HANG TEN

Hang Ten Group Holdings Limited

(Incorporated in Bermuda with Limited Liability) stock code : 448

Annual Report 2010

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Chan Wing Sun
Kao Yu Chu
Wang Li Wen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Cheung Yat Hung Alton
Kwong Chi Keung, *J.P.*
So Hon Cheung Stephen

REGISTERED OFFICE

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Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

COMPANY SECRETARY

Lee Kin Keung Lawrence

AUDITORS

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Certified Public Accountants
Prince's Building, 8th Floor
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Hong Kong

PRINCIPAL SHARE REGISTRAR

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Bank of Bermuda Limited Building
6 Front Street
Hamilton HM11
Bermuda

BRANCH SHARE REGISTRAR

Tricor Standard Limited
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Tesbury Centre
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PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Hong Kong Main Office

The Hongkong and Shanghai Banking
Corporation Limited
Taiwan Branch

Chang Hwa Commercial Bank Limited

Hua Nan Commercial Bank Limited

CORPORATE WEBSITE

www.hangten.com.hk

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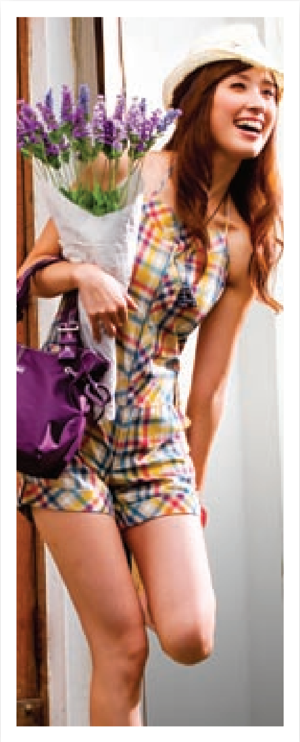


Dear Shareholders,

On behalf of the board of directors, I am pleased to present the annual report and results of the Group for the year ended 31 March 2010. The Group changed its presentation currency of the financial statements during the year from the United States Dollars to Hong Kong Dollars to facilitate comparison with other companies in the same industry.

OPERATING RESULTS

The general economic conditions began to stabilise during the year after the serious financial turmoil in 2008. As the economies of major Asian countries began to strengthen at a greater pace from the second quarter, the Group's business experienced improvement in the second half of the year.

During the year, the Group had taken measures to control its operating costs and steps were also taken to fine tune its product mix and pricing structure. As a result, the Group had achieved significant improvement in its operation as consumer confidence began to recover in the second half of the year. Sales for the second half of the year grew by 18.6% as compared to the last corresponding period resulting in an increase in sales of 2.4% for the whole year. Sales for the year amounted to HK$2,056,440,000. Spurred on by the growth in sales, profit margin also improved and profit attributable to shareholders for the year increased by 72.4% to HK$142,995,000, with the second half of the year showing a remarkable 118.7% increase as compared to the last corresponding period.

During the year, the Group disposed of a trademark right in North America with a gain of HK$47,740,000. On the other hand, it had made an accrual for additional value added tax and penalties for its Taiwan operation amounting to HK$60,272,000 based on the result of a court judgement in September 2009 in respect of a tax dispute with the Taiwan Tax Authority. The Group had appealed against the judgement. If these two non-recurring items were excluded, the amount of profit attributable to shareholders

would be HK$155,527,000, an increase of 87.5% from HK$82,947,000 of last year.

The Group operates an extensive retail network in Asia with about 750 retail stores under the brands *Hang Ten*, *H&T* and *Arnold Palmer*. The *Arnold Palmer* brand is operated by the Group under license only in Taiwan and Singapore. Most of the Group's revenue is generated from its retail operation. The Group also sells *Hang Ten* products through its distributors in various international territories with the most significant territories being the Middle East countries. In addition, the Group grants licences internationally to licensees for the right to design, manufacture and sell products bearing the trademarks owned by the Group in designated territories.

DIVIDEND

The directors adopt a policy of providing a reasonable return to the shareholders through payment of dividends. The amounts of dividends vary depending on available cash, future investment opportunities and working capital requirements of the Group. The board of directors proposed a final dividend of Hong Kong 5.5 cents per ordinary share for the year ended 31 March 2010. The proposed final dividend is subject to the approval by the shareholders in the forthcoming annual general meeting.

In view that no interim dividend has been distributed by the Company for the year ended 31 March 2010 and also for previous years, the directors may consider the payment of an interim dividend in future if current business situation continues to sustain.

OUTLOOK

The Group has implemented measures to improve efficiency by controlling costs and closing and relocating under-performing stores during the challenging time in the

past two years. As the general economic environment appears to have stabilised with business and consumer confidence both started to improve, the management believes that the Group is well positioned to be benefited from the economic recovery. With the uptrend experienced in the second half of the year ended 31 March 2010, the management plans to expand its retail network in the coming year with the aim to increase both sales and profitability.

The continuing growth of the economy in Mainland China with increasing per capita income of its population offers potential for growth in the apparel retailing industry. The Group will intensify its expansion program in Mainland China to increase its geographical coverage. As the performance of the Group's Mainland China operation has been encouraging with the second half of the year ended 31 March 2010 showing a slight operating profit, the management believes that the expansion of its retail network will provide another impetus for growth.

The Group's other markets including Singapore, Malaysia, Hong Kong and Macau have shown encouraging results. The operation of these markets has turned around and the management aims to foster the momentum by continuing its strategies of improving efficiency, careful selection of store locations to avoid sustaining high rental costs and continuing enhancement of merchandise. Although the Philippines' economy remains weak, the management is going to rationalize its Philippines operation to improve its profitability.

Various governments have put forward various measures to attract foreign investors and to stimulate international trade and domestic business activities. Recently, the Taiwan government has announced the reduction of corporate tax rate from 20% to 17% from 2011. South Korean marginal corporate tax rate is also scheduled to be cut from 24.2% to 22% in 2012. The reduction in corporate tax rate in the two largest markets of the Group's operation will provide a further stimulant to the Group's business as well as direct savings in tax.

The recent positive trends indicate that the worst has passed and the management believes that the competitiveness and resilience of the Group will enable it to maximise the benefit as the economy continues to improve.

APPRECIATION

On behalf of the board of directors, I would like to express our sincere appreciation to our staff for their contribution and last of all, I would like to thank our shareholders, suppliers, bankers and customers for their continuous support to the Group.

Chan Wing Sun
Chairman

15 July 2010

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group operated an extensive retail network in Asia with about 750 retail stores under the brands *Hang Ten*, *H&T* and *Arnold Palmer*. Most of the Group's revenue was generated from its retail operation.

During the year under review, business conditions were more favorable comparing to the previous year. General economic environment in Asia had stabilised as the disturbance caused by the financial turmoil had subsided and consumer confidence had begun to recover. Exchange rates of the countries in which the Group operated had also stabilised.

The results of operation of the Group for the year had improved significantly especially the results in second half of the year whose improvement was even more pronounced when comparing with that of the same period of last year as well as with that of the first half of the year under review. The performance of the Group was summarised below.

	Full Year		**Second Half**		**First Half**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**2,056.4**	2,008.0	**1,139.0**	960.0	**917.4**	1,048.0
Gross profit	**1,156.1**	1,101.0	**659.0**	512.2	**497.1**	588.8
Operating profit	**190.7**	112.6	**133.5**	63.3	**57.2**	49.3
Profit attributable to shareholders	**143.0**	82.9	**100.8**	46.1	**42.2**	36.8

Turnover for the year ended 31 March 2010 amounted to HK$2,056.4 million (2009: HK$2,008.0 million). While the turnover for the whole year grew by only 2.4%, the turnover for the second half of the year increased by 18.6% comparing to the same period of the previous year as the Group was benefited from the improved business environment in the second half of the year. Gross margin for the year improved from 54.8% in the previous year to 56.2% in the current year. The second half of the year showed a larger improvement with a gross margin of 57.9% comparing to 53.4% of the same period of the previous year. The increase was a result of the improvement in market conditions and also that the Group had adjusted its product mix and pricing structure effectively to achieve a much better sell-through rate in its merchandise during the second half of the year. Appreciation in the currencies of most of the countries of operation also helped to contribute further improvement in gross margin.

The Group had taken measures to control its operating costs. Total administrative expenses reduced by HK$18.5 million. The improvement in gross margin and cost control had contributed to an increase in the operating profit of the Group for the year. As exchange rates in the Group's operating countries had stabilised, no exchange loss was incurred by the Group this year. As a result of these factors, operating profit for the year increased by 69.4% to HK$190.7 million (2009: HK$112.6 million). During the year, the Group disposed of one of its trademark right in North America, resulting in a gain of approximately HK$47.7 million which had been included in other net income. On the other hand, the Group had made an accrual for additional value added tax and

penalties amounting to approximately HK$60.3 million for its Taiwan operation during the year based on the result of a court judgement in September 2009 in respect of a tax dispute related to previous years with the Taiwan Tax Authority. The Group had appealed against the judgement. The accrual had been included in other operating expenses. If those two non-recurring items were excluded from the operating profit, the amount of operating profit for the year would be HK$203.3 million, an increase of 80.5% over the previous year.

Profit attributable to shareholders for the year ended 31 March 2010 was HK$143.0 million, showing an increase of 72.5% or HK$60.1 million from the previous year. If the two non-recurring items described above were excluded, profit attributable to shareholders would amount to HK$155.6 million, representing an increase of 87.5% from 2009.

Basic and fully diluted earnings per share were the same and increased to HK14.56 cents for the current year from HK8.44 cents for the previous year. This represents an increase of HK6.12 cents or 72.5%. If the gain on disposal of trademark and the accrual for additional value-added tax and penalties were excluded, earnings per share for the year would be approximately HK15.84 cents.

OPERATIONS REVIEW

Retail and distribution of apparel continued to be the core business of the Group. It contributed 99% of the Group's turnover with the remaining 1% contributed from the Group's licensing operation. The Group had 753 retail stores as at 31 March 2010 with a retail floor area of about 645,200 square feet.

Retail and distribution of apparel generated revenue of HK$2,036.7 million (2009: HK$1,982.8 million) for the year ended 31 March 2010, showing a growth of 2.7%. As the regional economies stabilised in the later part of the first half of the fiscal year, business began to improve. The decline in sales in the first half of the year had been more than compensated by the increase in sales in the second half of the year. Indeed, all the major geographical operations performed much better than the previous year. Both the top line sales and operating profits had shown significant improvement.

Taiwan

	Full Year		**Second Half**		**First Half**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**914.0**	898.9	**518.6**	460.3	**395.4**	438.6
Operating profit/(loss) *(Note)*	**46.9**	84.4	**79.1**	47.2	**(32.2)**	37.2
Number of stores at year/period end	**277**	262	**277**	262	**276**	249

Note: The operating profit of Taiwan for the year ended 31 March 2010 included an accrual for additional value added tax and penalties amounting to HK$60.3 million which was provided in the first half of the year.

Turnover from retail and distribution of apparel in Taiwan had increased by 1.7% for the whole year. However, the increase in turnover for the second half of the year was more significant with a growth of 12.7% comparing with that of the same period of the previous year. Operating profit for the year was HK$46.9 million. However, if the accrual for additional value added tax and penalties amounting to approximately HK$60.3 million made during the first half of the year was excluded, the amount of operating profit generated from the Taiwan operation would be HK$107.2 million, representing an increase of 27.0% on a year-on-year basis. The Group continued to expand its *Arnold Palmer* network during the year with most of the new additions in stores were *Arnold Palmer* stores. The Group had 52 *Arnold Palmer* stores at the end of March 2010. Contribution from this product line continued to increase and it contributed to over 13% of sales in Taiwan and a higher contribution to operating profit because of its higher margin.

South Korea

	Full Year		Second Half		First Half	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**766.5**	747.2	**412.0**	310.1	**354.5**	437.1
Operating profit	**71.1**	33.5	**37.4**	15.4	**33.7**	18.1
Number of stores at year/period end	**296**	311	**296**	311	**300**	318

The operation in first half of the year had been affected by the economic downturn and the weak Korean Won. However, after experiencing a decline in sales in the first half of the year, the Group's Korean business recovered in the second half of the year resulting in an increase in sales of 2.6% for the whole year. The growth in sales in the second half of the year was 32.9% on a year-on-year basis. With the Korean Won stabilised and strengthened against the United States Dollars which is the major currency for purchase of merchandise, coupling with cost control measures undertaken to reduce operating costs, operating profit for the year increased by 112.2% to HK$71.1 million. During the year, several non-profitable stores were closed and overall store efficiency was improved. The Group's fashion brand *H&T* continued to perform satisfactorily and contributed to about 25% of the sales in Korea. Out of the 296 stores in Korea at the end of March 2010, 64 were *H&T* stores.

Singapore and Malaysia

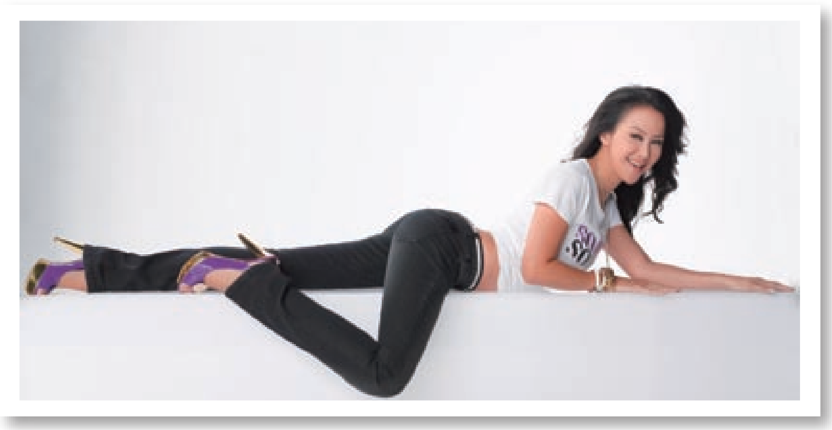
	Full Year		Second Half		First Half	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**156.6**	143.7	**86.4**	74.7	**70.2**	69.0
Operating profit/(loss)	**12.6**	(14.2)	**10.6**	(6.5)	**2.0**	(7.7)
Number of stores at year/period end	**41**	43	**41**	43	**43**	41

The Group had revamped its operation since last year by improving its merchandise and refurbishing its stores. It had also relocated or closed down its under-performed stores. These efforts began to bear reward this year. Sales for the first half of the year increased by only 1.7%, but with the uptrend continued during the second half of the year, sales grew by 9.0% for the whole year. The Group had achieved to turn around its operation with an operating profit of HK$12.6 million for the year, comparing with an operating loss of HK$14.2 million for the previous year.

Mainland China

	Full Year		Second Half		First Half	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**100.8**	100.0	**59.3**	51.8	**41.5**	48.2
Operating (loss)/profit	**(1.8)**	(8.6)	**1.5**	(3.1)	**(3.3)**	(5.5)
Number of stores at year/period end	**89**	95	**89**	95	**96**	110

The Group had made significant inroad into the Mainland China market during the year even though its operation was still relatively small considering the potential of this market. Despite a decrease in the number of stores due to closing down of some under-performed stores, with an improvement in store efficiency, the Group had been able to achieve the same level of sales as the previous year. The improvement in operation in the second half of the year was more significant with a growth in sales of 14.5% as compared to the last corresponding period. The second half of the year also resulted in positive contribution with an operating profit of HK$1.5 million.



