TACK HSIN HOLDINGS LIMITED

Stock Code: 00611

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Annual Report

2009

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors:

Mr. Chan Shu Kit *(Chairman)*
Mr. Kung Wing Yiu *(Deputy Chairman)*
Mr. Chan Ho Man

Independent non-executive Directors:

Mr. Kung Fan Cheong
Mr. Chan Ka Ling, Edmond
Mr. Lo Kin Cheung

AUDIT COMMITTEE

Mr. Chan Ka Ling, Edmond *(Chairman)*
Mr. Kung Fan Cheong
Mr. Lo Kin Cheung

REMUNERATION COMMITTEE

Mr. Chan Ka Ling, Edmond *(Chairman)*
Mr. Chan Shu Kit
Mr. Kung Fan Cheong
Mr. Lo Kin Cheung

COMPANY SECRETARY

Mr. Tam Cheuk Ho

PRINCIPAL BANKERS

Chong Hing Bank Limited
HSBC Holdings Plc

AUDITORS

Ernst & Young
Certified Public Accountants
18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

HONG KONG LEGAL ADVISER

Richards Butler
19th Floor
Alexandra House
Central
Hong Kong

BERMUDA LEGAL ADVISER

Conyers, Dill & Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

HONG KONG SHARE REGISTRARS

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

HONG KONG PRINCIPAL OFFICE

Unit 1203 12/F
Peninsula Centre
67 Mody Road
Tsim Sha Tsui East
Kowloon
Hong Kong

STOCK CODE

611

Chairman's Statement

REVIEW OF OPERATIONS

Final Dividend

The Directors recommend the payment of a final dividend of HK1.5 cents per share (2008: HK2.5 cents per share) for the year ended 31 March 2009, payable to shareholders whose names appear in the register of members of the Company on Tuesday, 8 September 2009. The dividend will be payable on Friday, 18 September 2009.

Financial Review

For the year under review, Hong Kong economy was affected by the global financial crisis which resulted in the increase of unemployment rate. Our business development was unavoidably hindered. However, the Group has adequate cash flow which favors the future business development of the Group.

The Group's consolidated revenue for the year ended 31 March 2009 was HK$277,497,000, which increased by HK$15,843,000 compared to revenue of HK$261,654,000 in last year. The consolidated profit for the year attributable to equity holders of the parent was HK$4,606,000 (2008: HK$13,281,000). The decrease in profit as compared to last year was mainly attributable to the revaluation deficit of properties. The earnings per share was HK1.3 cents (2008: HK3.7 cents).

Restaurant Operation Review

A new restaurant for an investment of approximately HK$7,000,000, with total area of 8,500 square feet located on the 1st floor of Golden Centre, Yen Chow Street, Sham Shui Po, Kowloon commenced operation in late August 2008, providing famous Tack Hsin cuisine and special hotpots for customers in the district. The restaurant reported satisfactory results and stable growth since commencement of operation, and is expected to bring long term profit for the Group.

During the year, owing to local economic slowdown and weakening consumer sentiment, the performance of some of our restaurants was affected in the second half of the year but such impact was less felt by our newly opened restaurants in 2008.

As food price remained broadly stable in the year, its impact on the overall gross profit was relatively small. The Group has been able to maintain the price of food within an expected level through the use of an effective purchasing mechanism. The market price and source of food are the main focus of the Group and review by it from time to time. Gross profit remained at the same level as last year at 66%.

Hotel Operation Review

The Group has identified a premise located at No.182, Nathan Road, Tsim Sha Tsui for possible hotel operation recently. The premise is surrounded by shopping centers and in proximity to Kowloon Park, with beautiful scenery and easy accessibility. The hotel can provide more than 53 rooms and is targeted at individual travelers. After due consideration, the Group decided to commence the project shortly and the hotel is expected to be in full operation in June 2009, adding a new hotel to our "Sunny Day Hotel" chain.

