Tax Balance in the Statement of Financial Position:

Deferred tax balance in the statement of financial position:

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Deferred tax assets / (liabilities) recognised in statement of financial position:				
Excess of net book value of plant and equipment over tax values	(428)	(351)	–	–
Excess of tax values over net book value of plant and equipment	55	31	–	–
Provisions	625	735	–	–
Tax loss carryforwards	122	65	–	–
Unrealised foreign exchange (loss)/gain	(112)	55	–	–
Fair value adjustment on interest-free loan payable to associate	–	(76)	–	–
Fair value adjustment on interest-free intercompany balances with subsidiary	–	–	–	127
Total	262	459	–	127
Presented in the statement of financial position as follows:				
Deferred tax assets	262	459	–	127

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

Deferred tax assets and liabilities are classified as non-current as it is impracticable to estimate the amount of tax to be settled or used within one year.

At end of the reporting year, the group has unused gross tax losses of approximately $7,122,000 (2009: $4,570,000) available for offset against future profits. No deferred tax asset has been recognised due to unpredictability of future profit streams. The realisation of the future income tax benefits from tax carryforwards is available for unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined except for the unused gross tax losses of $260,000, $365,000, $308,000, $1,022,000, $487,000, $8,000, $240,000, $104,000, $549,000 and $1,940,000 which will expire in 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2109 and 2020 respectively.

13. Items in the Consolidated Statement of Income

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

	Group	
	2010 $'000	2009 $'000
Other fees to independent auditors:		
– Company's independent auditors	18	19
– Other independent auditors	11	15
	29	34

14. Dividends on Equity Shares

	Group	
	2010 $'000	2009 $'000
Final tax exempt (1-tier) dividend paid of 1 cent (2009: 1 cent) per share	1,656	1,656
Special tax exempt (1-tier) dividend paid of nil (2009: 1 cent) per share	–	1,656
	1,656	3,312

In respect of the current year, the directors propose that a final tax exempt (1-tier) dividend of 1 cent per share and a special tax exempt (1-tier) 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.

15. 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	
	2010	2009
Numerators: Earnings attributable to equity:		
Continuing operations: Attributable to equity holders ($'000)	12,273	6,334
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.

16. Property, Plant and Equipment

Group	Freehold Property S$'000	Leasehold Property and Improvement S$'000	Plant and Equipment S$'000	Total S$'000
Cost:				
At 1 April 2008	2,466	4,311	8,954	15,731
Additions	–	1,365	1,398	2,763
Disposals	–	(170)	(1,144)	(1,314)
Exchange adjustments	(87)	(112)	27	(172)
At 31 March 2009	2,379	5,394	9,235	17,008
Additions	–	2,512	1,371	3,883
Disposals	–	(425)	(256)	(681)
Reclassifications for asset held for sale	–	(1,295)	–	(1,295)
Exchange adjustments	68	128	(29)	167
At 31 March 2010	2,447	6,314	10,321	19,082
Depreciation and Impairment:				
At 1 April 2008	193	2,240	4,598	7,031
Depreciation for the year	48	1,002	1,057	2,107
Disposals	–	(170)	(998)	(1,168)
Exchange adjustments	(7)	(49)	28	(28)
At 31 March 2009	234	3,023	4,685	7,942
Depreciation for the year	47	1,436	1,223	2,706
Disposals	–	(409)	(234)	(643)
Reclassifications for asset held for sale	–	(219)	–	(219)
Exchange adjustments	9	(103)	158	64
At 31 March 2010	290	3,728	5,832	9,850
Net book value:				
At 1 April 2008	2,273	2,071	4,356	8,700
At 31 March 2009	2,145	2,371	4,550	9,066
At 31 March 2010	2,157	2,586	4,489	9,232

16. Property, Plant and Equipment (Cont'd)

Company	Plant and Equipment S$'000
Cost:	
At 1 April 2008, 31 March 2009 and 31 March 2010	129
Depreciation and Impairment:	
At 1 April 2008, 31 March 2009 and 31 March 2010	129
Net book value:	
At 1 April 2008, 31 March 2009 and 31 March 2010	–

Certain items are under finance lease agreements (see Note 30).

Certain items of property, plant and equipment at a carrying value of $2,145,000 (2009: $3,253,000) are pledged as security for the bank facilities (see Notes 30).

17. Investment Properties

	Group and Company	
	2010 $'000	2009 $'000
At cost:		
At beginning and end of year	2,954	2,954
Depreciation and Impairment:		
At beginning of year	1,461	1,344
Depreciation for the year	59	59
Impairment loss (reversed)/made	(262)	58
At end of year	1,258	1,461
Net book value:		
At beginning of year	1,493	1,610
At end of year	1,696	1,493
Fair value:		
Fair value at end of year	2,410	1,890
Direct operating expenses	(30)	(30)
Rental and service income from investment property	85	88

The investment properties are leased out under operating leases.

The fair value is determined periodically on a systematic basis at least once in three years. The fair value was based on a valuation made by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, a firm of independent professional valuers based on reference to market evidence of transaction prices for similar properties. The fair value is regarded as the lowest level for fair value measurement as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

18. Investments in Subsidiaries

	Company	
	2010 **$'000**	**2009** **$'000**
Unquoted shares, at cost:		
At beginning of year	22,296	19,661
Additions	659	2,635
	22,955	22,296
Less: allowance for impairment	(4,611)	(4,611)
FRS 39 adjustments (a)	4,952	4,952
At end of year	23,296	22,637
Movements in allowance for impairment:		
Balance at beginning of year	4,611	3,293
Charged to statement of income	–	1,318
Balance at end of year	4,611	4,611
Analysis of above amount denominated in non-functional currencies:		
Hong Kong Dollars	5,142	5,142
New Taiwan Dollars	4,896	4,237
Malaysian Ringgit	6,518	6,518
Thailand Baht	4,490	4,490
Net book value of subsidiaries	76,038	67,228

(a) The amount consists of S$4,681,000 related to FRS 39 adjustment for interest-free intercompany receivables from subsidiary and $271,000 related to FRS 39 adjustment for corporate guarantee.