Hong Kong and Macau

	Full Year		Second Half		First Half	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**69.7**	51.8	**40.7**	29.4	**29.0**	22.4
Operating profit/(loss)	**1.1**	(1.7)	**2.7**	(0.6)	**(1.6)**	(1.1)
Number of stores at year/period end	**18**	11	**18**	11	**14**	9

The Group continued to expand its sales network during the year to increase market penetration. New stores were opened in strategic locations with proximity to the Group's targeted customers and store locations were carefully selected to avoid incurring high rental costs. With the increase in market penetration, sales for the year grew by 34.6%. Improvement in store efficiency and cost control allowed this operation to provide positive contribution to the Group with an operating profit of HK$1.1 million for the year.

Philippines

	Full Year		Second Half		First Half	
	2010	2009	**2010**	2009	**2010**	2009
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Turnover	**29.1**	41.2	**15.2**	23.6	**13.9**	17.6
Operating loss	**(3.8)**	(4.7)	**(1.5)**	(2.6)	**(2.3)**	(2.1)
Number of stores at year/period end	**32**	48	**32**	48	**47**	50

The economic environment of Philippines remained sluggish. The Philippines operation was very small and contributed to only about 1.4% of the Group's total turnover. The Group decided to rationalise the operation in Philippines by closing down a number of non-profitable stores during the year. As a result, while sales decreased by 29.4%, the Group had managed to reduce the operating loss of this operation by over 19%.

Licensing Operation

The licensing operation continued to provide a steady royalty income stream to the Group. For the year ended 31 March 2010, total royalty income amounted to about HK$19.7 million. During the year, the Group disposed of one of its trademark right in North America, resulting in a gain of approximately HK$47.7 million.

CAPITAL STRUCTURE

As at 31 March 2010, 982,250,000 ordinary shares were in issue. Total equity amounted to HK$762.3 million (2009: HK$597.2 million) as at 31 March 2010. The Company had not issued any new shares during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operation by internally generated cash flow and banking facilities provided by banks.

The Group generated HK$226.8 million (2009: HK$175.6 million) of cash from operations, HK$51.2 million more than last year. As at 31 March 2010, the Group had cash and bank balances amounted to HK$275.1 million (2009: HK$132.0 million) and listed funds, which were readily convertible into cash, amounted to HK$84.5 million (2009: HK$62.3 million). The liquidity position of the Group remained healthy. Current ratio increased to 2.5 times (2009: 2.2 times), which was mainly due to increase in cash and bank balances.

For the year ended 31 March 2010, the Group had financial facilities provided by banks amounting to approximately HK$205.8 million (2009: HK$183.9 million), of which about HK$17.1 million (2009: HK$32.2 million) had been utilised. Certain of the banking facilities were secured by the pledge of certain land and buildings and an investment property with carrying values of HK$30.1 million (2009: HK$25.2 million) and HK$8.0 million (2009: HK$6.7 million) respectively. Total indebtedness of the Group remained at a low level and represented 11.7% (2009: 15.3%) of the total assets of the Group as at 31 March 2010. Indebtedness of the Group at 31 March 2010 comprised bank loans of HK$17.1 million (2009: HK$32.2 million), loans from shareholders of HK$127.2 million (2009: HK$127.2 million) and a loan from a minority shareholder of a subsidiary of HK$3 million (2009: HK$3 million), totalling HK$147.3 million (2009: HK$162.4 million).

The loans from shareholders are unsecured and are due for repayment in November 2011.

HUMAN RESOURCES

As at 31 March 2010, the Group had approximately 2,100 (2009: 2,100) full time employees. About 1,800 employees were engaged in sales and marketing functions. The Group offers its employees competitive remuneration packages based on industry's practices and performance of individual employees. The Company had also adopted a share option scheme to which employees may participate. There was no option outstanding as at 31 March 2010.

EXECUTIVE DIRECTORS

Chan Wing Sun, aged 62, received a Bachelor's degree from the University of Manchester, United Kingdom in 1970 and qualified as a Chartered Accountant in 1973. Mr. Chan is also an executive director and vice chairman of YGM Trading Limited and a director of Yangtzekiang Garment Limited, both of which listed on the main board of The Stock Exchange of Hong Kong Limited. Mr. Chan is the Chairman and Chief Executive officer of the Company and is responsible for the strategic planning and overall policy of the Group. He joined the Group in 1991.

Kao Yu Chu, aged 53, is the Chief Operations Officer of the Group's operation in Taiwan and has overall responsibility in the area of product development, sales, advertising and marketing. She started her career in the apparel retailing industry as a shop manager and worked her way up to her existing position. She has over 28 years of experience in the apparel retailing industry. She joined the Group in 1993.

Wang Li Wen, aged 57, joined the Group in 1994. She is the Chief Financial Officer of the Group's operation in Taiwan and has overall responsibility in the area of administration, finance, personnel and EDP development. She graduated from Tam Kang University in Taiwan with a bachelor degree in economics and has over 28 years of experience in the apparel retailing industry.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Cheung Yat Hung Alton, aged 47, graduated from the California College of Arts and Crafts, Berkeley with a bachelor degree in fine arts. Mr. Cheung has over 15 years' experience in trading and distribution business in China. Mr. Cheung currently holds directorships in a number of private companies engaging in automobile distribution in China. He is also an independent non-executive director of Neptune Group Limited, a company listed on The Stock Exchange of Hong Kong Limited. Mr. Cheung joined the Group in 2004.

Kwong Chi Keung, *JP* (Justice of the Peace), aged 56, is qualified as a solicitor in Hong Kong, England, Australia (Victoria) and Singapore. He joined the Group in 2002. Mr. Kwong is a senior partner of Sit Fung Kwong and Shum. His main areas of practice include intellectual properties, banking, public and private corporate transactions, China projects and complex commercial litigation. Mr. Kwong is a Senior Vice President of the Asian Patent Attorneys Association, a World Intellectual Property Organisation appointed Neutral for Alternative Dispute Resolution and Uniform Domain Name Dispute Resolution Policy Panelist, Fellow of the Chartered Institute of Arbitrations (London) and Hong Kong Institute of Arbitrators, a Chartered Arbitrator, Centre for Effective Dispute Resolution (CEDR) Accredited Mediator, and Notary Public. He is a listed Arbitrator and Adjudicator of the Hong Kong International Arbitration Centre (HKIAC). Mr. Kwong was also a former Deputy Chairman of the Copyright Tribunal of the Hong Kong Special Administrative Region.

So Hon Cheung, Stephen, aged 54, is a director of the accounting firm T.M. Ho, So & Leung CPA Limited and also a director of CCIF CPA Limited. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Canadian Institute of Chartered Accountants, a member of the Chartered Institute of Management Accountants and a member of the Society of Certified Management Accountants of Canada. He holds a bachelor degree in commerce from the University of British Columbia, Canada and is a visiting professor of various universities and colleges in Beijing, Liaoning, Sichuan, Xinjiang, Qinghai and Guangdong in China. He has over 16 years, experience in manufacturing, wholesale and trading in the commercial sector and over 17 years' experience of private accounting practice in various companies in Hong Kong and Canada. Mr. So is an independent non-executive director of Pine Technology Holdings Limited and Skyworth Digital Holdings Limited, both of which are listed on The Stock Exchange of Hong Kong Limited. He was the past Finance Director of Jetion Holdings Limited, a company listed on the AIM of the London Stock Exchange. Mr. So joined the Group in 2002.

SENIOR MANAGEMENT

Kung, Ging Kong Dennis, aged 68, is the general manager of the Taiwan operation of the Group. He joined the Group in 1993. Mr. Kung has extensive experience in the garment industry. Mr. Kung is the father of Mr. Kenneth Hung.

Kenneth Hung, aged 43, is a director of Hang Ten International Holdings Limited, a direct wholly owned subsidiary of the Company and is responsible for the Group's general operations. Mr. Hung graduated from the University of Minnesota in United States and has over 17 years experience in the apparel retailing industry. He joined the Group in 1992. Mr. Hung is the son of Mr. Kung Ging Kong Dennis.

Shivkumar Ramanathan, aged 42, is the general manager of the Group's Korea operation. Prior to this he served as the president of the Group's overseas retailing and franchising operations. He graduated from the University of Bombay with a bachelor degree in Commerce and is also qualified as a Chartered Financial Analyst. Before joining the Group in 1997, he worked as a financial controller for two well-known companies in Hong Kong for more than 5 years.

Lee Kin Keung Lawrence, aged 49, is the company secretary of the Company and chief financial officer of the Group. He joined the Group in April 2003. Mr. Lee is a member of the Hong Kong Institute of Certified Public Accountants and is also a member of CPA Australia. He obtained a Master of Commerce degree and a bachelor of Commerce degree from the University of New South Wales, Australia. He also holds a Master of Applied Finance degree from the Macquarie University, Australia. Mr. Lee has over 21 years of experience in accounting, auditing and corporate finance.

The board of directors (the "Board") is committed to uphold a high corporate governance standard with a formal and transparent procedure to protect the interests of the Company.

The Group's corporate governance practices comply with all the code provisions of the Code ("Code") of Corporate Governance Practices set out in Appendix 14 of the Rules ("Listing Rules") Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited with the exception of Code A2.1 of the Code which requires that the roles of chairman and chief executive officer should be separate.

BOARD OF DIRECTORS

The Board recognises its responsibility to act in the best interest of the Company and its shareholders. The Board comprises three executive directors and three independent non-executive directors.

Executive Directors:

Mr. Chan Wing Sun *(Chairman and Chief Executive Officer)**

Mr. Kenneth Hung *(Chief Executive Officer)* (resigned on 26 March 2010)

Ms. Kao Yu Chu

Ms. Wang Li Wen

Independent Non-Executive Directors:

Mr. Cheung Yat Hung Alton

Mr. Kwong Chi Keung

Mr. So Hon Cheung Stephen

* Mr. Chan Wing Sun was appointed as Chief Executive Officer of the Company on 26 March 2010.

The Board sets the Group's objectives and strategic directions and oversees its operating financial performance. It also decides on matters including annual and interim results, audited financial statements, directors' appointment and re-appointment, major acquisitions and disposals, material contracts, risk management, major financings and borrowings and dividend policies. In addition, the Board also discusses major operational and financial issues. Decisions and conduct of matters other than those specifically reserved by the Board are delegated to management.

Regular meetings of the Board are held. Agenda of Board meetings and Board papers are circulated to all directors before each Board meeting to ensure timely access to relevant information. Board minutes are circulated to all directors for review and comment within a reasonable time after the meetings to ensure accurate records of Board discussion and decisions are maintained. The Company held four full Board meetings during the year and attendance of the full Board meetings are as follows:

Directors	Number of meetings held	Number of meetings attended
Mr. Chan Wing Sun	4	4
Mr. Kenneth Hung	4	4
Ms. Kao Yu Chu	4	4
Ms. Wang Li Wen	4	4
Mr. Cheung Yat Hung Alton*	4	4
Mr. Kwong Chi Keung*	4	4
Mr. So Hon Cheung Stephen*	4	4

* Independent non-executive directors

The Board has received from each of the independent non-executive directors a confirmation of his independence from the Company in accordance with the guidelines on director independence set out in the Listing Rules. The Company considers that all independent non-executive directors of the Company are independent.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chan Wing Sun holds the position of Chairman and also the position of Chief Executive Officer of the Company since the resignation of Mr. Kenneth Hung on 26 March 2010. The vesting of the roles of chairman and chief executive officer on the same person deviates from the code provision of Code A2.1. of the Code. The Board believes that the Company and the Group have been operating by the senior management of the Group under a teamwork approach, and to have Mr. Chan Wing Sun to be both the Chairman and Chief Executive Officer of the Company will not unduly concentrate the power in any one individual. Further, the Board believes that the Company has appropriate corporate governance structure in place to ensure effective oversight of the management, and half of the members of the Board are independent non-executive directors. In addition, the audit committee is comprised solely of independent non-executive directors who have free and direct access to the Company's external auditors.

The Chairman and Chief Executive Director, Mr. Chan Wing Sun, is responsible for ensuring that the Board functions effectively and smoothly. He is also responsible for overseeing the strategic planning and overall policy of the Group.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

All the independent non-executive directors have been appointed for a specific term of one year. All the directors including the independent non-executive directors are subject to retirement from office by rotation in accordance with the bye-laws of the Company.

APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

The procedures and process of appointment, re-election and removal of directors are set out in the bye-laws of the Company. According to the bye-laws, at least one-third of the directors including the Chairman and Managing Director, are subject to retirement by rotation and re-election at the annual general meetings of the Company. All directors are subject to retirement by rotation and re-election at annual general meetings at least once every three years. All directors appointed by the Board during the year to fill casual vacancies are required to retire and subject themselves for re-election at the first general meeting after their appointment.

NOMINATION OF DIRECTORS

The Company has not established a nomination committee and the full Board is involved in the appointment of directors.

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment of directors and assessment of independence of independent non-executive directors.

The Board is responsible for considering the suitability of a candidate to act as a director and approving and recommending the termination of the appointment of a director.

No nomination of new director has been considered by the board of directors during the year.

BOARD COMMITTEES

The Board has established the Audit Committee and the Remuneration Committee with mandate to oversee particular aspects of the Company's affairs. Each of these two Board committees is set up with written terms of reference. The Board committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice in appropriate circumstances at the Company's expenses.

Remuneration Committee

The Remuneration Committee comprises three independent non-executive directors, namely Mr. Kwong Chi Keung (Chairman of the Remuneration Committee), Mr. Cheung Yat Hung Alton and Mr. So Hon Cheung Stephen and two executive directors namely Mr. Chan Wing Sun and Mr. Kenneth Hung (until his resignation on 26 March 2010).

The principal responsibilities of the Remuneration Committee include reviewing and making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management.

During the year, a meeting of the Remuneration Committee was held to review and discuss the policy for remuneration of directors and senior management. The attendance records of each Remuneration Committee members are as follows:

Members	Number of meetings held	Number of meetings attended
Mr. Chan Wing Sun	1	1
Mr. Cheung Yat Hung Alton	1	1
Mr. Kenneth Hung	1	0
Mr. Kwong Chi Keung	1	1
Mr. So Hon Cheung Stephen	1	1

Audit Committee

The Company has established an Audit Committee with written terms of reference. The Audit Committee comprises three independent non-executive directors namely Mr. So Hon Cheung Stephen (the Chairman of the Audit Committee), Mr. Kwong Chi Keung and Mr. Cheung Yat Hung Alton.

The main duties of the Audit Committee include review of the Group's financial information and oversight the Group's financial reporting process and internal control procedures. It is responsible for reviewing interim and final results of the Group prior to recommending them to the Board for approval. It also meets regularly with the external auditors to discuss their audit work and view. The Audit Committee also reviews the relationship with the external auditors.

The number of meetings of the Audit Committee held and attended by each of the Audit Committee members during the year are as follows:

Members	Number of meetings held	Number of meetings attended
Mr. Cheung Yat Hung Alton	2	2
Mr. Kwong Chi Keung	2	2
Mr. So Hon Cheung Stephen	2	2

The Audit Committee held meetings to review the financial results and internal control process of the Group. It also reviewed the external auditors' report on the audit of the Group's financial statements.

During the year, the Board has not taken any view that is different from that of the Audit Committee nor rejected any recommendation presented by the Audit Committee.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for overseeing the preparation of financial statements of the Group and ensure that the financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards.

The statement of external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on page 24.

AUDITORS' REMUNERATION

During the year, the remuneration payable or paid to the Group's auditors KPMG amounted to HK$2,360,000 of which an amount of HK$2,216,000 was in relation to statutory audit work of the Group and an amount of HK$144,000 was for non-audit services rendered.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealing as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all the directors, the directors have complied with such code of conduct throughout the year ended 31 March 2010.