Property Investment

In respect of the disposal of the land in Lantau Island located at Lot Nos. 2902, 2903, 2904, 2905, 2906 and 2908 in Demarcation District No. 1 Tung Chung, Lantau Island, New Territories (the "Property") for a consideration of HK$13,500,000, due to the purchaser's default in payment of the remaining balance of consideration as stipulated in the sale and purchase agreement (the "S&P Agreement") on the date of completion, the purchaser failed to complete the acquisition of the Property in accordance with the terms and conditions of the S&P Agreement, therefore, the completion did not take place on or before 26 August 2008. For details, please refer to the announcement dated 26 August 2008.

Liquidity and Financial Resources

As at 31 March 2009, the Group had bank borrowings of HK$10,231,000 (2008: HK$10,744,000). The secured bank loan of approximately HK$10,231,000 (2008: HK$10,744,000) was secured by the Group's investment properties with carrying values of HK$23,000,000 (2008: HK$25,000,000), and guarantees given by the Company and a subsidiary.

The bank borrowings of the Group as at 31 March 2009 include: borrowings of HK$542,000 are repayable within one year; borrowings of HK$567,000 are repayable within two years; borrowings of HK$1,849,000 are repayable within three to five years; borrowings of HK$7,273,000 are repayable after five years. All of these borrowings are subject to a floating rate.

The aggregate cash and bank balances was approximately HK$41,120,000 (2008: HK$51,484,000), with most of them being short term deposits with a maturity of less than 3 months. The shareholders' equity was HK$89,245,000 (2008: HK$95,963,000). The ratio of non-current liabilities to shareholders' equity was 0.11 (2008: 0.11).

The Groups adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and borrowings are mainly denominated in Hong Kong dollars, and hence it is not exposed to exchange risk. Therefore, no financial instruments have been used for hedging purposes.

Contingent Liabilities

At the balance sheet date, the Group had no material contingent liabilities.

Number of Employees and Remuneration Policy

As at 31 March 2009, the Group had 539 employees, the remuneration packages of whom are being reviewed annually with reference to the prevailing market condition.

OUTLOOK

Despite a weak local consumer sentiment, the Group did not give up any chance for continuous investment and even enhanced investment recently to increase the market share of the Group. Meanwhile, since there is no concrete sign of recovery of the global economy, the Group is still taking a wait-and-see attitude. Once the consumer market recovers, the Group will continue to expand its market share in a steady and proactive way. The Group is fully confident in the future prospect of the local economy.

By Order of the Board
Chan Shu Kit
Chairman

Hong Kong, 13 July 2009

Corporate Governance Report

The board of directors (the "Board") of the Company is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 March 2009.

The key corporate governance principles and practices of the Company are summarised as follows:

CORPORATE GOVERNANCE PRACTICES OF TACK HSIN HOLDINGS LIMITED

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has applied the principles as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

In the opinion of the directors, the Company has complied with all the major code provisions as set out in the CG Code save for the deviation from the code provisions in respect of the separation of the roles of Chairman and Chief Executive Officer, details of which will be explained below.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

A. THE BOARD

(1) Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors take decisions objectively in the interests of the Company.

All directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and its shareholders at all times.

(2) Delegation of Management Functions

The Board undertakes responsibility for decision making in major Company matters, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has the full support of the senior management to discharge its responsibilities.

(3) Board Composition

The Board currently comprises 6 members, consisting of 3 executive directors and 3 independent non-executive directors.

The Board of the Company comprises the following directors:

Executive directors:

Mr. Chan Shu Kit, Chairman of the Board, Chief Executive Officer and member of the Remuneration Committee
Mr. Kung Wing Yiu, Deputy Chairman of the Board
Mr. Chan Ho Man

Independent non-executive directors:

Mr. Chan Ka Ling, Edmond, Chairman of the Audit Committee and the Remuneration Committee
Mr. Kung Fan Cheong, member of the Audit Committee and the Remuneration Committee
Mr. Lo Kin Cheung, member of the Audit Committee and the Remuneration Committee

The Company has adopted the recommended best practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive directors.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The relationships among the members of the Board are disclosed under "Biographical Details of the Directors" on page 16.