18. Investments in Subsidiaries (Cont'd)

The subsidiaries held by the company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (and Independent Auditors)	Cost in Books of Group		Effective Percentage of Equity held by Group	
	2010 $'000	2009 $'000	2010 %	2009 %
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	6,518	70	70
Pactime HK Limited [(b)] Hong Kong Import and export of watches (RSM Nelson Wheeler)	2,613	2,613	100	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)	4,490	4,490	70	70

18. Investments in Subsidiaries (Cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities (and Independent Auditors)	Cost in Books of Group		Effective Percentage of Equity held by Group	
	2010 $'000	2009 $'000	2010 %	2009 %
Cortina Watch Co., Ltd [c] Taiwan Retail, import and export of watches (Sun Rise CPAs & Company)	3,893	3,234	60	60
Pacific Time Co., Ltd [c] Taiwan Distribution of watches (Sun Rise CPAs & Company)	1,003	1,003	60	60
	22,955	22,296		

(a) Audited by RSM Chio Lim LLP.

(b) Audited by member firms of RSM International of which RSM Chio Lim LLP 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 LLP in Singapore is a member. Their names are indicated above.

(d) Cost of investment is less than $1,000.

As is required by Rule 76 of the Listing Manual of the Singapore Exchange Securities Trading Limited the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

19. Investments in Associates

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Movements in carrying value:				
At beginning of year	2,879	3,119	1,000	1,000
Share of profit/(loss) for the year	164	(240)	–	–
At end of year	3,043	2,879	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	2,043	1,879	–	–
	3,043	2,879	1,000	1,000

19. Investments in Associates (Cont'd)

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

Name of associates, country of incorporation, place of operations and principal activities (and Independent Auditors)	Effective Percentage of Equity held by Group	
	2010 %	2009 %
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 LLP.

(b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP 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:

	Group	
	2010 $'000	2009 $'000
Assets	6,102	5,817
Liabilities	16	21
Revenue	75	404
Profit/(loss) for the year	328	(480)

20. Trade and Other Receivables, Non-Current

	Company	
	2010 $'000	2009 $'000
Loan receivables from subsidiaries (Note 18)	13,153	14,026
Movements during the year- at amortised cost:		
Amortised cost at beginning of year	14,026	16,000
Amount paid in during the year	(1,068)	(5,138)
Fair value gain on interest free loan receivable from subsidiary	(564)	2,330
Unwinding of discount	759	834
Balance at end of year	13,153	14,026

20. Trade and Other Receivables, Non-Current (Cont'd)

Loan receivables from subsidiaries consist of the following amounts:

(a) An amount of $4,300,000 which represents, in substance, part of the company's net investment in a subsidiary. The amount is non-interest bearing, unsecured and not expected to be repaid within the next one year.

(b) An amount of $8,853,000 that the directors have converted to a quasi-equity loan during the current year. The difference of $564,003 between the carrying amount as at 31 March 2010, and the revised carrying amount based on the present value of the revised estimated future cash flows is charged to profit and loss as other charges. This difference is eliminated in the consolidated financial statements.

As at 31 March 2009, the loan receivable from a subsidiary of $9,726,000 is measured at amortised cost using the effective interest rate method. The fair value at inception is determined based on interest rate of 7.07% per annum and yearly repayment of $1,561,000 commencing from April 2009 (Level 3). The determination of fair values requires judgement and it is reasonably possible that, based on existing knowledge, the outcomes within the next financial year could require a material adjustment to the carrying amount of the asset affected.

21. Other Assets, Non-Current

	Group	
	2010 $'000	2009 $'000
Deposits to secure services	2,622	3,984

22. Assets Held for Sale

	Group	
	2010 $'000	2009 $'000
Transfer from Property, plant and equipment	1,076	–
Liabilities associated with asset classified as held for sale:		
Bank loans	456	–
Net assets held for sale	620	–

On 17 March 2010, the Group has committed to sell one of its leasehold properties at a consideration above the net book value. The carrying value of this leasehold property in the statement of financial position is its net book value.

23. Inventories

	Group	
	2010 $'000	2009 $'000
Finished goods		
- at cost	128,675	129,736
- at net realisable value	22,896	18,958
- restricted [(a)]	120	4,951
Total finished goods at lower of cost and net realisable value	151,691	153,645
The write-downs of inventories charged to consolidated statement of income included in changes in inventories of finished goods	100	441

There are no inventories pledged as security for liabilities.

(a) These are inventories recovered by the authorities in the course of investigations under the Criminal Procedure Code. It is restricted from sale subject to the conclusion of the legal case.

24. Trade and Other Receivables, Current

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Trade receivables:				
Outside parties	7,181	7,345	–	–
Less allowance for impairment	(22)	(22)	–	–
Subtotal	7,159	7,323	–	–
Other receivables:				
Related parties (Note 3)	–	49	–	–
Subsidiaries (Note 3)	–	–	9,109	2,082
Other receivables	–	–	7	4,309
Less allowance for impairment	–	–	(18)	(18)
Non-controlling shareholder of a subsidiary	–	116	–	–
Subtotal	–	165	9,098	6,373
Total trade and other receivables	7,159	7,488	9,098	6,373
Movements in above allowance:				
Balance at beginning of year	22	18	18	18
Charged for trade receivables to consolidated statement of income included in other charges	–	4	–	–
Balance at end of year	22	22	18	18

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

24. Trade and Other Receivables, Current (Cont'd)

The trade and other receivables are recognised initially at fair value and measured subsequently at amortised cost. At the end of reporting year, the management has determined that the fair value of the trade and other receivables from subsidiaries to be $9,109,000 (2009: $2,082,000). The determination of fair values requires judgement and it is reasonably possible that, based on existing knowledge, the outcomes within the next financial year could require a material adjustment to the carrying amount of the asset affected.