INTERNAL CONTROL

The Board has overall responsibility for the Group's internal control system. The internal control system of the Group includes a defined management structure with appropriate segregation of functions and duties. It includes procedures to safeguard assets against unauthorised use or disposition and maintenance of proper accounting records for the provision of reliable financial information. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. During the year, a review of the Group's internal control system has been conducted to ensure the effectiveness and adequacy of the internal control system.

The Group has established an appropriate organisation structure with defined operating policies and procedures, responsibility and line of authority. Senior management is delegated with respective levels of authorities to carry out the corporate strategies of the Group as well as to exercise effective control and review of business performance.

Operation budgets are prepared by the operational units and reviewed by the senior management before implementation. Relevant procedures are adopted to assess, review and approve major capital and recurring expenditures and for comparison and review of actual operating results and budget.

COMMUNICATION WITH SHAREHOLDERS

The Board endeavours to maintain an on-going dialogue with the Company's shareholders. All directors are encouraged to attend the general meetings to have personal communication with the shareholders. In annual general meeting, the Chairman of the Board is required to attend and answer questions from the shareholders in respect of the matters the Board is responsible and accountable for.

The directors present their report and the audited financial statements of Hang Ten Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company.

The principal activities of its subsidiaries are the design, marketing, retail and wholesale of apparel and trademark licensing. Details of the principal activities of the Group's principal subsidiaries are set out in note 34 to the financial statements.

CHANGE IN PRESENTATION CURRENCY

The Group changed its presentation currency of the audited financial statements during the year ended 31 March 2010 from the United States Dollars to Hong Kong Dollars to facilitate comparison with other companies in the same industry. The change in presentation currency has been applied retrospectively. The change of presentation currency has no significant financial impact to the financial position and the results of the Company and of the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2010 are set out in the consolidated income statement on page 26.

The directors recommend the payment to the ordinary shareholders whose names appear on the register of members of the Company on 3 September 2010 of a final dividend at Hong Kong cent 5.5 per share (2009: Hong Kong cent 4.0 per share), amounting to a total amount of approximately HK$54,024,000 (2009: HK$39,290,000).

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 29(c) to the financial statements.

RESERVES

Profit for the year, before dividends, of HK$141,157,000 (2009: HK$79,977,000) have been transferred to reserves. Other movements in the reserves of the Group and of the Company are set out in the consolidated statement of changes in equity and note 29(c) to the financial statements respectively.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the past five years is set out on pages 111 to 112.

FIXED ASSETS

Details of movements in fixed assets of the Group are set out in note 11 to the financial statements.

DIRECTORS AND SERVICE CONTRACTS

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

Executive directors:

Mr. Chan Wing Sun
*(Chairman and Chief Executive Officer)**
Mr. Kenneth Hung *(Chief Executive Officer)*
(resigned on 26 March 2010)
Ms. Kao Yu Chu
Ms. Wang Li Wen

Independent non-executive directors:

Mr. Cheung Yat Hung Alton
Mr. Kwong Chi Keung
Mr. So Hon Cheung Stephen

* Mr. Chan Wing Sun was appointed as Chief Executive Officer of the Company on 26 March 2010.

In accordance with Clause 87 of the Company's bye-laws, Mr. Chan Wing Sun and Mr. Cheung Yat Hung Alton shall retire, and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

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

DIRECTORS' INTEREST IN SECURITIES

As at 31 March 2010, the interests of the directors and their associates, as defined in the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

Name of director	Nature of interests	Number of ordinary shares held	As approximate percentage of total issued ordinary shares
Mr. Chan Wing Sun	Personal	550,000	0.06%
Ms. Kao Yu Chu	Personal	9,000,000	0.92%
Ms. Wang Li Wen	Personal	9,000,000	0.92%

Other than disclosed above, none of the directors and chief executive of the Company and their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2010.

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or to their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The directors have confirmed to the Company that they are not interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly with the Group's business.

DIRECTORS' INTERESTS IN CONTRACTS

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

SHARE OPTION SCHEME

Pursuant to a written resolution of the Company passed on 24 October 2002, the Company adopted a share option scheme. No option was granted during the year and there was no share option outstanding at 31 March 2010.

Particulars of the Company's share option schemes are set out in note 23 to the financial statements.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSON'S INTERESTS IN THE COMPANY'S SECURITIES

As at 31 March 2010, the register of the substantial shareholders and other persons maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests and short positions in the issued ordinary shares of the Company:

Name	Capacity	Number of ordinary shares	As approximate percentage of total issued ordinary shares
Asian Wide Services Limited	Beneficial owner	369,886,000	37.66%
YGM Trading Limited	Beneficial owner	201,200,000	20.48%

Other than disclosed above, the Company has not been notified of any relevant interests or short positions in the issued ordinary shares of the Company as at 31 March 2010.

CONVERTIBLE SECURITIES, WARRANTS AND SIMILAR RIGHTS

The Company had no outstanding convertible securities, warrants and similar rights as at 31 March 2010 and there has been no exercise of any convertible securities, warrants or similar rights during the year.

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

There had been no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed shares during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group has engaged in certain transactions which constituted connected transactions with respect to the Group under Chapter 14A of the Listing Rules. Details of the transactions are described below.

During the year ended 31 March 2010, Hang Ten Enterprises Limited, a wholly owned subsidiary of the Company, sold apparel and accessories amounted to approximately HK$2,381,000 (equivalent to approximately US$307,000) on open account basis with credit term of approximately 30 days to Chua and company, being the substantial shareholders of Hang Ten Phils, Corp., a non-wholly owned subsidiary of the Company, and their associates (as defined in the Listing Rules) for distribution by them through door-to-door sales network in the Philippines.

The directors (including the independent non-executive directors) have reviewed and confirmed that the transactions referred to above:

1. have been entered into in the ordinary and usual course of its business of the Group;

2. have been conducted on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

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

The directors have received the auditors' confirmation as required under Rule 14A.38 of the Listing Rule.

MAJOR CUSTOMERS AND SUPPLIERS

The business of the Group is retail in nature and the sales to the 5 largest customers amounted to less than 30% of the Group's turnover for the year ended 31 March 2010. Accordingly, details of the largest customer and the five largest customers are not disclosed. During the year, the Group's largest and top five suppliers accounted for approximately 13.5% and 31.8% of the Group's purchases respectively.

None of the directors, their associates or shareholders which to the knowledge of the directors own more than 5% of the Company's issued share capital has any interest in any of the Group's five largest suppliers.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2010 are set out in note 20, note 26 and note 27 to the financial statements.

RETIREMENT SCHEME

The Group operates a defined benefit retirement scheme which covers about 23% of the Group's employees and defined contribution retirement schemes. Particulars of the retirement scheme are set out in note 22 to the financial statements.

CORPORATE GOVERNANCE

The Company has complied with the Code of Corporate Governance Practices as contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2010 with the exception of Code A2.1 of the Code which requires that the roles of chairman and chief executive officer should be separate. A report on the principal corporate governance practices adopted by the Company is set out on pages 15 to 18.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

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

EMOLUMENT POLICY

The emolument policy for employees of the Group is set by the board of directors on the basis of their merit, qualifications and competence.

The Company has a Remuneration Committee with written terms of reference to review the emolument policy of the Group.

The emoluments of the directors of the Company are decided by the Remuneration Committee of the Company, having regard to the Company's operating results, individual performance, time commitment, responsibility and comparable market statistics.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2010.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. KPMG as auditors of the Company.

On behalf of the Board

Chan Wing Sun
Chairman

Hong Kong
15 July 2010

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of
Hang Ten Group Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Hang Ten Group Holdings Limited ("the Company") set out on pages 26 to 110, which comprise the consolidated and Company balance sheets as at 31 March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the 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 judgement, 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 true 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 the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated financial statements 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 Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong
15 July 2010

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010 *(Expressed in Hong Kong dollars)*

	Note	2010 $'000	2009 (restated) $'000
Turnover	3	**2,056,440**	2,008,025
Cost of sales		**(900,293)**	(907,064)
Gross profit		**1,156,147**	1,100,961
Other revenue	4	**36,731**	40,528
Other net income/(loss)	4	**65,844**	(32,323)
Selling expenses		**(875,935)**	(852,996)
Administrative expenses		**(120,024)**	(138,535)
Other operating expenses		**(72,090)**	(5,017)
Profit from operations		**190,673**	112,618
Finance costs	5(a)	**(8,926)**	(9,446)
Profit before taxation	5	**181,747**	103,172
Income tax	6(a)	**(40,590)**	(23,195)
Profit for the year		**141,157**	79,977
Attributable to:			
Equity shareholders of the Company	9	**142,995**	82,947
Minority interests		**(1,838)**	(2,970)
Profit for the year		**141,157**	79,977
Earnings per share	10		
Basic		**14.56 cents**	8.44 cents
Diluted		**14.56 cents**	8.44 cents

The notes on pages 34 to 110 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 29(b).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010 *(Expressed in Hong Kong dollars)*

	2010	2009 (restated)
	$'000	*$'000*
Profit for the year	**141,157**	*79,977*
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of subsidiaries	**63,243**	(100,742)
Total comprehensive income for the year	**204,400**	(20,765)
Attributable to:		
Equity shareholders of the Company	**206,075**	(17,539)
Minority interests	**(1,675)**	(3,226)
Total comprehensive income for the year	**204,400**	(20,765)

The notes on pages 34 to 110 form part of these financial statements. There was no tax effect relating to the component of other comprehensive income.

CONSOLIDATED BALANCE SHEET

At 31 March 2010 *(Expressed in Hong Kong dollars)*

	Note	**2010** **$'000**	2009 (restated) $'000	2008 (restated) $'000
Non-current assets				
Fixed assets	11			
– Investment properties		**50,873**	52,734	–
– Other property, plant and equipment		**125,421**	123,995	87,065
		176,294	176,729	87,065
Goodwill	12	**74,038**	75,217	74,038
Intangible assets	14	**115,309**	139,443	138,675
Other receivables	17	**44,140**	–	–
Deferred tax assets	25(b)	**23,536**	27,802	31,501
		433,317	419,191	331,279
Current assets				
Investments	15	**84,475**	62,257	127,585
Inventories	16	**245,360**	254,511	280,871
Trade and other receivables	17	**216,638**	193,332	258,218
Amounts due from related companies	24	**248**	419	496
Cash and cash equivalents	19	**275,116**	131,998	184,313
		821,837	642,517	851,483
Current liabilities				
Bank loans	20	**17,123**	32,152	21,256
Trade and other payables	21	**255,845**	220,894	236,736
Amounts due to shareholders	24	**8,631**	5,103	9,128
Current taxation	25(a)	**49,942**	36,720	53,269
		331,541	294,869	320,389
Net current assets		**490,296**	347,648	531,094
Total assets less current liabilities		**923,613**	766,839	862,373
Non-current liabilities				
Loans from shareholders	26	**127,182**	127,182	127,182
Loan from a minority shareholder	27	**3,048**	3,048	–
Deferred income	28	**27,453**	36,604	45,755
Employee benefits	22(a)	**3,614**	2,799	2,707
		161,297	169,633	175,644
NET ASSETS		**762,316**	597,206	686,729

	Note	**2010** **$'000**	2009 (restated) $'000	2008 (restated) $'000
CAPITAL AND RESERVES	29			
Share capital		**98,225**	98,225	98,225
Reserves		**661,470**	494,685	580,982
Total equity attributable to equity shareholders of the Company		**759,695**	592,910	679,207
Minority interests		**2,621**	4,296	7,522
TOTAL EQUITY		**762,316**	597,206	686,729

Approved and authorised for issue by the Board of Directors on 15 July 2010

Chan Wing Sun)
)
) Directors
)
Wang Li Wen)

The notes on pages 34 to 110 form part of these financial statements.

BALANCE SHEET

At 31 March 2010 *(Expressed in Hong Kong dollars)*

	Note	2010 $'000	2009 (restated) $'000	2008 (restated) $'000
Non-current assets				
Investments in subsidiaries	13	**236,644**	236,644	236,644
Current assets				
Trade and other receivables	17	**132**	132	132
Amount due from subsidiary	18	**58,163**	43,428	72,897
Cash and cash equivalents	19	**101**	155	101
		58,396	43,715	73,130
Current liabilities				
Trade and other payables	21	**1,233**	1,302	1,091
Amount due to subsidiary	18	**10,694**	11,291	11,415
		11,927	12,593	12,506
Net current assets		**46,469**	31,122	60,624
NET ASSETS		**283,113**	267,766	297,268
CAPITAL AND RESERVES	29			
Share capital		**98,225**	98,225	98,225
Reserves		**184,888**	169,541	199,043
TOTAL EQUITY		**283,113**	267,766	297,268

Approved and authorised for issue by the Board of Directors on 15 July 2010

Chan Wing Sun)
)
) Directors
)
Wang Li Wen)

The notes on pages 34 to 110 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2010 *(Expressed in Hong Kong dollars)*

	Attributable to equity shareholders of the Company									
	Share capital *(note 29(c))* $'000	Share premium *(note 29(d)(i))* $'000	Contributed surplus *(note 29(d)(ii))* $'000	Share options reserve *(note 29(d)(iii))* $'000	Exchange reserve *(note 29(d)(iv))* $'000	Legal reserve *(note 29(d)(v))* $'000	Retained profits $'000	Total $'000	Minority interests $'000	Total equity $'000
Balance at 1 April 2007 (restated)	98,225	11,920	44,538	3,445	28,031	7,120	368,214	561,493	6,344	567,837
Changes in equity:										
Dividends approved in respect of the previous year *(note 29(b)(ii))* (restated)	–	–	–	–	–	–	(49,113)	(49,113)	–	(49,113)
Share options lapsed (restated)	–	–	–	(718)	–	–	718	–	–	–
Total comprehensive income for the year (restated)	–	–	–	–	(394)	–	167,221	166,827	1,178	168,005
Balance at 31 March 2008 (restated)	98,225	11,920	44,538	2,727	27,637	7,120	487,040	679,207	7,522	686,729
Balance at 1 April 2008 (as restated)	98,225	11,920	44,538	2,727	27,637	7,120	487,040	679,207	7,522	686,729
Changes in equity:										
Dividends approved in respect of the previous year *(note 29(b)(ii))* (restated)	–	–	–	–	–	–	(68,758)	(68,758)	–	(68,758)
Share options lapsed (restated)	–	–	–	(2,727)	–	–	2,727	–	–	–
Total comprehensive income for the year (restated)	–	–	–	–	(100,486)	–	82,947	(17,539)	(3,226)	(20,765)
Transfer to legal reserve (restated)	–	–	–	–	–	1,149	(1,149)	–	–	–
Balance at 31 March 2009 (restated)	98,225	11,920	44,538	–	(72,849)	8,269	502,807	592,910	4,296	597,206
Balance at 1 April 2009 (as restated)	98,225	11,920	44,538	–	(72,849)	8,269	502,807	592,910	4,296	597,206
Changes in equity:										
Dividends approved in respect of the previous year *(note 29(b)(ii))*	–	–	–	–	–	–	(39,290)	(39,290)	–	(39,290)
Total comprehensive income for the year	–	–	–	–	63,080	–	142,995	206,075	(1,675)	204,400
Transfer to legal reserve	–	–	–	–	–	946	(946)	–	–	–
Balance at 31 March 2010	**98,225**	**11,920**	**44,538**	**-**	**(9,769)**	**9,215**	**605,566**	**759,695**	**2,621**	**762,316**

The notes on pages 34 to 110 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2010 *(Expressed in Hong Kong dollars)*