During the year ended 31 March 2009, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

All directors, including independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors have been invited to serve on the Audit and Remuneration Committees of the Company.

(4) Appointment and Re-election of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Bye-laws. Though the Company has not set up a nomination committee, 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 and succession planning of directors and assessing the independence of independent non-executive directors.

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

Each of the executive directors of the Company has entered into a service agreement with the Company on 1 April 2007 for a term of two years and is subject to retirement and re-election at each annual general meeting of the Company in accordance with the Bye-laws of the Company.

Each of the independent non-executive directors of the Company has entered into a service agreement with the Company with effect from 1 April 2007 and is subject to retirement and re-election at each annual general meeting of the Company in accordance with the Bye-laws of the Company and the appointment shall be extended for a further period of calendar years, until 31 March 2009.

In accordance with the Company's Bye-laws, all the existing directors shall retire from the office at the annual general meeting and shall be eligible for re-election. Mr. Chan Shu Kit, Mr. Kung Wing Yiu, Mr. Chan Ho Man, Mr. Kung Fan Cheong, Mr. Chan Ka Ling, Edmond and Mr. Lo Kin Cheung, shall retire and being eligible, offer themselves for re-election at the next forthcoming annual general meeting of the Company.

The Board recommended the re-appointment of the directors standing for re-election at the next forthcoming annual general meeting of the Company.

The Company's circular dated 23 July 2009 contains detailed information of the directors standing for re-election.

(5) Training for Directors

Each newly appointed director receives formal, tailored and comprehensive induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Continuing briefing and professional development for directors will be arranged whenever necessary.

(6) Board Meetings

Number of Meetings and Directors' Attendance

During the year ended 31 March 2009, 4 regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Apart from regular Board meetings, 1 Remuneration Committee meeting and 2 Audit Committee meetings were held. In addition, 12 Business meetings attended only by the executive directors of the Company were also held during the year.

The attendance records of each director at the meetings of the Full Board, Remuneration Committee, Audit Committee and Business during the year ended 31 March 2009 are set out below:

	Attendance/Number of Meetings			
Name of Directors	Full Board	Business	Remuneration Committee	Audit Committee
Chan Shu Kit	4/4	12/12	1/1	N/A
Kung Wing Yiu	4/4	12/12	1/1	N/A
Chan Ho Man	4/4	12/12	1/1	N/A
Kung Fan Cheong	4/4	N/A	1/1	2/2
Chan Ka Ling, Edmond	4/4	N/A	1/1	2/2
Lo Kin Cheung	4/4	N/A	1/1	2/2

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Chairman/Chief Executive Officer, Financial Controller and Company Secretary attend all regular Full Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible to keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

B. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Chan Shu Kit is the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

C. BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

The majority of the members of each Board committee are independent non-executive directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

(1) Remuneration Committee

The Remuneration Committee comprises 4 members, namely, Mr. Chan Ka Ling, Edmond (Chairman), Mr. Chan Shu Kit, Mr. Kung Fan Cheong and Mr. Lo Kin Cheung.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets at least once a year for reviewing the remuneration policy and structure and determining the annual remuneration packages of the executive directors and the senior management and other related matters. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman/the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee met once during the year ended 31 March 2009 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive directors and the senior management for the year under review.

(2) Audit Committee

The Audit Committee comprises 3 independent non-executive directors, namely, Mr. Chan Ka Ling, Edmond (Chairman), Mr. Kung Fan Cheong and Mr. Lo Kin Cheng (including two independent non-executive directors who possess the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

(a) To review the financial statements and reports and consider any significant or unusual items raised by the Financial Controller or external auditors before submission to the Board.

(b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

(c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held 2 meetings during the year ended 31 March 2009 to review the financial results and reports, financial reporting and compliance procedures and the re-appointment of the external auditors.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31 March 2009 have been reviewed by the Audit Committee.

D. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company's Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Company's Code and the Model Code throughout the year ended 31 March 2009.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

E. DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2009.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The Management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

F. EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditors' Report" on pages 18 and 19.

The Company engaged Ernst & Young as the statutory auditors of the Company. The principal services provided by Ernst & Young for the year ended 31 March 2009 include the review of interim condensed consolidated financial statements of the Group, the audit of annual consolidated financial statements of the Group, and the audit of the financial statements of certain subsidiaries of the Group. Ernst & Young were also engaged in providing taxation services to the Group. The remuneration in respect of audit and non-audit services provided by Ernst & Young to the Company for the year ended 31 March 2009 is summarized as follows:

	HK$'000
Audit fees	792
Non-audit fees:	
Interim review service	220
Taxation services	214
	434
Total	1,226

G. INTERNAL CONTROLS

During the year under review, the Board, through the Audit Committee, has conducted a review of the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The review has covered the financial, operational, compliance and risk management aspects of the Group.

H. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Remuneration Committee and Audit Committee and, in their absence, other members of the respective committees are available to answer questions at shareholders meetings.

To promote effective communication, the Company maintains a website at http://tackhsin.etnet.com.hk, where extensive information and updates on the Company's financial information and other information are posted.

I. SHAREHOLDER RIGHTS

To safeguard shareholder interests and rights, separate resolutions are proposed at shareholder meetings on each substantial issue, including the election of individual directors.

All resolutions put forward at a shareholder meeting will be taken by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and of the Stock Exchange after the shareholder meeting.

Report of the Directors

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2009 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 20 to 63.

An interim dividend of HK1 cent per ordinary share was paid on 19 January 2009. The directors recommended the payment of a final dividend of HK1.5 cents per ordinary share in respect of the year to shareholders on the register of members on Tuesday, 8 September 2009. This recommendation has been incorporated in the financial statements as an allocation of contributed surplus within the equity section of the balance sheet.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 64. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

SHARE CAPITAL

There were no movements in either the Company's authorised or issued share capital 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 its existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 28(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2009, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$15,284,000, of which approximately HK$5,405,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of approximately HK$37,934,000, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the five largest customers of the Group accounted for less than 30% of the Group's total sales for the year. Purchases from the five largest suppliers of the Group accounted for less than 30% of the total purchases for the year.

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

DIRECTORS

The directors of the Company during the year were:

Executive directors:

Chan Shu Kit *(Chairman)*
Kung Wing Yiu *(Deputy Chairman)*
Chan Ho Man

Independent non-executive directors:

Kung Fan Cheong
Chan Ka Ling, Edmond
Lo Kin Cheung

In accordance with the Company's bye-laws, all directors will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from each of the independent non-executive directors, and still considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors of the Company has entered into a service agreement with the Company on 1 April 2007 for a term of two years and is subject to retirement and re-election at each annual general meeting of the Company in accordance with the bye-laws of the Company.

Each of the independent non-executive directors of the Company has entered into a service agreement with the Company with effect from 1 April 2007 and is subject to retirement and re-election at each annual general meeting of the Company in accordance with the bye-laws of the Company and the appointment shall be extended for a further period of calendar years, until 31 March 2009.

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 31 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

At 31 March 2009, the interests and short positions of the directors in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company

Name of director	Number of shares held, capacity and nature of interest: Directly beneficially owned	Through controlled corporation	Total	Percentage of the Company's issued share capital
Chan Shu Kit	–	114,240,000 *(note)*	114,240,000	31.70
Kung Wing Yiu	7,802,000	–	7,802,000	2.16

Note: These shares are held through Hoylake Holdings Limited, a company wholly owned by Chan Shu Kit.

Save as disclosed above, as at 31 March 2009, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 March 2009, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Hoylake Holdings Limited *(note)*	Directly beneficially owned	114,240,000	31.70

Note: This interest has also been disclosed as an interest of Chan Shu Kit under the section headed "Directors' interests and short positions in shares" above.