25. Other Assets, Current

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Deposits to secure services	1,024	67	–	–
Prepayments	1,134	1,057	16	19
	2,158	1,124	16	19

26. Cash and Bank Balances

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Not restricted in use	12,686	7,965	63	47

The interest earning balances are insignificant.

Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2010 $'000	2009 $'000
Cash and bank balances as shown above	12,686	7,965
Bank overdrafts (Note 30)	(2,509)	(1,851)
Cash and cash equivalents for consolidated statement of cash flow purpose at end of year	10,177	6,114

Non-cash transaction – During the financial year 2009, there was acquisition of plant and equipment with a total cost of $811,000 acquired by means of finance lease.

27. Share Capital

	Group and Company	
	Number of Shares Issued	Share Capital $'000
Ordinary shares of no par value:		
Balance at 1 April 2008, 31 March 2009 and 31 March 2010	165,578,415	35,481

The ordinary shares of no par value which are fully paid carry no right to fixed income. 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.

Capital Management:

The objectives when managing capital are: to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in 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 owners, return capital to owners, issue new shares, or sell assets to reduce debt.

The management monitors the capital on the basis of the debt-to-total capital ratio. This ratio is calculated as net debt/total capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash bank balances. Total capital comprises all components of equity.

	Group	
	2010 $'000	2009 $'000
Net debt:		
All current and non-current borrowings including finance leases	69,300	71,492
Less cash and bank balances	(12,686)	(7,965)
Net debt	56,614	63,527
Total capital:		
Total equity	98,833	89,420
Debt-to-total capital ratio	57%	71%

The reduction in the debt-to-total capital ratio during 2010 resulted primarily from the decrease in debts and improved retained earnings.

28. Other Reserves

	Group
	Currency translation $'000
At 1 April 2008	(2,709)
Exchange adjustment (without tax)	790
At 31 March 2009	(1,919)
Exchange adjustment (without tax)	(938)
At 31 March 2010	(2,857)

28. Other Reserves (Cont'd)

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

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

29. Provisions, Non-Current

	Group	
	2010 $'000	2009 $'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	378	365
Additions	107	13
Used	(16)	–
Balance at end of year	469	378

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased property. The estimate is based on quotation from external contractors. The unexpired terms range from 2 years to 3 years.

30. Other Financial Liabilities

	Group	
	2010 **$'000**	**2009** **$'000**
Non-Current:		
Bank loans (secured) (Note 30A)	911	1,756
Finance lease liabilities (Note 30B)	482	741
Derivatives financial instrument (Note 35)	213	–
Non-current, total	1,606	2,497
Current:		
Bank overdrafts (secured) (Note 30A)	2,509	1,851
Bank loans (secured) (Note 30A)	15,894	22,987
Bills payable (secured) (Note 30A)	49,032	43,909
Finance lease liabilities (Note 30B)	259	248
Current, total	67,694	68,995
Total	69,300	71,492

30. Other Financial Liabilities (Cont'd)

The ranges of fixed interest rate paid were as follows:

	Group		Company	
	2010	2009	2010	2009
Finance leases	2.28% - 3.00%	2.28% - 3.00%	–	–

The ranges of floating interest rate paid were as follows:

	Group		Company	
	2010	2009	2010	2009
Bank overdrafts	4.25% - 7.25%	4.25% - 8.20%	–	–
Bank loans	1.70% - 6.85%	2.14% - 6.85%	–	5.30%
Bills payable	1.63% - 6.15%	1.95% - 6.58%	–	–

30A. Bank Loans, Bank Overdrafts and Bills Payable (Secured)

Certain of the bank loans, bank overdrafts, bills payable and other credit facilities are covered by 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 $9,000 to S$125,000 over 1 to 10 years commencing from September 2004.

30B. Finance Leases

Group 2010	Minimum Payments $'000	Finance Charges $'000	Present Value $'000
Minimum lease payments payable:			
Due within one year	288	(29)	259
Due within 2 to 5 years	506	(24)	482
Total	794	(53)	741
Net book value of plant and equipment under finance leases			1,016

Group 2009	Minimum Payments $'000	Finance Charges $'000	Present Value $'000
Minimum lease payments payable:			
Due within one year	290	(42)	248
Due within 2 to 5 years	793	(52)	741
Total	1,083	(94)	989
Net book value of plant and equipment under finance leases			1,374

The average lease term ranges from 1 to 5 years (2009: 1 to 5 years). 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 (Level 3). All lease obligations are denominated in Singapore Dollar.

31. Trade and Other Payables, Non-current

	Group	
	2010 $'000	2009 $'000
Loan payable to associate	–	3,241
Movements during the year- at amortised cost:		
Balance at beginning of year	3,241	–
Additions	–	4,007
FRS 39 adjustment on interest-free loan (Note 7)	447	(616)
Amount paid out during the year	(208)	(319)
Unwinding of discount	–	169
Reclassification to current trade and other payable	(3,480)	–
Balance at end of year	–	3,241

The loan payable to the associate is stated at fair value at inception and the difference between the fair value and the loan payable is recognised as FRS 39 adjustment in the profit or loss.

As at 31 March 2009, the loan payable to the associate is measured at amortised cost using the effective interest rate method. The fair value at inception is determined based on interest rate of 9.37% per annum and yearly repayments ranging from $400,000 to $963,000 commencing from April 2009.