	Note	2010 $'000	2009 (restated) $'000
Operating activities			
Profit before taxation		**181,747**	103,172
Adjustments for:			
– Interest income	4	**(5,980)**	(5,103)
– Net loss on disposal of fixed assets	4	**600**	5,692
– Net gain on disposal of intangible assets	4	**(47,740)**	–
– Net realised and unrealised gains on listed funds	4	**(791)**	(442)
– Finance costs	5(a)	**8,926**	9,446
– Amortisation of intangible assets	5(c)	**458**	458
– Depreciation	5(c)	**33,843**	40,310
– Impairment loss on intangible assets	5(c)	**2,862**	1,636
– Impairment loss on goodwill	5(c)	**1,179**	–
– Net foreign exchange loss/(gain)		**33,803**	(39,462)
Operating profit before changes in working capital		**208,907**	115,707
Decrease in inventories		**9,151**	26,360
(Increase)/decrease in trade and other receivables		**(21,525)**	66,701
Decrease in amounts due from related companies		**171**	77
Increase/(decrease) in trade and other payables		**34,951**	(20,147)
Increase/(decrease) in amounts due to shareholders		**3,528**	(4,025)
Decrease in non-current deferred income		**(9,151)**	(9,151)
Increase in employee benefits		**815**	92
Cash generated from operations		**226,847**	175,614
Tax paid		**(20,799)**	(40,721)
Net cash generated from operating activities		**206,048**	134,893
Investing activities			
Payment for the purchase of fixed assets		**(27,675)**	(162,910)
Proceeds from disposal of fixed assets		**10,970**	16
Proceeds from disposal of intangible assets		**22,633**	–
Payment for the purchase of listed funds		**(93,890)**	(100,055)
Proceeds from disposal of listed funds		**74,712**	152,161
Payment for acquisition of subsidiary, net of cash acquired		**–**	(1,714)
Interest received		**5,980**	5,103
Net cash used in investing activities		**(7,270)**	(107,399)

	Note	2010 $'000	2009 (restated) $'000
Financing activities			
Interest paid		**(8,926)**	(9,446)
Proceeds from new bank loans		**12,089**	32,113
Repayment of bank loans		**(30,871)**	(15,308)
Proceeds from loan from a minority shareholder		**–**	3,048
Dividends paid to equity shareholders of the Company		**(39,290)**	(68,758)
Net cash used in financing activities		**(66,998)**	(58,351)
Net increase/(decrease) in cash and cash equivalents		**131,780**	(30,857)
Cash and cash equivalents at the beginning of the year		**131,998**	184,313
Effect of foreign exchange rate changes		**11,338**	(21,458)
Cash and cash equivalents at the end of the year	*19*	**275,116**	131,998

The notes on pages 34 to 110 form part of these financial statements.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2010 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

– financial instruments classified as financial assets through profit or loss (see note 1(e)); and

– foreign currency forward contracts (see note 1(f)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of preparation of the financial statements *(continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Major sources of estimation uncertainty in the application of HKFRSs that have significant effect on the financial statements are discussed in note 39.

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement and consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Subsidiaries and minority interests *(continued)*

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 1(n) or (o) depending on the nature of the liability.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)).

(d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(k)).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

(e) Investments in equity securities

Investments in equity securities classified as financial assets through profit or loss are classified as current assets and initially stated at fair value, which is their transaction price. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date, the fair value is remeasured with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 1(t)(v) and (vi).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(f) Foreign currency forward contracts

Foreign currency forward contracts, which do not qualify for hedge accounting or hedges the net investment in a foreign operation, are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

(g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

Investment properties are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(k)).

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Investment properties *(continued)*

Depreciation is calculated to write off the cost of investment properties, less their estimated residual value, if any, using straight-line method over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years.

Both the useful life of investment property and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the investment property and is recognised in profit or loss on the date of retirement or disposal.

Rental income from investment properties is accounted for as described in note 1(t)(iii).

(h) Other property, plant and equipment

Other property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(k)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Freehold land is not depreciated.

– Buildings situated on freehold land are depreciated over their estimated useful lives of 40 to 55 years after the date of completion.

– Leasehold improvements	3 to 5 years
– Motor vehicles	5 years
– Furniture, fixtures and other property, plant and equipment	2 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(k)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Retail network with finite useful life is amortised from the date it is available for use over its estimated useful life of 6.5 years.

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite useful lives as set out above.

(j) Operating lease charges

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(k) Impairment of assets

(i) Impairment of receivables

Receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Impairment of assets *(continued)*

(i) Impairment of receivables (continued)

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the receivables directly, except for impairment losses recognised in respect of trade debtors and royalty receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and royalty receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Impairment of assets *(continued)*

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– investment properties;

– other property, plant and equipment;

– intangible assets;

– investments in subsidiaries; and

– goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs to sell and 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Impairment of assets *(continued)*

(ii) Impairment of other assets (continued)

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(n) Interest-bearing borrowings (including loans from shareholders)

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Trade and other payables (including loan from a minority shareholder)

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(s)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined benefit retirement plan obligations

Prior to 1 July 2005, the Group's Taiwan subsidiaries participated in a central pension scheme ("Old Scheme") providing benefits to all of their employees in accordance with the Labour Standards Law. With effect from 1 July 2005, certain employees of the Taiwan subsidiaries may choose to and have been transferred to a defined contribution scheme ("New Scheme") governed by the Labour Pension Act.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Employee benefits *(continued)*

(ii) Defined benefit retirement plan obligations (continued)

Under the Old Scheme, the Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned for the service years of all employees covered before transfer to the New scheme and the subsequent service period of employees that chose to continue to participate in the Old Scheme. The Group currently contributes at 2% of the total salaries of participating employees as determined and approved by the relevant government authorities. The contributions are placed with the Central Trust of China, a government institution.

The Group's net obligation in respect of the Old Scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of the Old Scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. If the benefits vest immediately, the expense is recognised immediately in profit or loss.

In calculating the Group's obligation in respect of the Old Scheme, if any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the pension scheme obligation and the fair value of plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the Old Scheme. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

Under the New Scheme, the Taiwan subsidiaries contribute at 6% of the total salaries of participating employees that chose to participate in the New Scheme, deposited into individual pension accounts at the Bureau of Labour Insurance.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Employee benefits *(continued)*

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share options reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share options reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share options reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share options reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Income tax *(continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Income tax *(continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee ("the holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(s) Financial guarantees issued, provisions and contingent liabilities *(continued)*

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(s)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered to the customers which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Royalty income

Royalty income is recognised in accordance with the substance of the relevant agreements.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Revenue recognition *(continued)*

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iv) Management fee income

Management fee income is recognised when the services are rendered.

(v) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(u) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the United States dollars. During the year ended 31 March 2010, the Group changed its presentation currency from the United States dollars to Hong Kong dollars. The directors of the Company consider Hong Kong dollars are more convenient to the readers of these financial statements, who are mainly residents in Hong Kong.

(ii) Translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(u) Translation of foreign currencies *(continued)*

(ii) Translation (continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 April 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 April 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

(v) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

1 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) Related parties *(continued)*

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 CHANGES IN ACCOUNTING POLICIES

(a) Change in presentation currency

During the year ended 31 March 2010, the Group changed its presentation currency from the United States dollars to Hong Kong dollars. This change in accounting policy has been applied retrospectively. As a result, the comparative figures in these financial statements are translated from the United States dollars to Hong Kong dollars using the closing rate at the relevant balance sheet date for balance sheet items, average rates for the relevant period for income statement, statement of comprehensive income and cash flow statement items and historical rates for the items in the statement of changes in equity.

The change in presentation currency has no significant impact on the financial position of the Group as at 31 March 2009 and 2010, or the results and cash flows for the years ended 31 March 2009 and 2010.

2 CHANGES IN ACCOUNTING POLICIES *(continued)*

(b) Application of new and revised HKFRSs

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, *Operating segments*
- HKAS 1 (revised 2007), *Presentation of financial statements*
- Amendments to HKFRS 7, *Financial instruments: Disclosures – improving disclosures about financial instruments*
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, *Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate*
- HKAS 23 (revised 2007), *Borrowing costs*
- Amendments to HKFRS 2, *Share-based payment – vesting conditions and cancellations*

The improvements to HKFRSs (2008), amendments to HKAS 27, HKAS 23 and HKFRS 2 have had no material impact on the Group's financial statements as the improvements, amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

2 CHANGES IN ACCOUNTING POLICIES *(continued)*

(b) Application of new and revised HKFRSs *(continued)*

– As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been adjusted to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

In addition, the adoption of HKAS 1 (Revised 2007) has resulted in the presentation of a third consolidated and Company balance sheet as at 31 March 2008 as the Group has changed the presentation currency as set out in note 2(a) above.

– As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures in note 30(f) about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 40).

3 TURNOVER

The principal activities of the Group are designing, marketing and sale of apparel and accessories under the brand name of "Hang Ten" and other brands and licensing of trademarks.

Turnover represents the sales value of goods supplied to customers and royalty income from licensing of trademarks. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2010	2009 (restated)
	$'000	*$'000*
Sales of apparel and accessories	**2,036,696**	1,982,767
Royalty income	**19,744**	25,258
	2,056,440	2,008,025

4 OTHER REVENUE AND NET INCOME/(LOSS)

	2010	2009 (restated)
	$'000	*$'000*
Other revenue		
Gross rentals from investment properties	**1,791**	2,869
Other rental income	**1,528**	2,358
Management fee income	**5,909**	6,367
Bank interest income	**5,980**	5,103
Claims receivable from suppliers	**1,226**	8,026
Other royalty income*	**9,566**	9,508
Others	**10,731**	6,297
	36,731	40,528
Other net income/(loss)		
Net loss on disposal of fixed assets	**(600)**	(5,692)
Gain on disposal of intangible assets *(note 14)*	**47,740**	–
Net foreign exchange gain/(loss)	**16,124**	(28,476)
Net loss on foreign exchange forward contracts	**–**	(651)
Net realised and unrealised gains on listed funds	**791**	442
Others	**1,789**	2,054
	65,844	(32,323)

* Other royalty income represents royalty income received from certain local manufacturers who were granted the rights to use the trademark "Hang Ten" in Taiwan.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2010	2009 (restated)
	$'000	*$'000*
(a) Finance costs:		
Interest on bank advances wholly repayable within five years	**1,287**	1,807
Interest on loans from shareholders	**7,639**	7,639
	8,926	9,446
(b) Staff costs:		
Contributions to defined contribution retirement schemes	**10,648**	10,461
Expenses recognised in respect of defined benefit retirement schemes *(note 22(a)(v))*	**644**	481
Total retirement costs	**11,292**	10,942
Salaries and staff benefits	**210,036**	220,219
	221,328	231,161
(c) Other items:		
Amortisation of intangible assets	**458**	458
Depreciation	**33,843**	40,310
Commission to franchisees	**119,091**	118,814
(Reversal of impairment losses)/impairment losses on trade debtors and royalty receivables	**(737)**	388
Impairment loss on other receivables	**5,188**	–
Impairment loss on intangible assets *(note 14)*	**2,862**	1,636
Impairment loss on goodwill *(note 12)*	**1,179**	–
Accrual for additional value added tax and penalties *(note 32(b))*	**60,272**	–
Auditors' remuneration	**2,216**	1,915
Operating lease charges (including retail shops and department store counters)		
– minimum lease payments	**182,655**	180,358
– contingent rentals	**283,879**	254,380
Cost of inventories *(note 16(b))*	**900,293**	907,064

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2010	2009 (restated)
	$'000	*$'000*
Current tax – Overseas		
Provision for the year	**33,982**	24,203
Under/(over)-provision in respect of prior years	**39**	(31)
	34,021	24,172
Deferred tax		
Origination and reversal of temporary differences	**5,452**	(2,745)
Effect on deferred tax balances at 1 April resulting from a decrease in tax rate	**1,117**	1,768
	6,569	(977)
	40,590	23,195

No provision for Hong Kong Profits Tax has been made in the financial statements for the year ended 31 March 2010 as tax losses brought forward from previous years exceed the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the financial statements for the year ended 31 March 2009 as the Group sustained a loss for Hong Kong Profits Tax purposes.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries. During the year ended 31 March 2010, the applicable tax rate for subsidiaries domiciled in Taiwan and Korea is 25% (2009: 25%) and 24.2% (2009: 27.5%) respectively. In May 2009, the Taiwan Government announced that the income tax rate for the Group's subsidiaries operated in Taiwan for the year ending 31 March 2011 would be reduced from 25% to 20%. The decrease is taken into account in the preparation of the Group's 2010 financial statements and the opening balance of deferred tax assets has been re-estimated accordingly.

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT *(continued)*

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rates:

	2010	2009 (restated)
	$'000	*$'000*
Profit before taxation	**181,747**	103,172
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**29,275**	23,769
Tax effect of non-deductible expenses	**17,310**	1,202
Tax effect of non-taxable income	**(7,058)**	(8,740)
Tax effect of utilisation of deferred tax assets not recognised in prior years	**(3,032)**	(1,590)
Tax effect of unrecognised deferred tax assets	**2,939**	6,817
Effect on deferred tax balances at 1 April resulting from a decrease in tax rate	**1,117**	1,768
Under/(over)-provision in respect of prior years	**39**	(31)
Actual tax expense	**40,590**	23,195

7 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	Directors' fees $'000	Salaries, allowances and benefits in kind $'000	Discretionary bonuses $'000	Retirement scheme contributions $'000	2010 Total $'000
Executive directors					
Chan Wing Sun	**1,000**	**-**	**-**	**-**	**1,000**
Hung Kenneth*	**10**	**7,024**	**-**	**23**	**7,057**
Wang Li Wen	**10**	**1,660**	**742**	**44**	**2,456**
Kao Yu Chu	**10**	**1,852**	**769**	**44**	**2,675**
Independent non-executive directors					
So Hon Cheung Stephen	**240**	**-**	**-**	**-**	**240**
Kwong Chi Keung	**240**	**-**	**-**	**-**	**240**
Cheung Yat Hung Alton	**120**	**-**	**-**	**-**	**120**
	1,630	**10,536**	**1,511**	**111**	**13,788**

	Directors' fees (restated) $'000	Salaries, allowances and benefits in kind (restated) $'000	Discretionary bonuses (restated) $'000	Retirement scheme contributions (restated) $'000	2009 Total (restated) $'000
Executive directors					
Chan Wing Sun	1,000	–	–	–	1,000
Hung Kenneth	8	4,901	–	23	4,932
Wang Li Wen	8	1,582	419	47	2,056
Kao Yu Chu	8	1,768	442	47	2,265
Independent non-executive directors					
So Hon Cheung Stephen	240	–	–	–	240
Kwong Chi Keung	240	–	–	–	240
Cheung Yat Hung Alton	116	–	–	–	116
	1,620	8,251	861	117	10,849

* Mr Kenneth Hung resigned as the chief executive officer and executive director on 26 March 2010.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2009: three) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2009: two) individuals are as follows:

	2010	2009 (restated)
	$'000	*$'000*
Salaries and other emoluments	**5,802**	4,374
Retirement scheme contributions	**53**	–
Discretionary bonuses	**1,581**	682
	7,436	5,056

The emoluments of the two (2009: two) individuals with the highest emoluments are within the following bands:

	2010	2009
	Number of individuals	*Number of individuals*
$1,500,001 – $2,000,000	**–**	1
$2,500,001 – $3,000,000	**1**	–
$3,500,001 – $4,000,000	**–**	1
$4,500,001 – $5,000,000	**1**	–
	2	2

9 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of $54,637,000 (2009 (restated): $39,256,000) which has been dealt with in the financial statements of the Company.

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $142,995,000 (2009 (restated): $82,947,000) and 982,250,000 (2009: 982,250,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share is the same as the basic earnings per share as the Company did not have any dilutive potential ordinary shares outstanding during the years ended 31 March 2010 and 2009.