Save as disclosed above, as at 31 March 2009, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

BIOGRAPHICAL DETAILS OF THE DIRECTORS

Name	Age	Position held	Number of years of service	Business experience
Chan Shu Kit	60	Chairman	26	Mr. Chan is a co-founder of the Group and has over 37 years' experience in the catering business. He is responsible for the overall corporate strategy of the Group and is acting as director of subsidiaries of the Company. He is the father of Mr. Chan Ho Man.
Kung Wing Yiu	57	Deputy chairman	23	Mr. Kung is responsible for business development and restaurant site selection and is acting as director of Tack Hsin (BVI) Holdings Limited, subsidiary of the Company. He has over 32 years' business experience. He joined the Group in 1986.
Chan Ho Man	33	Executive director	8	Mr. Chan joined the Company on 1 March 2001 and has been involved in the management and operation of the Company's restaurant business. He is acting as director of subsidiaries of the Company. He is the son of Mr. Chan Shu Kit.
Kung Fan Cheong	54	Independent non-executive director	17	Mr. Kung is a solicitor of the High Court of Hong Kong and is a partner in a law firm of Pang, Kung & Co.. He is a member of the Law Society of Hong Kong.
Chan Ka Ling, Edmond	50	Independent non-executive director	17	Mr. Chan is a partner of Chan and Chan, Certified Public Accountants. He is a certified public accountant and is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (UK).
Lo Kin Cheung	45	Independent non-executive director	5	Mr. Lo is the Chief Financial Officer of SNP Leefung Holdings Limited. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants (UK) and an associate member of the Certified General Accountants of Canada and the Institute of Chartered Accountants in England and Wales.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chan Shu Kit
Chairman

Hong Kong
13 July 2009

ERNST & YOUNG
安 永

To the shareholders of Tack Hsin Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Tack Hsin Holdings Limited set out on pages 20 to 63, which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our 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 auditors' 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 auditors consider 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.

Independent Auditors’ Report (continued)

OPINION

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

Ernst & Young
Certified Public Accountants
18/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

13 July 2009

Consolidated Income Statement

Year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
REVENUE	5	**277,497**	261,654
Other income and gains	5	**2,891**	8,367
Cost of inventories used		**(94,232)**	(89,875)
Staff costs		**(80,742)**	(76,437)
Rental expenses		**(31,861)**	(27,723)
Utility expenses		**(21,299)**	(21,545)
Depreciation	14	**(6,185)**	(5,013)
Other operating expenses		**(38,836)**	(37,286)
Finance costs	6	**(462)**	(840)
PROFIT BEFORE TAX	7	**6,771**	11,302
Tax	10	**(947)**	2,351
PROFIT FOR THE YEAR		**5,824**	13,653
Attributable to:			
Equity holders of the parent	11	**4,606**	13,281
Minority interests		**1,218**	372
		5,824	13,653
DIVIDEND	12	**9,008**	9,008
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	13	**1.3 cents**	3.7 cents

Consolidated Balance Sheet

31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**26,206**	23,146
Investment properties	15	**23,000**	25,000
Prepaid land lease payments	16	**7,275**	4,845
Property held for development	17	**4,665**	4,665
Deferred tax assets, net	26	**1,924**	2,083
Total non-current assets		**63,070**	59,739
CURRENT ASSETS			
Inventories		**3,238**	6,255
Trade receivables	19	**726**	484
Prepayments, deposits and other receivables	20	**16,815**	13,712
Cash and cash equivalents	21	**41,120**	51,484
Total current assets		**61,899**	71,935
CURRENT LIABILITIES			
Trade payables	22	**4,852**	5,134
Other payables and accruals	23	**17,758**	18,577
Tax payable		**173**	–
Interest-bearing bank borrowings	24	**542**	509
Provision for long service payments	25	**2,372**	1,256
Total current liabilities		**25,697**	25,476
NET CURRENT ASSETS		**36,202**	46,459
TOTAL ASSETS LESS CURRENT LIABILITIES		**99,272**	106,198
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	24	**9,689**	10,235
Deferred tax liabilities, net	26	**338**	–
Total non-current liabilities		**10,027**	10,235
Net assets		**89,245**	95,963