During the current year, the management reassessed the terms of the loan payable to the associate. Based on the existing knowledge of the directors, the management are of the opinion that the loan payable to the associate is modified to unsecured, interest free and is repayable on demand. As a result of the substantial modification of the terms of the loan payable to the associate, the difference of $447,111 between the carrying amount of the financial liability extinguished and the new liability assumed is charged to profit or loss as other charges.

32. Other Liabilities, Non-Current

	Group	
	2010 $'000	2009 $'000
Deferred income	1	4

33. Trade and Other Payables, Current

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Trade payables:				
Outside parties and accrued liabilities	12,032	14,976	2,407	1,169
Related Parties (Note 3)	–	200	–	–
Associate (Note 3)	511	432	–	–
Subtotal	12,543	15,608	2,407	1,169

33. Trade and Other Payables, Current (Cont'd)

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Other payables:				
Associate (Note 31)	3,480	–	–	–
Non-controlling shareholders of subsidiaries	188	1,218	–	–
Other payables	900	1,410	32	28
Subtotal	4,568	2,628	32	28
Total trade and other payables	17,111	18,236	2,439	1,197

34. Other Liabilities, Current

	Group	
	2010 $'000	2009 $'000
Advanced deposits from customers	3,741	3,938

35. Derivatives Financial Instruments

	Group	
	2010 $'000	2009 $'000
Liabilities – Derivatives with negative fair values:		
Interest rate swaps	213	–
Non-current portion (Note 30)	213	–
The movements during the year were as follows:		
Balance at the beginning of the year	–	–
Losses in profit or loss	213	–
Total net balance at end of the year	213	–

The notional amount of the interest rate swaps are S$50,000,000 (2009: Nil). They are designed to convert floating rate borrowings to fixed rate exposure for the next two years effective from 20 December 2010 at fixed rates ranging from 2.075% to 2.130% per year (2009: Nil).

The fair value of the interest rate swaps are classified under Level 1 of the fair value hierarchy.

36. Forward Currency Contracts

This includes the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts:

	Principal $'000	Reference currency	Maturity	Fair value $'000
Forward currency contracts	663	SGD	April 2010	677

The fair value adjustment of $14,000 for financial year 2010 is not charged to the consolidated statement of income, as the amount is not considered significant.

37. Financial Instruments: Information on Financial Risks

37A. Classification of Financial Assets and Liabilities

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

	Group	
	2010 $'000	2009 $'000
Financial assets:		
Cash and bank balances	12,686	7,965
Loans and receivables	7,159	7,488
At end of year	19,845	15,453
Financial liabilities:		
Other financial liabilities at fair value	213	–
Other financial liabilities at amortised cost	69,087	71,492
Trade and other payables at amortised cost	17,111	21,477
At end of year	86,411	92,969

	Company	
	2010 $'000	2009 $'000
Financial assets:		
Cash and bank balances	63	47
Loans and receivables	22,251	20,399
At end of year	22,314	20,446
Financial liabilities:		
Trade and other payables at amortised cost	2,439	1,197
At end of year	2,439	1,197

Further quantitative disclosures are included throughout these financial statements.

37B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The following guidelines are followed:

1. Minimise interest rate, currency, credit and market risks 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.

37. Financial Instruments: Information on Financial Risks (Cont'd)

37C. Fair Values of Financial Instruments

The financial assets, as disclosed in Note 24 and financial liabilities, as disclosed in Note 30 (excluding derivatives financial instruments) and Note 31, at amortised cost are at a carrying amount that is a reasonable approximation of fair values.

Refer to Note 35 for classification of the fair value measurements of derivative financial instrument using the fair value hierarchy.

37D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks and derivative financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed of the financial condition of the debtors and a loss from impairment is recognised in profit or loss. 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. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to financial statements below.

All unencumbered bank deposits with the banks licensed by the Monetary Authority of Singapore are guaranteed by the Singapore Government until 31 December 2010. At the end of the year the balance with the banks in Singapore was $4,215,000 (2009: $6,691,000).

As disclosed in Note 26 cash and bank balances represent amounts with less than 90 days maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2009: 30 to 90 days). But some customers take a longer period to settle the amounts. The total of overdue accounts was $317,000 (2009: $307,000).

(a) Ageing analysis of the trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2010 **$'000**	**2009** **$'000**
Trade receivables:		
Less than 60 days	183	45
61-90 days	119	49
91-180 days	2	135
Over 180 days	13	78
At end of year	317	307

37. Financial Instruments: Information on Financial Risks (Cont'd)

37D. Credit Risk on Financial Assets (Cont'd)

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group	
	2010 $'000	2009 $'000
Trade receivables:		
Over 180 days	22	22

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

	Group	
	2010 $'000	2009 $'000
Concentration of trade receivables customers:		
Top 1 customer	400	1,529
Top 2 customers	761	2,310
Top 3 customers	948	2,954

37E. 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):

Group	Gross Borrowing Commitments $'000	Trade and Other Payables $'000	Total $'000
2010:			
Less than 1 year	67,985	17,111	85,096
Due within 2 to 5 years	1,546	–	1,546
Over 5 years	186	–	186
At end of year	69,717	17,111	86,828
2009:			
Less than 1 year	69,252	21,477	90,729
Due within 2 to 5 years	2,523	–	2,523
Over 5 years	410	–	410
At end of year	72,185	21,477	93,662

37. Financial Instruments: Information on Financial Risks (Cont'd)

37E. Liquidity Risk (Cont'd)

Bank Facilities:

	Group	
	2010	**2009**
	$'000	**$'000**
Undrawn borrowing facilities	67,805	56,127

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for forecasted 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.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. For financial guarantee contracts the maximum earliest period in which the guarantee could be called is used (see Note 38).

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 90 days (2009: 30 to 90 days). The other payables are with short-term durations. Apart from the classification of the assets in the statement of financial position, no further analysis is deemed necessary.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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 addition, the financial assets are held for which there is liquid market that is readily available to meet liquidity needs.