11 FIXED ASSETS

The Group

	Land and buildings held for own use $'000	Leasehold improvements $'000	Motor vehicles $'000	Furniture, fixtures and other property, plant and equipment $'000	Sub-total $'000	Investment properties $'000	Total $'000
For the year ended 31 March 2010							
Cost:							
At the beginning of the year	73,029	31,540	3,691	59,628	167,888	52,982	220,870
Exchange adjustments	8,949	6,778	512	10,197	26,436	5,203	31,639
Additions	1,062	10,762	256	15,595	27,675	-	27,675
Disposals	-	(12,796)	-	(16,371)	(29,167)	(6,568)	(35,735)
At the end of the year	83,040	36,284	4,459	69,049	192,832	51,617	244,449
Accumulated depreciation and impairment loss:							
At the beginning of the year	713	5,770	2,691	34,719	43,893	248	44,141
Exchange adjustments	178	4,494	419	9,082	14,173	163	14,336
Charge for the year	1,109	17,224	349	14,789	33,471	372	33,843
Written back on disposals	-	(12,478)	-	(11,648)	(24,126)	(39)	(24,165)
At the end of the year	2,000	15,010	3,459	46,942	67,411	744	68,155
Net book value:							
At the end of the year	81,040	21,274	1,000	22,107	125,421	50,873	176,294

11 FIXED ASSETS *(continued)*

The Group *(continued)*

	Land and buildings held for own use (restated) $'000	Leasehold improvements (restated) $'000	Motor vehicles (restated) $'000	Furniture, fixtures and other property, plant and equipment (restated) $'000	Sub-total (restated) $'000	Investment properties (restated) $'000	Total (restated) $'000
For the year ended 31 March 2009							
Cost:							
At the beginning of the year	12,625	40,970	4,025	76,587	134,207	–	134,207
Exchange adjustments	(6,351)	(6,591)	(792)	(21,139)	(34,873)	(5,646)	(40,519)
Reclassification	(8,205)	–	–	–	(8,205)	8,205	–
Additions							
– through acquisition of subsidiary	–	–	–	791	791	–	791
– others	74,960	16,611	458	20,458	112,487	50,423	162,910
Disposals	–	(19,450)	–	(17,069)	(36,519)	–	(36,519)
At the end of the year	73,029	31,540	3,691	59,628	167,888	52,982	220,870
Accumulated depreciation and impairment loss:							
At the beginning of the year	54	5,700	2,900	38,488	47,142	–	47,142
Exchange adjustments	(85)	(1,938)	(636)	(9,546)	(12,205)	(295)	(12,500)
Reclassification	(39)	–	–	–	(39)	39	–
Charge for the year	783	19,364	427	19,232	39,806	504	40,310
Written back on disposals	–	(17,356)	–	(13,455)	(30,811)	–	(30,811)
At the end of the year	713	5,770	2,691	34,719	43,893	248	44,141
Net book value:							
At the end of the year	72,316	25,770	1,000	24,909	123,995	52,734	176,729

11 FIXED ASSETS *(continued)*

The Group *(continued)*

	Land and buildings held for own use (restated) $'000	Leasehold improvements (restated) $'000	Motor vehicles (restated) $'000	Furniture, fixtures and other property, plant and equipment (restated) $'000	Sub-total (restated) $'000	Investment properties (restated) $'000	Total (restated) $'000
For the year ended 31 March 2008							
Cost:							
At the beginning of the year	15,890	55,409	4,358	58,605	134,262	–	134,262
Exchange adjustments	(333)	6,826	303	(328)	6,468	–	6,468
Additions							
– through acquisition of subsidiary	–	–	–	2,358	2,358	–	2,358
– others	4,420	24,769	411	24,118	53,718	–	53,718
Disposals	(7,352)	(46,034)	(1,047)	(8,166)	(62,599)	–	(62,599)
At the end of the year	12,625	40,970	4,025	76,587	134,207	–	134,207
Accumulated depreciation and impairment loss:							
At the beginning of the year	4,389	23,598	3,149	27,709	58,845	–	58,845
Exchange adjustments	132	4,886	271	(559)	4,730	–	4,730
Charge for the year	240	20,636	504	14,587	35,967	–	35,967
Written back on disposals	(4,707)	(43,420)	(1,024)	(3,249)	(52,400)	–	(52,400)
At the end of the year	54	5,700	2,900	38,488	47,142	–	47,142
Net book value:							
At the end of the year	12,571	35,270	1,125	38,099	87,065	–	87,065

(a) In accordance with the accounting policy set out in note 1(g), the Group's investment properties are stated at cost less accumulated depreciation and impairment losses. Had these properties been carried at fair value, the carrying amount would have been $52,838,000 (2009 (restated): $57,720,000).

11 FIXED ASSETS *(continued)*

The Group *(continued)*

(b) All land and buildings and investment properties are located outside Hong Kong. All land is freehold land.

(c) The Group leases out properties under operating leases. The leases typically run for an initial period of one to three years. None of the leases includes contingent rentals.

All properties held under operating leases that would otherwise meet the definition of investment property are disclosed as investment property.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	The Group	
	2010	2009 (restated)
	$'000	*$'000*
Within 1 year	**985**	923
After 1 year but within 5 years	**209**	1,109
	1,194	2,032

12 GOODWILL

		The Group	
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Cost:			
At the beginning of the year	**75,217**	74,038	70,114
Addition through acquisition of subsidiary	**–**	1,179	3,924
Impairment loss	**(1,179)**	–	–
At the end of the year	**74,038**	75,217	74,038

12 GOODWILL *(continued)*

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to country of operation as follows:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Taiwan operations	**44,171**	44,171	44,171
Korea operations	**15,428**	15,428	15,428
	59,599	59,599	59,599
Multiple operations without significant goodwill	**14,439**	15,618	14,439
	74,038	75,217	74,038

The Group completed its annual impairment test for goodwill by comparing its recoverable amount to its carrying amount as at 31 March 2010. The recoverable amount is determined based on value-in-use calculations.

The Group appointed an independent professional valuer to conduct a valuation of the goodwill using cashflow projections covering a five-year period, based on the following principal financial estimates:

	2010	2009	2008
Discount rate of cashflow	**17%**	15%	15%
Annual growth rate	**10% to 12%**	13% to 20%	7% to 15%

During the year ended 31 March 2010, a full impairment loss of $1,179,000 has been recognised for the goodwill arising from the acquisition of the catering management business (included under multiple operations) during the year ended 31 March 2009 as management considered the carrying amount of this goodwill was no longer recoverable due to unfavourable economic conditions.

13 INVESTMENTS IN SUBSIDIARIES

	The Company		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Unlisted shares, at cost	**236,644**	236,644	236,644

The particulars of principal subsidiaries are set out in note 34.

14 INTANGIBLE ASSETS

The Group

	Retail network	**Trademarks**	**Total**
	$'000	***$'000***	***$'000***
For the year ended 31 March 2010			
Cost:			
At the beginning of the year	**2,947**	**137,155**	**140,102**
Disposals	**–**	**(20,814)**	**(20,814)**
Impairment loss	**–**	**(2,862)**	**(2,862)**
At the end of the year	**2,947**	**113,479**	**116,426**
Accumulated amortisation:			
At the beginning of the year	**659**	**–**	**659**
Charge for the year	**458**	**–**	**458**
At the end of the year	**1,117**	**–**	**1,117**
Net book value:			
At the end of the year	**1,830**	**113,479**	**115,309**

14 INTANGIBLE ASSETS *(continued)*

The Group *(continued)*

	Retail network (restated) *$'000*	Trademarks (restated) *$'000*	Total (restated) *$'000*
For the year ended 31 March 2009			
Cost:			
At the beginning of the year	2,947	135,929	138,876
Addition through acquisition of subsidiary	–	2,862	2,862
Impairment loss	–	(1,636)	(1,636)
At the end of the year	2,947	137,155	140,102
Accumulated amortisation:			
At the beginning of the year	201	–	201
Charge for the year	458	–	458
At the end of the year	659	–	659
Net book value:			
At the end of the year	2,288	137,155	139,443

14 INTANGIBLE ASSETS *(continued)*

The Group *(continued)*

	Retail network (restated) *$'000*	Trademarks (restated) *$'000*	Total (restated) *$'000*
For the year ended 31 March 2008			
Cost:			
At the beginning of the year	–	137,348	137,348
Addition through acquisition of subsidiary	2,947	–	2,947
Impairment loss	–	(1,419)	(1,419)
At the end of the year	2,947	135,929	138,876
Accumulated amortisation:			
At the beginning of the year	–	–	–
Charge for the year	201	–	201
At the end of the year	201	–	201
Net book value:			
At the end of the year	2,746	135,929	138,675

The amortisation charge of retail network for the year is included in "other operating expenses" in the consolidated income statement.

During the year ended 31 March 2010, full impairment loss on trademarks relating to the catering management business amounting to $2,862,000 has been recognised as the management considered the carrying amount of the trademarks was no longer recoverable due to unfavourable economic conditions.

The Group reassessed the useful life of other trademarks at 31 March 2010 and reached a conclusion that the acquired trademarks of "Hang Ten" continued to be regarded as having an indefinite useful life. The assessment is based on the future financial performance of the Group with a well known and long established fashion brand, which generates net cash inflows indefinitely. This view is supported by an independent professional appraiser appointed by the Group to assess the useful life of trademarks in accordance with the requirements of HKAS 38. Having considered the factors specific to the Group, the appraiser opined that the "Hang Ten" trademarks should be regarded as intangible assets with an indefinite useful life.

14 INTANGIBLE ASSETS *(continued)*

The Group *(continued)*

The Group completed its annual impairment test for the trademarks of "Hang Ten" by comparing its recoverable amount to its carrying amount and concluded that there is no impairment as at 31 March 2010. The impairment test is based on a valuation conducted by the above independent professional appraiser using cashflow projections covering a five-year period with the following principal financial estimates:

	2010	2009	2008
Expected royalty rates from trademarks	**0.1% to 2.3%**	0.1% to 2.3%	1% to 2.3%
Discount rate of cashflow	**17%**	15%	15%

During the year ended 31 March 2010, the Group sold the interest in trademarks of "Hang Ten" in the territories of the United States and Canada with carrying value of $20,814,000 to a third party for a consideration of $80,652,000 (including a commission of $12,098,000 paid to a third party). A gain on disposal of $47,740,000 has been recognised in the income statement.

15 INVESTMENTS

		The Group	
	2010	2009	2008
		(restated)	(restated)
	$'000	*$'000*	*$'000*
Listed funds in Taiwan stated at fair value	**84,475**	62,257	127,585

16 INVENTORIES

(a) Inventories in the balance sheet comprise:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Finished goods	**325,338**	321,770	357,025
Goods in transit	**85**	535	853
	325,423	322,305	357,878
Less: Write-down of inventories	**(80,063)**	(67,794)	(77,007)
	245,360	254,511	280,871

(b) The analysis of the amount of inventories recognised as an expense is as follows:

	The Group	
	2010	2009 (restated)
	$'000	*$'000*
Carrying amount of inventories sold	**897,967**	916,277
Write-down of inventories	**6,321**	2,001
Reversal of write-down of inventories	**(3,995)**	(11,214)
	900,293	907,064

The reversal of write-down of inventories arose as a result of an increase in the estimated net realisable value.

17 TRADE AND OTHER RECEIVABLES

	The Group			The Company		
	2010	2009 (restated)	2008 (restated)	**2010**	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*	***$'000***	*$'000*	*$'000*
Trade debtors	**107,034**	86,484	121,040	**-**	–	–
Royalty receivables	**4,133**	5,235	5,397	**-**	–	–
Less: Allowance for doubtful debts	**(1,202)**	(3,373)	(3,218)	**-**	–	–
	109,965	88,346	123,219	**-**	–	–
Foreign exchange forward contracts	**-**	–	752	**-**	–	–
Rental deposits	**81,668**	75,572	97,884	**-**	–	–
Prepayments and other receivables	**69,145**	29,414	36,363	**132**	132	132
	260,778	193,332	258,218	**132**	132	132
Less: Non-current portion – other receivables	**(44,140)**	–	–	**-**	–	–
	216,638	193,332	258,218	**132**	132	132

Prepayments and other receivables as at 31 March 2010 included a promissory note receivable amounting to $50,362,000 (2009: $Nil; 2008: $Nil), which will be fully repaid by June 2013, in relation to the disposal of intangible assets (see note 14). This promissory note receivable bears interest at 6% per annum, compounded on a quarterly basis and is settled by instalment on a quarterly basis. In accordance with the term of the promissory note, $44,140,000 will be settled by the note issuer after one year from 31 March 2010 and accordingly it is classified as non-current assets as at 31 March 2010.

All of the current portion of trade and other receivables are expected to be recovered or recognised as an expense within one year, except for the rental deposits.

17 TRADE AND OTHER RECEIVABLES *(continued)*

(a) Impairment of trade debtors and royalty receivables

Impairment losses in respect of trade debtors and royalty receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and royalty receivables directly (see note 1(k)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
At the beginning of the year	**3,373**	3,218	9,368
Impairment loss (reversed)/ recognised	**(737)**	388	(931)
Uncollectible amounts written off	**(1,434)**	(233)	(5,219)
At the end of the year	**1,202**	3,373	3,218

At 31 March 2010, the Group's trade debtors and royalty receivables of $1,202,000 (2009 (restated): $3,373,000; 2008 (restated): $3,218,000) were individually determined to be impaired. The individually impaired receivables related to a number of customers and management assessed that the receivables are not recoverable. Consequently, specific allowances for doubtful debts were recognised. The Group occasionally requests a cash deposit as collateral from customers.

17 TRADE AND OTHER RECEIVABLES *(continued)*

(b) Trade debtors and royalty receivables that are not impaired

Trade debtors and royalty receivables are generally due within 30 to 60 days from the date of billing. Further details on the Group's credit policy are set out in note 30(a).

The ageing analysis of trade debtors and royalty receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Neither past due nor impaired	**96,131**	74,666	104,615
1 to 3 months past due	**11,213**	12,067	18,100
3 months to 1 year past due	**1,413**	1,613	504
1 year to 2 years past due	**1,208**	–	–
Amounts past due	**13,834**	13,680	18,604
	109,965	88,346	123,219

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

18 AMOUNTS DUE FROM/TO SUBSIDIARY

The amounts due from/to subsidiary are unsecured, interest-free and recoverable/repayable on demand.

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash at bank and in hand.

20 BANK LOANS

At 31 March 2010, the bank loans were repayable as follows:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Within 1 year or on demand	**17,123**	32,152	21,256

At 31 March 2010, the bank loans were secured as follows:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Bank loans			
– secured	**13,711**	16,890	4,692
– unsecured	**3,412**	15,262	16,564
	17,123	32,152	21,256

The bank loan of $13,711,000 is secured by mortgage over certain land and buildings and an investment property (see note 33).

The Group's unsecured banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. The Group regularly monitors its compliance with these covenants. As at 31 March 2010, none of the covenants had been breached (2009: $Nil; 2008: $Nil).

21 TRADE AND OTHER PAYABLES

	The Group			The Company		
	2010	2009 (restated)	2008 (restated)	**2010**	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*	***$'000***	*$'000*	*$'000*
Trade creditors	**71,281**	90,625	95,650	**-**	–	–
Bills payable	**1,791**	2,381	6,343	**-**	–	–
Interest on loans from shareholders *(note 35(c)(ii))*	**7,639**	7,639	7,639	**-**	–	–
Foreign exchange forward contracts	**-**	651	–	**-**	–	–
Accrued charges	**111,096**	38,620	56,697	**1,233**	1,302	1,091
Deferred income *(note 28)*	**9,151**	9,151	9,151	**-**	–	–
Deposits received	**26,328**	36,828	32,455	**-**	–	–
Others	**28,559**	34,999	28,801	**-**	–	–
	255,845	220,894	236,736	**1,233**	1,302	1,091

Credit terms obtained by the Group range from 30 to 45 days. All of the trade and other payables are expected to be settled or recognised as income within one year, except for the deposits received.