Consolidated Balance Sheet (continued)

31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	*27*	**36,032**	36,032
Reserves	*28(a)*	**46,284**	50,617
Proposed final dividend	*12*	**5,405**	9,008
		87,721	95,657
Minority interests		**1,524**	306
Total equity		**89,245**	95,963

Chan Shu Kit
Director

Kung Wing Yiu
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2009

		Attributable to equity holders of the parent								
		Issued share capital	**Share premium account**	**Contributed surplus**	**Fixed asset revaluation reserve**	**Retained profits/ (accumulated losses)**	**Proposed final dividend**	**Total**	**Minority interests**	**Total equity**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007		36,032	37,934*	14,274*	16*	(6,212)*	5,405	87,449	140	87,589
Surplus arising from revaluation		–	–	–	332	–	–	332	–	332
Total income and expense for the year recognised directly in equity		–	–	–	332	–	–	332	–	332
Profit for the year		–	–	–	–	13,281	–	13,281	372	13,653
Total income and expense for the year		–	–	–	332	13,281	–	13,613	372	13,985
Dividends paid to minority shareholders		–	–	–	–	–	–	–	(206)	(206)
Final 2007 dividend declared		–	–	–	–	–	(5,405)	(5,405)	–	(5,405)
Proposed final 2008 dividend	*12*	–	–	(9,008)	–	–	9,008	–	–	–
At 31 March 2008 and 1 April 2008		36,032	37,934*	5,266*	348*	7,069*	9,008	95,657	306	95,963
Surplus arising from revaluation		–	–	–	69	–	–	69	–	69
Total income and expense for the year recognised directly in equity		–	–	–	69	–	–	69	–	69
Profit for the year		–	–	–	–	4,606	–	4,606	1,218	5,824
Total income and expense for the year		–	–	–	69	4,606	–	4,675	1,218	5,893
Final 2008 dividend declared				–	–	–	(9,008)	(9,008)	–	(9,008)
Interim 2009 dividend	*12*	–	–	(3,603)	–	–	–	(3,603)	–	(3,603)
Proposed final 2009 dividend	*12*	–	–	(1,663)	–	(3,742)	5,405	–	–	–
At 31 March 2009		36,032	37,934*	–*	417*	7,933*	5,405	87,721	1,524	89,245

* These reserve accounts comprise the consolidated reserves of HK$46,284,000 (2008: HK$50,617,000) in the consolidated balance sheet.

Consolidated Cash Flow Statement

Year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**6,771**	11,302
Adjustments for:			
Finance costs	*6*	**462**	840
Interest income	*5*	**(350)**	(395)
Depreciation	*14*	**6,185**	5,013
Recognition of prepaid land lease payments	*7*	**101**	80
Fair value losses on investment properties	*7*	**2,000**	–
Surplus arising from revaluation of buildings	*5*	**(32)**	(6)
Write off of deposits and other receivables	*7*	**278**	–
Write back of an amount due to a minority shareholder	*5*	**–**	(1,430)
Write off of an amount due from jointly-controlled entity	*7*	**–**	906
Gain on disposal of associates	*5*	**–**	(39)
Gain on disposal of a jointly-controlled entity	*5*	**–**	(10)
Gain on disposal of an investment property	*5*	**–**	(5,520)
Loss on disposal of items of property, plant and equipment	*7*	**–**	612
		15,415	11,353
Decrease/(increase) in inventories		**3,017**	(3,087)
Increase in trade receivables		**(242)**	(291)
Increase in prepayments, deposits and other receivables		**(3,059)**	(953)
Increase/(decrease) in trade payables		**(282)**	609
Increase/(decrease) in other payables and accruals		**(816)**	4,705
Increase in provision for long service payments		**1,116**	–
Cash generated from operations		**15,149**	12,336
Hong Kong profits tax paid		**(578)**	(270)
Net cash inflow from operating activities		**14,571**	12,066
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	*14*	**(9,144)**	(7,358)
Additions to prepaid land lease payments	*16*	**(2,552)**	–
Proceeds from disposal of investment properties		**–**	24,920
Proceeds from disposal of items of property, plant and equipment		**–**	89
Disposal of a jointly-controlled entity		**–**	10
Disposal of associates		**–**	39
Advance to a jointly-controlled entity		**–**	(152)
Interest received		**350**	384
Net cash inflow/(outflow) from investing activities		**(11,346)**	17,932