37F. Interest Rate Risk

The following table analyses the breakdown of the financial liabilities by type of interest rate:

	Group	
	2010	**2009**
	$'000	**$'000**
Financial assets:		
Floating rate	12,686	7,965
Financial liabilities:		
Fixed rate	954	989
Floating rate	68,346	70,503
At end of year	69,300	71,492

The interest rates are disclosed in the respective notes.

37. Financial Instruments: Information on Financial Risks (Cont'd)

37F. Interest Rate Risk (Cont'd)

Sensitivity analysis:

	Group	
	2010 $'000	2009 $'000
A hypothetical increase in interest rates by 50 basis points would have an adverse effect on profit before tax of	301	313
A hypothetical increase in interest rates by 100 basis points would have an adverse effect on profit before tax of	642	625
A hypothetical increase in interest rates by 150 basis points would have an adverse effect on profit before tax of	984	938
A hypothetical increase in interest rates by 200 basis points would have an adverse effect on profit before tax of	1,326	1,251

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 changes in the cash flows and the resulting 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 the future.

37G. Foreign Currency Risks

There is exposure to foreign currency risk as part of its normal business activities as the Group transacts in currencies other than its functional currency.

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

	Group		
Financial assets:	Cash and Bank Balances $'000	Trade and Other Receivables $'000	Total $'000
At 31 March 2010:			
Hong Kong Dollars	6,774	212	6,986
Malaysian Ringgit	119	346	465
New Taiwan Dollars	943	1,137	2,080
Thailand Baht	398	918	1,316
Others	103	409	512
	8,337	3,022	11,359
At 31 March 2009:			
Hong Kong Dollars	4,114	1,003	5,117
Malaysian Ringgit	13	234	247
New Taiwan Dollars	568	648	1,216
Thailand Baht	1,826	347	2,173
Others	250	1,589	1,839
	6,771	3,821	10,592

37. Financial Instruments: Information on Financial Risks (Cont'd)

37G. Foreign Currency Risks (Cont'd)

Financial liabilities:	Group Other Financial Liabilities $'000	Trade and Other Payables $'000	Total $'000
At 31 March 2010:			
Hong Kong Dollars	–	103	103
Malaysian Ringgit	9,681	440	10,121
New Taiwan Dollars	8,918	3,954	12,872
Thailand Baht	12,805	389	13,194
Others	–	973	973
	31,404	5,859	37,263
At 31 March 2009:			
Hong Kong Dollars	–	4,162	4,162
Malaysian Ringgit	7,174	587	7,761
New Taiwan Dollars	4,190	1,135	5,325
Thailand Baht	10,084	555	10,639
Others	–	1,994	1,994
	21,448	8,433	29,881

The group reports its consolidated results in Singapore dollars. The assets and liabilities of the operations, denominated in foreign currencies, are translated to Singapore dollars at exchange rates prevailing at the reporting date. Exchange differences arising on such translation are recognised directly in other comprehensive income and accumulated in a separate component of equity under the heading translation reserve. The currencies giving rise to this risk is primarily the Hong Kong Dollars, the Malaysian Ringgit, Thailand Baht and New Taiwan Dollars. The Group does not hedge its foreign currency consolidation translation exposure.

The group's exposure to foreign currency translation risk as follow:

	31 March 2010				31 March 2009			
Group	**HKD**	**MYR**	**THB**	**NTD**	**HKD**	**MYR**	**THB**	**NTD**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net assets	12,618	10,169	3,018	4,941	12,043	9,337	3,569	6,002

37. Financial Instruments: Information on Financial Risks (Cont'd)

37G. Foreign Currency Risks (Cont'd)

Sensitivity analysis:

	Group	
31 March 2010	**Profit or Loss $'000**	**Equity $'000**
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the Hong Kong Dollars would have a favourable / (adverse) effect on profit before tax of	(6)	1,262
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the Malaysia Ringgit would have a favourable / (adverse) effect on profit before tax of	3	1,018
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the Thailand Baht would have a favourable / (adverse) effect on profit before tax of	3	302
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the New Taiwan Dollars would have a favourable / (adverse) effect on profit before tax of	–	494

	Group	
31 March 2009	**Profit or Loss $'000**	**Equity $'000**
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the Hong Kong Dollars would have a favourable / (adverse) effect on profit before tax of	(29)	1,204
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the Malaysia Ringgit would have a favourable / (adverse) effect on profit before tax of	7	934
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the Thailand Baht would have a favourable / (adverse) effect on profit before tax of	–	357
A hypothetical 10% weakening in the exchange rate of the functional currency $ against the New Taiwan Dollars would have a favourable / (adverse) effect on profit before tax of	–	600

37. Financial Instruments: Information on Financial Risks (Cont'd)

37G. Foreign Currency Risks (Cont'd)

A strengthening of the Singapore dollar against the above currencies at 31 March 2010 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The analysis above has been carried out on the basis that there are no hedged transactions. The analysis is for each currency with significant exposures.

In management's opinion, the above sensitivity analysis is unrepresentative of the inherent foreign exchange risk as historical exposures do not reflect the exposures in future.

38. Contingent Liabilities

	Company	
	2010 $'000	2009 $'000
Corporate guarantee given to bank in favour of subsidiaries	145,376	112,995
Undertaking to provide continuing financial support to subsidiaries in a net liability position	118	699

39. Operating Lease Payment Commitments

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2010 $'000	2009 $'000
Not later than one year	13,391	8,783
Later than one year and not later than five years	17,622	9,060
Later than five years	–	418
	31,013	18,261
Rental expenses for the year	11,734	8,930

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.