Included in accrued charges of the Group is an accrual for additional value added tax and penalty amounting to a total of $64,182,000 (2009 (restated): $7,864,000; 2008 (restated): $7,864,000) (see note 32(b)).

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the balance sheet date:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Due within 1 month or on demand	**63,909**	75,472	75,782
Due after 1 month but within 3 months	**7,561**	15,463	17,107
Due after 3 months but within 6 months	**1,602**	2,071	9,104
	73,072	93,006	101,993

22 EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement schemes

The Group's Taiwan subsidiaries participate in a central pension scheme providing benefits to participating employees in accordance with the Labour Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned. The Group currently contributes at 2% of the total salaries of participating employees as determined and approved by the relevant government authorities. The contributions are placed with the Central Trust of China, a government institution.

The central pension scheme is funded by contributions from the Group in accordance with an independent actuary's recommendation based on annual actuarial valuation. The latest independent actuarial valuation of the scheme was at 31 March 2010 and was performed by Dr Lin, who is a Fellow of Actuarial Institute of Republic of China, using the projected unit credit method. The actuarial valuation indicates that the Group's obligations under the defined benefit retirement scheme are 56% (2009: 69%; 2008: 80%) covered by the plan assets placed with the government institution.

(i) The amount recognised in the consolidated balance sheet is as follows:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Present value of wholly or partly funded obligations	**24,545**	18,216	17,146
Fair value of plan assets	**(13,734)**	(12,586)	(13,726)
Present value of net obligations	**10,811**	5,630	3,420
Unrecognised transitional liabilities	**(287)**	(357)	(341)
Unrecognised actuarial losses	**(6,910)**	(2,474)	(372)
	3,614	2,799	2,707

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay $886,000 in contributions to defined benefit retirement plans in the coming year.

22 EMPLOYEE RETIREMENT BENEFITS *(continued)*

(a) Defined benefit retirement schemes *(continued)*

(ii) Plan assets consist of the following:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Cash deposits	**13,734**	12,586	13,726

(iii) Movements in the present value of the defined benefit obligations

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
At the beginning of the year	**18,216**	17,146	13,897
Exchange adjustments	**1,373**	(1,993)	1,372
Current service cost	**256**	233	225
Interest cost	**427**	566	535
Actuarial losses	**4,273**	2,264	1,117
At the end of the year	**24,545**	18,216	17,146

(iv) Movements in plan assets

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
At the beginning of the year	**12,586**	13,726	12,113
Exchange adjustments	**884**	(1,489)	1,117
Group's contributions paid to the schemes	**47**	54	70
Actuarial expected return on scheme assets	**132**	357	341
Actuarial gains/(losses)	**85**	(62)	85
At the end of the year	**13,734**	12,586	13,726

22 EMPLOYEE RETIREMENT BENEFITS *(continued)*

(a) Defined benefit retirement schemes *(continued)*

(v) Expense recognised in consolidated income statement is as follows:

	The Group	
	2010	2009 (restated)
	$'000	*$'000*
Current service cost	**256**	233
Interest on obligations	**427**	566
Actuarial expected return on plan assets	**(132)**	(357)
Amortisation of actuarial losses and transitional liabilities	**93**	39
	644	481

The expenses are recognised in the following line items in the consolidated income statement:

	The Group	
	2010	2009 (restated)
	$'000	*$'000*
Selling expenses	**605**	442
Administrative expenses	**39**	39
	644	481
Actual return on plan assets	**217**	349

22 EMPLOYEE RETIREMENT BENEFITS *(continued)*

(a) Defined benefit retirement schemes *(continued)*

(vi) The principal actuarial assumptions used as at 31 March 2010 (expressed as weighted averages) are as follows:

	The Group		
	2010	2009	2008
Discount rate	**2.00%**	2.25%	3.50%
Expected rate of return on plan assets	**2.00%**	1.00%	2.75%
Future salary increases	**2.5% – 2.8%**	2% – 2.8%	2.75%

The expected long-term rate of return on plan assets is based on the return of plan assets (i.e. cash deposits), which is based exclusively on historical returns, without adjustments.

Historical information

	The Group				
	2010	2009 (restated)	2008 (restated)	2007 (restated)	2006 (restated)
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Present value of the defined benefit obligations	**24,545**	18,216	17,146	13,897	13,517
Fair value of plan assets	**(13,734)**	(12,586)	(13,726)	(12,113)	(11,935)
Deficit in the plan	**10,811**	5,630	3,420	1,784	1,582
Experience adjustments arising on plan liabilities	**4,273**	2,264	1,117	85	5,204
Experience adjustments arising on plan assets	**85**	(62)	85	23	54

(b) Defined contribution retirement scheme

With effect from 1 July 2005, certain employees of the Taiwan subsidiaries who were previously covered in the above defined benefit retirement plans may choose to and have been transferred to a defined contribution scheme governed by the Labour Pension Act. The Taiwan subsidiaries contribute at 6% of the total salaries of participating employees that chose to participate in the defined contribution scheme, deposited into individual pension accounts at the Bureau of Labour Insurance. Contributions to the defined contribution scheme are charged to profit or loss when incurred.

22 EMPLOYEE RETIREMENT BENEFITS *(continued)*

(b) Defined contribution retirement scheme *(continued)*

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of $20,000. Contributions to the plan vest immediately.

For other subsidiaries, contributions to the defined contribution retirement schemes are recognised as an expense in profit or loss as incurred.

23 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme ("the Share Option Scheme") which was adopted on 3 January 2003 whereby the directors of the Company may, at their discretion, grant options to all employees, including directors of the Company or any of its subsidiaries, to subscribe for ordinary shares of the Company. A nominal consideration of $1 is payable on acceptance of the grant of an option and will entitle the holder to subscribe for ordinary shares during a period to be determined and notified by the directors of the Company, in any event not later than 10 years from the date of the grant of the option, as may be determined by the directors of the Company at a price not less than the higher of:

(i) the nominal value of the ordinary shares;

(ii) the closing price of the ordinary shares as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited ("HKSE") on the date of the offer of grant; and

(iii) the average closing price of the ordinary shares as stated in the HKSE's daily quotation sheet for the five trading days immediately preceding the date of the offer of grant.

The maximum number of ordinary shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued ordinary share capital of the Company from time to time. In respect of the maximum entitlement of each participant under the Share Option Scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue. Any ordinary shares allotted and issued on the exercise of options will rank pari passu with the other ordinary shares in issue at the date of exercise of the relevant option. Each option gives the holder the right to subscribe for one ordinary share in the Company.

All the outstanding share options lapsed during the year ended 31 March 2009.

(Expressed in Hong Kong dollars unless otherwise indicated)

23 EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

Movements during the year ended 31 March 2009:

Date of grant	Exercise price per share	Exercise period	Outstanding as at 1 April 2008	Lapsed during the year	Outstanding as at 31 March 2009
7 April 2004	$1.52	1 April 2005 to 31 March 2009	4,800,000	(4,800,000)	–
7 April 2004	$1.52	1 April 2006 to 31 March 2009	4,800,000	(4,800,000)	–
			9,600,000	(9,600,000)	–

(a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to employees:			
– on 7 April 2004	4,800,000	One year from the date of grant	5 years
– on 7 April 2004	4,800,000	Two years from the date of grant	5 years
Total share options	9,600,000		

(Expressed in Hong Kong dollars unless otherwise indicated)

23 EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

(b) The number and weighted average exercise prices of share options at 31 March 2009 were as follows:

	2009	
	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	$ 1.52	9,600,000
Lapsed during the year	$ 1.52	(9,600,000)
Outstanding at the end of the year	$ –	–
Exercisable at the end of the year	$ –	–

There were no share options granted or exercised during the years ended 31 March 2010 and 31 March 2009.

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted was measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on Black-Scholes Option Pricing Model. The contractual life of the share option was used as an input into this model.

Fair value of share options and assumptions

Fair value at measurement date	$0.29
Share price	$1.40
Exercise price	$1.52
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes Option Pricing Model)	38.84%
Option life (expressed as weighted average life used in the modelling under Black-Scholes Option Pricing Model)	5 years
Expected dividends	3.50%
Risk-free interest rate	2.80%

The expected volatility was based on the historic volatility (calculated based on the weighted average remaining life of the share options). Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

There were no service conditions or market conditions associated with the share options granted.

24 BALANCES WITH RELATED COMPANIES/SHAREHOLDERS

The balances are unsecured, interest-free and repayable on demand. Details of related party transactions are set out in note 35.

25 INCOME TAX IN THE BALANCE SHEET

(a) Current taxation in the balance sheet represents:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Provision for overseas profits tax	**33,982**	24,203	44,103
Provisional profits tax paid	**(9,864)**	(13,307)	(16,658)
	24,118	10,896	27,445
Balance of profits tax provision relating to prior years	**25,824**	25,824	25,824
	49,942	36,720	53,269

The Group operates mainly in Taiwan, Korea, Singapore, the People's Republic of China ("the PRC"), United States and other countries in Asia and Europe. The directors have reviewed the Group's worldwide operations and consider that adequate provision for taxation has been made in the consolidated financial statements. Details of certain tax contingencies are set out in note 32(b).

25 INCOME TAX IN THE BALANCE SHEET *(continued)*

(b) Deferred tax assets recognised

The Group

The components of deferred tax assets recognised in the consolidated balance sheet and the movements during the year are as follows:

	Depreciation in excess of related depreciation allowances $'000	Inventory write-down $'000	Operating revenue $'000	Others $'000	Total $'000
Deferred tax arising from:					
For the year ended 31 March 2008					
At the beginning of the year (restated)	124	7,708	9,578	12,392	29,802
Exchange adjustments (restated)	(8)	272	(512)	8	(240)
Credited/(charged) to profit or loss (restated)	93	2,613	1,280	(2,047)	1,939
At the end of the year (restated)	209	10,593	10,346	10,353	31,501
For the year ended 31 March 2009					
At the beginning of the year (as restated)	209	10,593	10,346	10,353	31,501
Exchange adjustments (restated)	(54)	(1,869)	(2,737)	(16)	(4,676)
Credited/(charged) to profit or loss (restated)	(31)	396	(1,319)	1,931	977
At the end of the year (restated)	124	9,120	6,290	12,268	27,802
For the year ended 31 March 2010					
At the beginning of the year (as restated)	124	9,120	6,290	12,268	27,802
Exchange adjustments	15	1,109	1,155	24	2,303
Charged to profit or loss	(85)	(1,520)	(3,063)	(1,901)	(6,569)
At the end of the year	54	8,709	4,382	10,391	23,536

25 INCOME TAX IN THE BALANCE SHEET *(continued)*

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(r), the Group has not recognised deferred tax assets on the following deductible temporary differences as it is not probable that future taxable profits will be available against which the assets can be utilised:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Future benefit of tax losses	**76,123**	71,532	48,368
Others	**11,291**	18,139	19,915
	87,414	89,671	68,283

At 31 March 2010, the Group has not recognised deferred tax assets in respect of tax losses, whose expiry dates are:

	The Group		
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
In March 2012	**3,691**	3,451	744
In March 2013	**667**	–	–
Do not expire under current tax legislation	**71,765**	68,081	47,624
	76,123	71,532	48,368

(d) Deferred tax liabilities not recognised

At 31 March 2010, temporary differences relating to the undistributed profits of subsidiaries amounted to $766,979,000 (2009 (restated): $315,435,000; 2008 (restated): $307,858,000). Deferred tax liabilities of $128,303,000 (2009 (restated): $73,044,000; 2008 (restated): $67,337,000) have not been recognised in respect of the withholding tax that would be payable on distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

26 LOANS FROM SHAREHOLDERS

The loans from shareholders represented loans from Hang Ten International Holdings Limited ("Hang Ten (BVI)") for financing the acquisition of ILC International Corporation ("ILC") in December 2001. The loans are unsecured, interest bearing at an annual rate of 6% and due for repayment in November 2011 or earlier if an event of default occurs under the terms of the loan agreements. Accrued interest of $7,639,000 (2009 (restated): $7,639,000; 2008 (restated): $7,639,000) is included under trade and other payables in note 21.

27 LOAN FROM A MINORITY SHAREHOLDER

The loan from a minority shareholder is unsecured, interest-free and not expect to be repaid within the next twelve months from the balance sheet date.

28 DEFERRED INCOME

A subsidiary of the Group entered into an agreement with Itochu Corporation ("Itochu") on 7 May 2004 for the lease of exclusive rights in respect of "Hang Ten" in the Japan territory for a period of 10 years ending 31 March 2014 for a fee of $92,040,000 (net of tax at $82,836,000). An option was granted to Itochu under this agreement to purchase the exclusive rights at a price of $10,730,000 upon expiry of the 10-year lease period.

Deferred income represents the unearned portion of royalty income and is analysed as follows:

		The Group	
	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Total deferred income	**36,604**	45,755	54,906
Less: Current portion included in trade and other payables *(note 21)*	**(9,151)**	(9,151)	(9,151)
	27,453	36,604	45,755

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in component of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital *(note 29(c))* $'000	Share premium *(note 29(d)(i))* $'000	Contributed surplus *(note 29(d)(ii))* $'000	Share options reserve *(note 29(d)(iii))* $'000	Exchange reserve *(note 29(d)(iv))* $'000	Retained Profits $'000	Total $'000
Balance at 1 April 2007 (restated)	98,225	11,920	113,584	3,445	(212)	50,058	277,020
Changes in equity:							
Dividends approved in respect of previous year *(note 29(b)(ii))* (restated)	–	–	–	–	–	(49,113)	(49,113)
Share options lapsed (restated)	–	–	–	(718)	–	718	–
Total comprehensive income for the year (restated)	–	–	–	–	–	69,361	69,361
Balance at 31 March 2008 (restated)	98,225	11,920	113,584	2,727	(212)	71,024	297,268
Balance at 1 April 2008 (as restated)	98,225	11,920	113,584	2,727	(212)	71,024	297,268
Changes in equity:							
Dividends approved in respect of previous year *(note 29(b)(ii))* (restated)	–	–	–	–	–	(68,758)	(68,758)
Share options lapsed (restated)	–	–	–	(2,727)	–	2,727	–
Total comprehensive income for the year (restated)	–	–	–	–	–	39,256	39,256
Balance at 31 March 2009 (restated)	98,225	11,920	113,584	–	(212)	44,249	267,766
Balance at 1 April 2009 (as restated)	98,225	11,920	113,584	–	(212)	44,249	267,766
Changes in equity:							
Dividends approved in respect of previous year *(note 29(b)(ii))*	–	–	–	–	–	(39,290)	(39,290)
Total comprehensive income for the year	–	–	–	–	–	54,637	54,637
Balance at 31 March 2010	**98,225**	**11,920**	**113,584**	**-**	**(212)**	**59,596**	**283,113**

29 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Dividends

(i) *Dividends payable to equity shareholders of the Company attributable to the year*

	2010	2009 (restated)	2008 (restated)
	$'000	$'000	$'000
Final dividend proposed after the balance sheet date of 5.5 cents (2009: 4.0 cents; 2008: 6.0 cents) per ordinary share	**54,024**	39,290	58,935
Special dividend proposed after the balance sheet date of $Nil (2009: $Nil; 2008: 1.0 cent) per ordinary share	**–**	–	9,823
	54,024	39,290	68,758

The dividends proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

(ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year*

	2010	2009 (restated)	2008 (restated)
	$'000	$'000	$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 4.0 cents (2009: 6.0 cents; 2008: 5.0 cents) per ordinary share	**39,290**	58,935	49,113
Special dividend in respect of the previous financial year, approved and paid during the year of $Nil (2009: 1.0 cent; 2008: $Nil) per ordinary share	**–**	9,823	–
	39,290	68,758	49,113

29 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(c) Share capital

Authorised and issued share capital

	2010					2009					2008				
	Number of ordinary shares '000	$'000	Number of convertible preference shares	$'000	Total $'000	Number of ordinary shares '000	(restated) $'000	Number of convertible preference shares	(restated) $'000	Total (restated) $'000	Number of ordinary shares '000	(restated) $'000	Number of convertible preference shares	(restated) $'000	Total (restated) $'000
Authorised:															
Ordinary shares of $0.10 each	**2,500,000**	**250,000**	**-**	**-**	**250,000**	2,500,000	250,000	–	–	250,000	2,500,000	250,000	–	–	250,000
Convertible preference shares ("CPS") of $10,000 each	**-**	**-**	**7,307**	**73,070**	**73,070**	–	–	7,307	73,070	73,070	–	–	7,307	73,070	73,070
	2,500,000	**250,000**	**7,307**	**73,070**	**323,070**	2,500,000	250,000	7,307	73,070	323,070	2,500,000	250,000	7,307	73,070	323,070
Issued and fully paid:															
At 1 April 2007, 31 March 2008, 1 April 2008, 31 March 2009, 1 April 2009 and 31 March 2010	**982,250**	**98,225**	**-**	**-**	**98,225**	982,250	98,225	–	–	98,225	982,250	98,225	–	–	98,225

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

29 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by section 40 of the Bermuda Companies Act 1981.