40. Events Subsequent to the End of the Reporting Year

On 20 May 2010, the Central World Plaza in Bangkok, where the group operates a retail outlet was set on fire by rioters. The retail outlet was not damaged by the fire and there was no loss in the inventory. As at the date of this report, the directors estimated the damage to the retail outlet caused by water and ash to be approximately S$450,000. The company has been informed by the Joint Foreign Chamber of Commerce in Thailand that companies affected by the fire would be able to claim compensation through a scheme set up by the Government of Thailand. The company is unable to ascertain the amount claimable as at the date of this report.

41. Operating Lease Income Commitments

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	2010 $'000	2009 $'000
Not later than one year	81	18
Later than one year and not alter than five years	34	–
	115	18
Rental income for the year	299	88

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

42. Changes and Adoption of Financial Reporting Standards

For the year ended 31 March 2010 the following new or revised Singapore Financial Reporting Standards were adopted. 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 (Revised)
FRS 18	Revenue (Amendments to)
FRS 23	Borrowing Costs (Amendments to) Financial Instruments: Presentation and FRS 1
FRS 32	Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments to) (*)
FRS 27	Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments to)
FRS 102	Share-based Payment – Vesting Conditions and Cancellations (Amendments to) (*)
FRS 103	Business Combinations and consecutive amendments in other FRSs (Revised)
FRS 107	Financial Instruments: Disclosures (Amendments to)
FRS 108	Operating Segments
INT FRS 109	Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives (Amendments to) (*)
INT FRS 113	Customer Loyalty Programs (*)
INT FRS 116	Hedges of a Net Investment in a Foreign Operation
INT FRS 117	Distributions of Non-cash Assets to Owners (*)
INT FRS 118	Transfers of Assets from Customers (*)

(*) Not relevant to the entity.

42. Changes and Adoption of Financial Reporting Standards (Cont'd)

The main objective of revising FRS 1 was to aggregate information in the financial statements on the basis of shared characteristics. All owner changes in equity is presented in the statement of changes in equity, separately from non-owner changes in equity. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs. It introduces a requirement to include in a complete set of financial statements, a statement of financial position as at the beginning of the earliest comparative period whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

43. Future Changes in Financial Reporting 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 result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 38	Intangible Assets (Amendments to) (*)	01.07.2009
FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Item (Amendments to)	01.07.2009
FRS 102	Share-based Payment (Amendments to) (*)	01.07.2009
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendments to)	01.07.2009
INT FRS 109	Reassessment of Embedded Derivatives (Amendments to) (*)	01.07.2009
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (Amendments to)	01.07.2009
INT FRS 117	Distributions of Non-cash Assets to Owners (*)	01.07.2009
INT FRS 118	Transfers of Assets from Customers (*)	01.07.2009
FRS 1	Presentation of Financial Statements (Amendments to)	01.01.2010
FRS 7	Statement of Cash Flows (Amendments to)	01.01.2010
FRS 17	Leases (Amendments to)	01.01.2010
FRS 36	Impairment of Assets (Amendments to)	01.01.2010
FRS 39	Financial Instruments: Recognition and Measurement (Amendments to)	01.01.2010
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendments to)	01.01.2010
FRS 108	Operating Segments (Amendments to)	01.01.2010

(*) Not relevant to the entity.

Shareholding Statistics

As at 21 June 2010

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

Analysis of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1,000 - 10,000	420	79.25	1,653,000	1.00
10,001 - 1,000,000	95	17.92	5,608,000	3.39
1,000,001 and above	15	2.83	158,317,415	95.61
Total	**530**	**100.00**	**165,578,415**	**100.00**

Twenty Largest Registered Shareholders

No.	Name	No. of Shares	%
1	LIM KEEN BAN HOLDINGS PTE LTD	51,457,490	31.08
2	HENRY TAY YUN CHWAN	20,533,000	12.40
3	HSBC (SINGAPORE) NOMS PTE LTD	11,851,000	7.16
4	MING YAW PTE LTD	11,454,935	6.92
5	YU CHUEN TEK	11,335,015	6.85
6	LONG FOO PIENG	8,564,940	5.17
7	RENNICK PTE LTD	8,560,000	5.17
8	FOO SEE JIN MICHAEL	7,107,320	4.29
9	YU LEE CHIUN	6,880,010	4.16
10	YU YUNG TEK	6,880,010	4.16
11	PHILLIP SECURITIES PTE LTD	4,399,000	2.66
12	FONG TIT FUNG	3,245,000	1.96
13	LONG AH HIAN	2,475,695	1.50
14	HOW SOW CHUEN	1,924,000	1.16
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	THIAN YIM PHENG	201,000	0.12
	Total	**160,177,415**	**96.76**

Shareholding Statistics

As at 21 June 2010

Shareholdings Held in Hands of Public

Based on information available to the Company as at 21 June 2010, approximately 28.03% 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.

Substantial Shareholders

Name of Substantial Shareholder	Direct Interests No. of Shares	%	Deemed interests No. of Shares	%
Lim Keen Ban Holdings Pte Ltd	51,457,490	31.08	11,454,935(1)	6.92
Lim Keen Ban	-		62,192,425(2)	38.00
Chan Nyok Song@Cheah Yoke Heng		-	62,192,425(3)	38.00
Lim Jit Ming		-	62,192,425(4)	38.00
Lim Jit Yaw			62,192,425(5)	38.00
Lim Yin Chian		-	62,192,425(6)	38.00
Henry Tay Yun Chwan	20,533,000	12.40	-	-
Ming Yaw Pte Ltd	11,454,935	6.92	-	-
Yu Chuen Tek	11,335,015	6.85	8,678,000(7)	5.24
Maria Norma D Yu	118,000	0.07	19,895,015(8)	12.02
Rennick Pte Ltd	8,560,000	5.17	-	-
Long Foo Pieng	8,564,940	5.17	-	-

(1) This represents Lim Keen Ban Holdings Pte Ltd's deemed interest of 11,454,935 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 Kee Ban's deemed interest of 62,192,425 shares held in the name of the following:
(a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
(b) 11,454,935 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 62,192,425 shares held in the name of the following:
(a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
(b) 11,454,935 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 Lim Jit Ming's deemed interest of 62,192,425 shares held in the name of the following:
(a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
(b) 11,454,935 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 61,262,425 shares held in the name of the following:
(a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
(b) 11,454,935 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 61,262,425 shares held in the name of the following:
(a) 51,457,490 shares held by Lim Keen Ban Holdings Pte Ltd; and
(b) 11,454,935 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).

(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 19,895,015 shares held in the name of the following:
(a) 11,335,015 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).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at York Hotel, Rose Room II, 21 Mount Elizabeth, Singapore 228516 on Thursday, 22 July 2010 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 2010 together with the Directors' Report and Auditors' Report thereon. **(Resolution 1)**
2. To declare a Final tax exempt (1-tier) Dividend of 1 cent per ordinary share and a Special tax exempt (1-tier) Dividend of 1 cent per ordinary share for the financial year ended 31 March 2010. **(Resolution 2)**
3. To approve the Directors' fees of $382,125 for the financial year ending 31 March 2011 (2010: S$382,125). **(Resolution 3)**
4. To re-appoint Mr Lim Keen Ban, Anthony, retiring pursuant to Section 153(6) of the Companies Act, Cap., 50. **(Resolution 4)**
5. To re-elect the following Directors:

   (i) Mr Lau Ping Sum, Pearce, a director retiring under Article 91 of the Company's Articles of Association. **(Resolution 5)**

   Mr Lau Ping Sum, Pearce will, upon re-election as a Director of the Company, remain 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 continue as the Chairman of the Remuneration Committee and a member of the Nominating Committee.

   (ii) Mr Yu Chuen Tek, Victor, a director retiring under Article 91 of the Company's Articles of Association. **(Resolution 6)**

   (iii) Mr Lim Jit Yaw, Jeremy, a director retiring under Article 91 of the Company's Articles of Association. **(Resolution 7)**
6. To re-elect Mr Lee Ah Fong who will retire pursuant to Article 97 of the Company's Articles of Association. **(Resolution 8)**

   Mr Lee Ah Fong will, upon re-election as a Director of the Company, remain 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 continue as a member of the Remuneration and the Chairman of the Nominating Committee.
7. To re-appoint RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

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

   That, pursuant to Section 161 of the Companies Act, Cap. 50 and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue:

   (i) shares in the capital of the Company ("shares"); or
   (ii) convertible securities; or
   (iii) additional convertible securities issued pursuant to adjustments; or
   (iv) shares arising from the conversion of the securities in (ii) and (iii) above,

As Special Business (Cont'd)

8. Authority to allot and issue shares (Cont'd)

(whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority or thereafter) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force), provided that

1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("Issued Share") provided that the aggregate number of shares (including shares to be issued in pursuance of convertible securities 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 twenty percent (20%) of the total number of Issued Shares;

2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of convertible securities;
   (ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
   (iii) any subsequent bonus issue, consolidation or subdivision of the shares;

3) the fifty percent (50%) limit in sub-paragraph (1) above may be increased to one hundred percent (100%) for the Company to undertake pro-rata renounceable rights issues at any time up to 31 December 2010 or such other date as may be determined by the SGX-ST;

4) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

5) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company 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 10)
(See Explanatory Note 1)

Any Other Business

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

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
Singapore, 6 July 2010

Explanatory Notes on Special Business to be transacted:-

1. The Ordinary Resolution 10 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or the date by which such authority is varied or revoked by the Company in a general meeting of the Company, whichever is the earlier, to issue shares, or convertible securities and to issue shares pursuant to such convertible securities, up to a number not exceeding, in aggregate, fifty percent (50%) of the total number of Issued Shares of which up to twenty percent (20%) of the total number of Issued Shares may be issued other than on a pro rata basis to existing shareholders of the Company.

   The fifty percent (50%) limit may be increased to one hundred percent (100%) if the Company undertake a pro-rata renounceable rights issues at any time up to 31 December 2010 or such other date as may be determined by the SGX-ST.

   For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution 10 is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution 10 is passed and any subsequent consolidation or subdivision of shares.

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.

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 30 July 2010 after 5:00 p.m., to 2 August 2010, for the preparation of determining of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., of 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5:00 p.m. on 30 July 2010 will be registered to determine shareholders' entitlements to proposed Final and Special Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5:00 p.m. on 30 July 2010 will be entitled to such proposed dividends.

The proposed dividends, if approved by shareholders at the Annual General Meeting to be held on 22 July 2010 will be paid on 13 August 2010.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

Singapore, 6 July 2010

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 No.	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 York Hotel, Rose Room II, 21 Mount Elizabeth, Singapore 228516 on Thursday, 22 July 2010 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 for the financial year ended 31 March 2010 together with the Reports of the Directors and Auditors thereon.		
2.	To declare a Final tax exempt (1-tier) Dividend of 1 cent per ordinary share and a Special tax exempt (1-tier) Dividend of 1 cent per ordinary share for the financial year ended 31 March 2010.		
3.	To approve the Directors' fee of $382,125 for the financial year ending 31 March 2011.		
4.	To re-appoint Mr Lim Keen Ban, Anthony, a Director pursuant to Section 153(6) of the Companies Act, Chapter. 50.		
5.	To re-elect Mr Lau Ping Sum, Pearce, a Director pursuant to Article 91 of the Articles of Association.		
6.	To re-elect Mr Yu Chuen Tek, Victor, a Director pursuant to Article 91 of the Articles of Association.		
7.	To re-elect Mr Lim Jit Yaw, Jeremy, a Director pursuant to Article 91 of the Articles of Association.		
8.	To re-elect Mr Lee Ah Fong, a Director pursuant to Article 97 of the Articles of Association.		
9.	To re-appoint RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ____________ day of ____________ 2010

Total Number of Shares Held

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

fold flip

3rd fold here

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.