(ii) Contributed surplus

The excess of the consolidated net assets of Hang Ten (BVI) acquired over the nominal value of the shares issued by the Company pursuant to the reorganisation completed prior to its listing on the HKSE in January 2003 is credited to contributed surplus. Contributed surplus is available for distribution to shareholders in accordance with the Bermuda Companies Act 1981 subject to certain conditions.

(iii) Share options reserve

The share options reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 1(q)(iii).

All outstanding share options lapsed during the year ended 31 March 2009.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(u).

(v) Legal reserve

According to Company Act in Taiwan, the Group's Taiwan subsidiary shall provide 10% of net profit as legal reserve until the legal reserve balance equals authorised capital. The legal reserve may be used at any time to offset deficits. No cash dividends shall be paid from the legal reserve. However, the shareholders of the subsidiary may elect to increase the subsidiary's share capital by an amount up to 50% of the reserve when the legal reserve has reached 50% of paid-in capital.

(e) Distributability of reserves

At 31 March 2010, the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to $172,968,000 (2009 (restated): $157,621,000; 2008 (restated): $184,396,000). After the balance sheet date the directors proposed a final dividend of 5.5 cents per ordinary share (2009: 4.0 cents per ordinary share; 2008: 6.0 cents per ordinary share), amounting to $54,024,000 (2009 (restated): $39,290,000; 2008 (restated): $58,935,000), and a special dividend of $Nil (2009: $Nil; 2008 (restated): 1.0 cent per ordinary share amounting to $9,823,000). These dividends have not been recognised as liabilities at the balance sheet date.

29 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as including all components of equity attributable to equity shareholders of the Company less proposed dividend. On this basis the amount of capital employed at 31 March 2010 was $705,671,000 (2009 (restated): $553,620,000; 2008 (restated): $610,449,000). The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. The Group reviews the capital structure on a regular basis and considers the cost of capital and the associated risks, and balances its overall capital structure through adjusting the amount of dividends paid to shareholders, issuing new shares or raising new debt financing. No changes were made in the objectives, policies or processes during the years ended 31 March 2010 and 2009.

The Group monitors capital with reference to its debt position. The Group's strategy is to maintain a solid base to support the operations and development of its business in the long term. The Group's gearing ratio, being the Group's bank borrowings over its equity attributable to equity shareholders, as at 31 March 2010 was 2.3% (2009: 5.4%; 2008: 3.1%).

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in note 20 to the financial statements, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(a) Credit risk

The Group's credit risk is primarily attributable to receivables arising from wholesale of goods and royalty receivables as retail sales to customers are made in cash or through credit cards. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. These receivables are generally due within 30 to 60 days from the date of billing. The Group occasionally requests cash deposits as collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. The Group does not have a concentration of credit risk at 31 March 2010 and 2009. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Except for disclosed in note 32(c), the Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 17.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's management. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(b) Liquidity risk *(continued)*

The following tables show the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

The Group

	2010					2009 (restated)				
	Contractual undiscounted cash flow					Contractual undiscounted cash flows				
	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years $'000	Total $'000	Balance sheet carrying amount $'000	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years $'000	Total $'000	Balance sheet carrying amount $'000
Bank loans	17,154	-	-	17,154	17,123	33,198	–	–	33,198	32,152
Trade and other payables	239,055	-	-	239,055	239,055	204,104	–	–	204,104	204,104
Amounts due to shareholders	8,631	-	-	8,631	8,631	5,103	–	–	5,103	5,103
Loan from a minority shareholder	-	3,048	-	3,048	3,048	–	–	3,048	3,048	3,048
Loans from shareholders	7,639	131,623	-	139,262	127,182	7,639	7,639	131,623	146,901	127,182
	272,479	134,671	-	407,150	395,039	250,044	7,639	134,671	392,354	371,589

The Company

	2010					2009 (restated)				
	Contractual undiscounted cash flow					Contractual undiscounted cash flow				
	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years $'000	Total $'000	Balance sheet carrying amount $'000	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years $'000	Total $'000	Balance sheet carrying amount $'000
Trade and other payables	1,233	-	-	1,233	1,233	1,302	–	–	1,302	1,302
Financial guarantee issued: Maximum amount guaranteed *(note 32(c))*	31,366	-	-	31,366	-	31,554	–	–	31,554	-

(c) Interest rate risk

The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, bank loans and loans from shareholders. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate profile as monitored by management is set out in note (i) below.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(c) Interest rate risk *(continued)*

(i) Interest rate profile

The following table details the interest rate profile for the Group's net deposits or borrowings at the balance sheet date:

	2010 Effective interest rate	**2010**	2009 Effective interest rate	2009 (restated)
		$'000		$'000
Fixed rate borrowings:				
Secured bank loans	**4.97%**	**13,711**	6%	16,890
Loans from shareholders	**6%**	**127,182**	6%	127,182
		140,893		144,072
Variable rate borrowings/ (deposits):				
Unsecured bank loans	**5.35%**	**3,412**	4.9% – 6.1%	15,262
Less: Cash and cash equivalents	**0.01% to 3.3%**	**(275,116)**	0.1% to 2.6%	(131,998)
		(271,704)		(116,736)
Total net (deposits)/ borrowings		**(130,811)**		27,336

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(c) Interest rate risk *(continued)*

(ii) Sensitivity analysis

At 31 March 2010, it is estimated that a general increase/decrease of one percent in interest rate, with all other variables held constant, would increase/decrease the Group's profit after tax and equity by approximately $1,308,000.

At 31 March 2009, it is estimated that a general increase/decrease of one percent in interest rate, with all other variables held constant, would decrease/increase the Group's profit after tax and equity by approximately by $273,000 (restated).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the Group's profit after tax is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2009.

(d) Currency risk

(i) Forecast transactions

The Group operates in a number of countries and is exposed to foreign exchange risk arising from various currency transactions.

The Group is exposed to foreign currency risk primarily through purchases that are denominated in a currency other than the functional currency of the operations to which they relate particularly in Hong Kong dollars and United States dollars.

At 31 March 2009, the Group had foreign exchange forward contracts to hedge forecast transactions with a net fair value of $651,000 (restated) recognised as current liabilities. The Group did not use financial derivatives to hedge against currency risk during the year ended 31 March 2010.

The inter-group transactions are normally denominated in United States dollars.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(d) Currency risk *(continued)*

(ii) Recognised assets and liabilities and net investment in foreign operations

In respect of recognised assets and liabilities held in currencies other than the functional currency of the entities to which they relate, and certain investment in foreign operations whose net assets are exposed to foreign currency translation risk, the Group ensures that the net exposure is kept to an acceptable level. All the Group's borrowings are denominated in either the functional currency of the entity taking out the loan or United States dollars. Management considers the risk of movements in exchange rates between United States dollars and Hong Kong dollars to be insignificant as the Hong Kong dollar is pegged to the United States dollar.

(iii) Exposure to currency risk

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. Difference resulting from the translation of the financial statements of foreign operations into the Group's presentation currency is excluded. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date.

The Group

	Exposure to foreign currencies (expressed in Hong Kong dollars)	
	2010	2009
	United States dollars	United States dollars (restated)
	$'000	*$'000*
Trade and other payables	**5,731**	13,308

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(e) Equity price risk

The Group is exposed to equity price changes arising from investments classified as financial assets through profit or loss (see note 15). All the Group's investments are listed funds in Taiwan. The investments have been chosen based on their long term growth potential and are monitored regularly for performance against expectations.

At 31 March 2010, it is estimated that an increase/decrease of 5% (2009: 5%) in Taiwan stock market index, with all other variables held constant, would have increased/decreased the Group's profit after tax (and retained profits) as follows:

The Group

	2010		2009	
		Effect on profit after tax and retained profits		Effect on profit after tax and retained profits (restated)
	%	***$'000***	*%*	*$'000*
Change in Taiwan TAIEX Index – listed funds				
Increase	**5**	**4,224**	5	3,113
Decrease	**(5)**	**(4,224)**	(5)	(3,113)

The sensitivity analysis indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the changes in the stock market index had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the balance sheet date. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index and that all other variables remain constant. The analysis has been performed on the same basis for 2009.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(f) Fair values

(i) Financial instruments carried at fair value

The amendments to HKFRS 7, Financial Instruments: Disclosures, require disclosures relating to fair value measurements of financial instruments across three levels of a "fair value hierarchy". The fair value of each financial instrument is categorised in its entirely based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

– Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments

– Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data

– Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

At 31 March 2010, the financial instruments of the Group carried at fair value were listed funds classified as financial assets through profit or loss of $84,475,000 which are listed outside Hong Kong (see note 15). These instruments fall into Level 1 of the fair value hierarchy described above.

(ii) Fair values of financial instruments carried at other than fair value

The fair values of cash and cash equivalents, trade and other receivables, amounts due from related companies, amounts due from/to subsidiary, trade and other payables and amounts due to shareholders are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments. The carrying amounts of bank loans and interest-bearing loans from shareholders approximate their fair values.

The Group had a loan from the minority shareholder which is interest-free (see note 27). It is not practical to estimate the fair value of the amount due to the related party nature of the instruments.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(g) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of the following financial instruments.

(i) *Listed funds*

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

(ii) *Derivatives*

Foreign exchange forward contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

(iii) *Interest-bearing loans and borrowings*

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

31 OPERATING LEASE COMMITMENTS

At 31 March 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group	
	2010	2009 (restated)
	$'000	*$'000*
Within 1 year	**168,279**	156,380
After 1 year but within 5 years	**180,481**	173,022
After 5 years	**2,606**	2,482
	351,366	331,884

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of two to six years, with an option to renew the lease when all terms are renegotiated. The monthly rentals of the leases are either fixed or contingent based on an agreed percentage of the turnover of the respective months. The disclosure on commitments above includes the fixed rentals only.

32 CONTINGENT LIABILITIES

(a) Letters of credit

At 31 March 2010, outstanding letters of credit of the Group for the purchase of goods amounted to $30,888,000 (2009 (restated): $30,462,000).

(b) Tax exposure in relation to the co-operative arrangement

In December 2003, the Group received a notice of claim from Taiwan Tax Authority ("TTA") for additional value added tax ("VAT") and penalties in respect of sales made through certain retail shops which are operated under co-operative arrangements with third parties. The TTA considers that the Group has excluded a portion of the sales value during the period from January 1999 to December 2002 for the purpose of VAT filings. Further to the appeal made to the Supreme Administrative Court in February 2009, the appeal was rejected in September 2009.

Base on the result of the appeal, the directors made an accrual for the additional VAT and penalties in the financial statements for the year ended 31 March 2010 amounting to a total of $60,272,000 (2009: $Nil). Additional VAT and penalties in a total of $64,182,000 (see note 21) was subsequently paid in June 2010. The Group has subsequently filed an appeal to the High Administrative Court in June 2010.

(c) Financial guarantees issued

As at the balance sheet date, the Company has issued financial guarantees on behalf of its subsidiaries in respect of certain banking facilities. Due to the related party nature of these instruments, the directors considered it is not meaningful and practicable to estimate the fair values of the financial guarantees and therefore they have not been recognised in the Company's financial statements.

33 PLEDGE OF ASSETS

At 31 March 2010, a bank loan of $13,711,000 (2009 (restated): $16,890,000) was secured by pledge of certain land and buildings and investment properties with carrying values of $30,120,000 (2009 (restated): $25,235,000) and $7,995,000 (2009 (restated): $6,708,000) respectively.

(Expressed in Hong Kong dollars unless otherwise indicated)

34 PARTICULARS OF SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary shares unless otherwise stated.

All of these subsidiaries have been consolidated into the consolidated financial statements.

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	held by the Company	held by a subsidiary	Principal activities
Hang Ten (BVI)	British Virgin Islands ("BVI")	US$103,821	100%	100%	–	Investment holding
ILC	BVI	US$639,830	100%	–	100%	Investment holding
Hang Ten Enterprises Limited	BVI	US$50,000	100%	–	100%	Investment holding and wholesale of apparel
Yangtze Apparel Taiwan Enterprise Limited	Taiwan	NT$100,000,000	100%	–	100%	Retail and wholesale of apparel
Hang Ten (Phils) Holdings Corporation	BVI	US$50,000	100%	–	100%	Investment holding
Hang Ten Phils., Corp	Philippines	PHP50,000,000	55%	–	55%	Retail and wholesale of apparel
Hang Ten Enterprises (Pte) Ltd.	Singapore	SGD1,000,000	100%	–	100%	Retail and wholesale of apparel
Hang Ten Korea Corp.	Korea	KRW50,000,000	100%	–	100%	Retail and wholesale of apparel
Hang Ten Enterprises (M) Sdn Bhd	Malaysia	RM500,000	100%	–	100%	Retail and wholesale of apparel

(Expressed in Hong Kong dollars unless otherwise indicated)

34 PARTICULARS OF SUBSIDIARIES *(continued)*

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	held by the Company	held by a subsidiary	Principal activities
Precise Delta Limited	Hong Kong	$1	100%	–	100%	Investment holding
HTEL (Macau) Limited	Macau	MOP25,000	100%	–	100%	Retail and wholesale of apparel
HTEL (Hong Kong) Limited	Hong Kong	$2,000,000	100%	–	100%	Retail and wholesale of apparel
Hang Ten (China) Group Limited	BVI	US$20,000	100%	–	100%	Investment holding
Guangzhou Hang Ten Trading Limited	The PRC	RMB500,000	100%	–	100%	Retail and wholesale of apparel
Hang Ten Trading (Shanghai) Limited	The PRC	US$2,000,000	100%	–	100%	Retail and wholesale of apparel
ILC Trademark Corporation	BVI	US$50,000	100%	–	100%	Trademark ownership and licensing
ILC (Cyprus) Limited	Cyprus	Cypriot pounds 1,000	100%	–	100%	Investment holding
HTIL Holdings Corporation N.V.	Netherlands Antilles	US$6,000	100%	–	100%	Investment holding
HTIL Corporation, B.V.	The Netherlands	NLG40,000	100%	–	100%	Trademark licensing
International Licensing (California) Corp	United States of America	US$10,000	100%	–	100%	Trademark licensing and management

(Expressed in Hong Kong dollars unless otherwise indicated)

34 PARTICULARS OF SUBSIDIARIES *(continued)*

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	held by the Company	held by a subsidiary	Principal activities
Hang Ten Retail USA, Inc. *(Note (i))*	United States of America	US$16,102	79.91%	–	79.91%	In members' liquidation
Han Tone Enterprises Limited	BVI	US$1	100%	–	100%	Investment holding
Merry King Investment Ltd	BVI	US$1,200	70%	–	70%	Investment holding
Ever Brave Holdings Ltd	BVI	US$160,000	56.88%	–	81.25%	Investment holding
Ever Brave Catering (Shanghai) Management Co., Ltd.(恒勇餐飲管理（上海）有限公司) *(Note (ii))*	The PRC	US$1,800,000	56.88%	–	100%	Trademark licensing and provision of catering management service

Notes:

(i) On 15 December 2005, the directors resolved to terminate the operations of Hang Ten Retail USA, Inc. which subsequently commenced members' voluntary liquidation. The liquidation was completed during the year ended 31 March 2010.

(ii) The English Translation of the company name is for reference only. The official name of the company is in Chinese.

35 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material transactions with related parties.

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2010	2009 (restated)
	$'000	*$'000*
Short-term employee benefits	**21,060**	15,788
Post-employment benefits	**164**	117
	21,224	15,905

Total remuneration is included in "staff costs" (see note 5(b)).

(b) (i) Transactions with Michel Rene Enterprises Limited, a subsidiary of YGM Trading Limited, a substantial shareholder of the Company

	2010	2009 (restated)
	$'000	*$'000*
Rental income from leasing of retail stores and equipment	**830**	543
Service fee income in respect of maintenance services for retail stores	**140**	93
Rental expense in respect of retail stores	**938**	–

(ii) Amount due from Michel Rene Enterprises Limited

	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Amount due from Michel Rene Enterprises Limited	**170**	287	372

Details of the terms are set out in note 24.

35 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(c) (i) Transactions with shareholders of the Company

	2010	2009 (restated)
	$'000	*$'000*
Executive remuneration paid to shareholders	**11,781**	8,205
Interest on loans from shareholders	**7,639**	7,639

(ii) Balances with shareholders and a minority shareholder of a non-wholly owned subsidiary

	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Amounts due to shareholders	**8,631**	5,103	9,128
Loans from shareholders	**127,182**	127,182	127,182
Loan from a minority shareholder	**3,048**	3,048	–
Accrued interest on loans from shareholders *(note 21)*	**7,639**	7,639	7,639

Details of the terms are set out in notes 24, 26 and 27.

(d) (i) Transactions with minority shareholders of non-wholly owned subsidiaries of the Company and their associates

	2010	2009 (restated)
	$'000	*$'000*
Sales of goods to Chua and company	**2,381**	5,366
Royalty income from Avon Dale Garments, Inc.	**462**	496

(ii) Balances with associates of the minority shareholders of non-wholly owned subsidiaries of the Company

	2010	2009 (restated)	2008 (restated)
	$'000	*$'000*	*$'000*
Amount due from Avon Dale Garments, Inc.	**78**	132	124

Details of the terms are set out in note 24.

36 SEGMENT REPORTING

The Group manages its businesses in terms of apparel business by geographical location and licensing business. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Sale of apparel: Taiwan

– Sale of apparel: Korea

– Sale of apparel: Philippines

– Sale of apparel: Singapore

– Sale of apparel: Malaysia

– Sale of apparel: Hong Kong and Macau

– Sale of apparel: the PRC

– Licensing

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of goodwill and other corporate assets. Segment liabilities include current taxation, deferred tax liabilities, creditors, intercompany payables, other payables and accrued expenses attributable to the activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The measure used for reporting segment profit is operating profit before finance costs and taxes and excludes other head office or corporate administration costs.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the years ended 31 March 2010 and 2009 is set out below.

In addition to receiving segment information concerning operating profit before finance costs and taxes, management is provided with segment information concerning revenue (including inter-segment revenue), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation and amortisation, impairment losses on trade debtors and royalty receivables and additions to non-current segment assets used by the segments in their operations.

36 SEGMENT REPORTING *(continued)*

(a) Segment results, assets and liabilities *(continued)*

2010

	Sale of apparel									
	Taiwan $'000	Korea $'000	Philippines $'000	Singapore $'000	Hong Kong & Macau $'000	Malaysia $'000	The PRC $'000	Sub-total $'000	Licensing $'000	Total $'000
Revenue from external customers	913,950	766,465	29,128	131,207	69,733	25,398	100,815	2,036,696	19,744	2,056,440
Inter-segment revenue	32,392	-	-	-	2,373	-	-	34,765	14,634	49,399
Reportable segment revenue	946,342	766,465	29,128	131,207	72,106	25,398	100,815	2,071,461	34,378	2,105,839
Reportable segment profit	46,941	71,075	(3,823)	10,966	1,086	1,652	(1,846)	126,051	79,287	205,338
Interest income	559	1,551	8	-	16	-	-	2,134	3,846	5,980
Interest expense	-	(736)	(16)	(16)	-	(8)	(511)	(1,287)	-	(1,287)
Depreciation and amortisation for the year	(12,346)	(11,439)	(845)	(2,978)	(915)	(1,505)	(4,157)	(34,185)	-	(34,185)
Reversal of impairment losses on trade debtors and royalty receivables	-	202	-	-	-	-	-	202	535	737
Reportable segment assets	1,035,153	381,042	12,679	29,267	20,613	8,453	36,146	1,523,353	295,093	1,818,446
Additions to non-current segment assets during the year	12,120	8,499	23	2,869	1,466	364	2,334	27,675	-	27,675
Reportable segment liabilities	457,545	75,952	5,995	61,924	51,113	12,982	43,537	709,048	36,991	746,039

36 SEGMENT REPORTING *(continued)*

(a) Segment results, assets and liabilities *(continued)*

2009 (restated)

	Sale of apparel									
	Taiwan *$'000*	Korea *$'000*	Philippines *$'000*	Singapore *$'000*	Hong Kong & Macau *$'000*	Malaysia *$'000*	The PRC *$'000*	Sub-total *$'000*	Licensing *$'000*	Total *$'000*
Revenue from external customers	898,890	747,217	41,225	122,831	51,796	20,838	99,970	1,982,767	25,258	2,008,025
Inter-segment revenue	41,334	–	–	–	–	–	–	41,334	14,091	55,425
Reportable segment revenue	940,224	747,217	41,225	122,831	51,796	20,838	99,970	2,024,101	39,349	2,063,450
Reportable segment profit	84,405	33,517	(4,676)	(11,881)	(1,698)	(2,350)	(8,616)	88,701	32,819	121,520
Interest income	1,667	1,396	7	–	–	–	–	3,070	2,024	5,094
Interest expense	(16)	(1,642)	(33)	(8)	–	(7)	(101)	(1,807)	–	(1,807)
Depreciation and amortisation for the year	(12,292)	(13,408)	(1,497)	(3,443)	(1,365)	(931)	(7,577)	(40,513)	(70)	(40,583)
Impairment losses on trade debtors and royalty receivables	–	(388)	–	–	–	–	–	(388)	–	(388)
Reportable segment assets	871,352	284,655	19,465	31,338	12,850	10,888	40,342	1,270,890	240,103	1,510,993
Additions to non-current segment assets during the year	97,992	50,772	729	3,614	845	2,900	6,049	162,901	–	162,901
Reportable segment liabilities	289,067	81,350	9,213	71,804	44,444	17,743	45,824	559,445	61,148	620,593

36 SEGMENT REPORTING *(continued)*

(b) Reconciliation of reportable segment revenue, profit, assets and liabilities

	2010	2009
		(restated)
	$'000	*$'000*
Revenue		
Reportable segment revenue	**2,105,839**	2,063,450
Elimination of inter-segment revenue	**(49,399)**	(55,425)
Consolidated turnover	**2,056,440**	2,008,025
Profit		
Reportable segment profit	**205,338**	121,520
Elimination of inter-segment profits	**(1,652)**	(2,869)
	203,686	118,651
Finance costs	**(8,926)**	(9,446)
Unallocated head office and corporate income and expenses	**(13,013)**	(6,033)
Consolidated profit before taxation	**181,747**	103,172

	2010	2009	2008
		(restated)	(restated)
	$'000	*$'000*	*$'000*
Assets			
Reportable segment assets	**1,818,446**	1,510,993	1,467,479
Elimination of inter-segment receivables	**(638,765)**	(535,412)	(360,219)
	1,179,681	975,581	1,107,260
Goodwill	**74,038**	75,217	74,038
Unallocated head office and corporate assets	**1,435**	10,910	1,464
Consolidated total assets	**1,255,154**	1,061,708	1,182,762
Liabilities			
Reportable segment liabilities	**746,039**	620,593	573,241
Elimination of inter-segment payables	**(393,419)**	(297,063)	(213,697)
	352,620	323,530	359,544
Unallocated head office and corporate liabilities	**140,218**	140,972	136,489
Consolidated total liabilities	**492,838**	464,502	496,033

36 SEGMENT REPORTING *(continued)*

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, goodwill, intangible assets and deferred tax assets ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets, and the location of the operation to which they are allocated, in the case of goodwill, deferred tax assets and intangible assets.

	Revenue from external customers		**Specified Non-current assets**	
	2010	2009 (restated)	**2010**	2009 (restated)
	$'000	*$'000*	***$'000***	*$'000*
Taiwan	**913,950**	898,890	**168,104**	165,934
Korea	**768,039**	748,698	**81,167**	85,533
Singapore	**131,207**	122,831	**9,703**	9,540
The PRC	**100,815**	99,970	**7,297**	10,221
Hong Kong & Macau	**69,733**	51,796	**1,442**	892
Philippines	**29,593**	41,721	**3,277**	4,332
Malaysia	**25,398**	20,838	**4,708**	5,584
Japan	**9,151**	9,151	**–**	–
Africa	**3,443**	2,637	**–**	–
The Netherlands	**–**	–	**113,479**	137,155
Others	**5,111**	11,493	**–**	–
	2,056,440	2,008,025	**389,177**	419,191

37 NON-ADJUSTING POST BALANCE SHEET EVENT

On 15 June 2010, the Taiwan Government announced a decrease in income tax rate from 20% to 17% with effect from the year ending 31 March 2011. In accordance with the Group's accounting policy set out in note 1(r), no adjustments have been made to these financial statements as a result of this announcement.

The directors estimate that the change will result in the opening balances of the Group's deferred tax assets as at 1 April 2010 being decreased by $530,000. The opening balance adjustment to deferred tax balance at 1 April 2010 will be recognised as an increase in the Group's income tax expenses charged to profit or loss for the year ending 31 March 2011. It is impracticable to further estimate the impact on future financial statements of the change in tax rate.

38 COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), *Presentation of financial statements*, and HKFRS 8, *Operating segments*, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time for the year ended 31 March 2010. In addition, as a result of the change in presentation currency from United States dollars to Hong Kong dollars in the current accounting period, comparative figures have been restated accordingly. Further details of these developments are disclosed in note 2.

39 ACCOUNTING ESTIMATES

Key sources of estimation uncertainty

Note 30 contains information about the assumptions and their risk factors relating to valuation of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) *Goodwill and intangible assets*

Notes 12 and 14 contain information about the assumptions relating to the impairment test on goodwill and intangible assets. In addition, note 14 contains information relating to the assessment of the indefinite life of the intangible assets.

(ii) *Income tax provisions*

The Group is subject to income taxes in numerous jurisdictions. Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations in the respective jurisdictions.

(iii) *Write-down of inventories*

Inventories are reviewed periodically to assess whether any write-down or reversal of write-down is required. The estimate is based on historical experience relating to the sales performance subsequent to respective seasons. Uncertainty exists in these estimates and the policy is reviewed regularly and adjusted if necessary.

(Expressed in Hong Kong dollars unless otherwise indicated)

40 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2010

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2010 and which have not been adopted in these financial statements.

	Effective for accounting periods beginning on or after
HKFRS 3 (Revised), *Business combinations*	1 July 2009
Amendments to HKAS 27, *Consolidated and separate financial statements*	1 July 2009
Amendments to HKAS 39, *Financial instruments: Recognition and measurement – Eligible hedged items*	1 July 2009
HK(IFRIC) 17, *Distributions of non-cash assets to owners*	1 July 2009
Improvements to HKFRSs 2009	1 July 2009 or 1 January 2010

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application but is not yet in a position to state whether these amendments, new standards and interpretations would have a significant impact on the Group's or the Company's results of operations and financial operation.

(Expressed in Hong Kong dollars)

	Year ended 31 March 2006 (restated) $'000	Year ended 31 March 2007 (restated) $'000	Year ended 31 March 2008 (restated) $'000	Year ended 31 March 2009 (restated) $'000	**Year ended 31 March 2010 $'000**
Consolidated results					
Turnover	1,891,264	1,997,812	2,127,150	2,008,025	**2,056,440**
Profit before taxation	138,437	147,291	212,370	103,172	**181,747**
Income tax	(32,450)	(39,341)	(44,971)	(23,195)	**(40,590)**
Profit for the year	105,987	107,950	167,399	79,977	**141,157**
Attributable to:					
Equity shareholders of the Company	101,163	108,198	167,221	82,947	**142,995**
Minority interests	4,824	(248)	178	(2,970)	**(1,838)**
Profit for the year	105,987	107,950	167,399	79,977	**141,157**
Consolidated assets and liabilities					
Fixed assets	68,539	75,417	87,065	176,729	**176,294**
Goodwill	70,114	70,114	74,038	75,217	**74,038**
Intangible assets	135,891	137,348	138,675	139,443	**115,309**
Other non-current assets	19,039	29,802	31,501	27,802	**67,676**
Net current assets	425,741	439,352	531,094	347,648	**490,296**
Non-current liabilities	(193,045)	(184,196)	(175,644)	(169,633)	**(161,297)**
Net assets	526,279	567,837	686,729	597,206	**762,316**
Capital and reserves					
Share capital	98,225	98,225	98,225	98,225	**98,225**
Reserves	407,271	463,268	580,982	494,685	**661,470**
Total equity attributable to equity shareholders of the Company	505,496	561,493	679,207	592,910	**759,695**
Minority interests	20,783	6,344	7,522	4,296	**2,621**
Total equity	526,279	567,837	686,729	597,206	**762,316**

FINANCIAL SUMMARY *(continued)*

(Expressed in Hong Kong dollars)

	Year ended 31 March 2006 (restated) *$'000*	Year ended 31 March 2007 (restated) *$'000*	Year ended 31 March 2008 (restated) *$'000*	Year ended 31 March 2009 (restated) *$'000*	**Year ended 31 March 2010** ***$'000***
Earnings per share					
Basic	11.85 cents	11.02 cents	17.02 cents	8.44 cents	**14.56 cents**
Diluted	10.27 cents	11.02 cents	17.02 cents	8.44 cents	**14.56 cents**
Dividends	49,244	49,113	68,758	39,290	**54,024**

As a result of the change in presentation currency from United States dollars to Hong Kong dollars during the year ended 31 March 2010, figure for the years from 2006 to 2009 have been restated. Information on this change in presentation currency is provided in note 2 to the financial statements.