2nd fold here

AFFIX POSTAGE STAMP

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

1st fold here

Corporate Listings

CORPORATE OFFICE
Singapore
Cortina Holdings Limited
391B Orchard Rd
#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 Rd
#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
Suite 2206, 22nd Floor,
Mail Box : CP 31
Central Plaza
No.34, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (020) 3 2148 8354 / 2148 2814
Fax: (020) 3 2145 1866
Director: Ivan Tshai

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

Thailand
Cortina Watch (Thailand) Co Ltd
26/48, 14th Floor Orakarn Building
Soi Chidlom, Ploenchit Road
Lumpini, Pathumwan
Bangkok 10330
Tel: (66) 2254 1031
Fax: (66) 2254 1030
General Manager: Alvin Tan

Taiwan
Cortina Watch Co., Ltd
Room C. 10F, No. 3, Sec 1
Dunhua S. Rd, Songshan District
Taipei City 105, Taiwan R.O.C
Tel: (886) 2 2579 6186
Fax: (886) 2 2579 6185
Managing Director: Douglas Shih

DISTRIBUTION DIVISION
Singapore
Chronoswiss Asia Pte Ltd
391B Orchard Rd
#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 Rd
#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 2579 6186
Fax: (886) 2 2579 6185
Managing Director: Douglas Shih

Corporate Listings

CORTINA WATCH ESPACE

Singapore
Millenia Walk
391B Orchard Rd
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
Fax: (03) 2142 1172
Key Personnel: Teh Chin Soon

Thailand
Erawan Bangkok
1st Floor, Room 109-110, 112, 116
Erawan Bangkok
494 Ploenchit Road, Lumpini
Pathumwan, Bangkok 10330
Tel: (66) 2250 7999
Fax: (66) 2250 7799
Key Personnel: Nopparat Poynok

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 Rd #01-36
Singapore 179103
Tel: (65) 6339 9185
Fax: (65) 6339 1566
Key Personnel: Sam Lim

ION Orchard
2 Orchard Turn #03-02
ION Orchard
Singapore 238801
Tel: (65) 6509 9218
Fax: (65) 6509 9217
Key Personnel: Patrick Tok

Malaysia
Suria KLCC
Lot 122 & 123 1st floor, Suria KLCC
KL City Centre
50088 Kuala Lumpur
Tel: (020) 3 2164 5175
Fax: (020) 3 2166 5575
Key Personnel: Soon Kian Loy

Penang
Plaza Gurney, Persiaran Gallery
170 - G -62/63/63A Ground Floor
Plaza Gurney, Persiaran Gurney
10250 Penang
Tel: (020) 4229 1248
Fax: (020) 4226 2248
Key Personnel: Frederick Teoh Chin Aun

Kota Kinabalu
Borneo Hypermall
G-231, Ground Floor
1 Borneo Hypermall, Jalan Sulaman
88400 Kota Kinabalu
Tel: (020) 8848 5269
Fax: (020) 8848 5169
Key Personnel: Jeffrey Wong Keng Soon

Indonesia
Plaza Indonesia
1st Floor No. 36 – 38
Jalan M.H Thamrin Kav 28-30
Jakarta , Indonesia 10350
Tel: (001) 62 21319 26632
Fax: (001) 62 2131 42923
Key Personnel: Joanes Djunaidi

Thailand
CentralWorld
1st floor, Unit No. A119-A120
CentralWorld Shopping Center
4, 4/1- 4/2, 4/4 Rajdamri Road,
Pathumwan, Bangkok 10330
Tel: (66) 2251 6677
Fax: (66) 2250 6670
Key Personnel: Pisamai Vanapaka/ Srisuda Hongsamroung

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

Taiwan
Taipei 101 Shopping Mall
2F, No. 45 Shihfu Road
Sinyi District, Taipei, Taiwan, R.O.C
Tel: (886) 2 8101 8255
Fax: (886) 2 8101 8685
Key Personnel: Ilisa Yeh

MANAGEMENT BOUTIQUES

Patek Philippe Boutiques
Singapore
ION Orchard
2 Orchard Turn #02-03
ION Orchard
Singapore 238801
Tel: (65) 6509 9238
Fax: (65) 6509 9239
Key Personnel: Joseph Lay

Marina Bay Sands
#B2-239 The Shoppes
at Marina Bay Sands
2 Bayfront Avenue
Singapore 018972
Tel: (65) 6688 7008
Fax: (65) 6688 7800
Key Personnel: Sunny Lau

Taiwan
Taipei 101 Shopping Mall
2 Fl., No. 45 Shihfu Road
Sinyi District, Taipei, Taiwan, R.O.C
Tel: (886) 2 8101 8201
Fax: (886) 2 8101 8222
Key Personnel: Julia Huang

Longines Boutique
Singapore
Wisma Atria
435 Orchard Road #02-38
Singapore 238877
Tel: (65) 6836 9659
Fax: (65) 6836 8356
Key Personnel: Jenny Tang

Rolex Boutique
Malaysia
Plaza Gurney, Persiaran Gurney
170 - G -33/33A Ground Floor
10250 Penang
Tel: (020) 4227 1026
Fax: (020) 4227 0871
Key Personnel: Frederick Teoh Chin Aun

IWC Boutique
Taiwan
Taipei 101 Shopping Mall
2F, No. 45 Shihfu Road
Sinyi District, Taipei, Taiwan, R.O.C
Tel: (886) 2 8101 8255
Fax: (886) 2 8101 8685
Key Personnel: Vi Vi Sung

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

Co. Reg. No. 197201771W