Consolidated Cash Flow Statement (continued)

Year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Net cash inflow/(outflow) from investing activities		**(11,346)**	17,932
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		**(513)**	(408)
Capital element of finance lease rental payments		**–**	(157)
Dividends paid		**(12,611)**	(5,405)
Dividends paid to minority shareholders		**–**	(206)
Acquisition of minority interests		**–**	(149)
Interest paid		**(465)**	(848)
Interest element on finance lease rental payments		**–**	(8)
Net cash outflow from financing activities		**(13,589)**	(7,181)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(10,364)**	22,817
Cash and cash equivalents at beginning of year		**51,484**	28,667
CASH AND CASH EQUIVALENTS AT END OF YEAR		**41,120**	51,484
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*21*	**30,119**	21,484
Non-pledged time deposits with original maturity of less than three months when acquired	*21*	**11,001**	30,000
		41,120	51,484

Balance Sheet

31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Interests in subsidiaries	18	**117,950**	110,850
CURRENT ASSETS			
Cash and bank balances	21	**59**	54
CURRENT LIABILITIES			
Other payables and accruals	23	**9**	16
NET CURRENT ASSETS		**50**	38
TOTAL ASSETS LESS CURRENT LIABILITIES		**118,000**	110,888
NON-CURRENT LIABILITIES			
Due to subsidiaries	18	**28,750**	15,254
Net assets		**89,250**	95,634
EQUITY			
Issued capital	27	**36,032**	36,032
Reserves	28(b)	**47,813**	50,594
Proposed final dividend	12	**5,405**	9,008
Total equity		**89,250**	95,634

Chan Shu Kit
Director

Kung Wing Yiu
Director

1. CORPORATE INFORMATION

Tack Hsin Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at Unit 1203, 12/F Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

During the year, the Group was engaged in the following principal activities:

- restaurant operations
- property investment
- hotel operations

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and buildings, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2009. The results of subsidiaries are consolidated from the dates of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements.

HKAS 39 & HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these new interpretations and amendments has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* [1]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* [1]
HKFRS 3 (Revised)	*Business Combinations* [2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* [1]
HKFRS 8	*Operating Segments* [1]
HKAS 1 (Revised)	*Presentation of Financial Statements* [1]
HKAS 23 (Revised)	*Borrowing Costs* [1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* [1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [2]
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement* [5]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes* [3]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate* [1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation* [4]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners* [2]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* [2]

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Effective for annual periods ending on or after 30 June 2009

* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

(b) the party is a member of the key management personnel of the Group or its parent;

(c) the party is a close member of the family of any individual referred to in (a) or (b);

(d) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the fixed asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the fixed asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2%
Furniture and fixtures	15-20%
Air-conditioning plant	15-20%
Electrical appliances	20%
Office equipment	20%
Motor vehicles	20%

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents structures and other fixed assets under construction or installation, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and testing during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

Kitchen utensils, linen and uniforms

No depreciation is provided on the initial purchase of kitchen utensils, linen and uniforms which are capitalised at cost. The cost of subsequent replacement of these items is charged directly to the income statement in the year in which such expenditure is incurred.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

Property held for development

Property held for development is stated at the lower of cost and net realisable value and comprises land costs, construction costs, professional fees and other costs directly attributable to such property incurred during the development period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Financial assets

Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and other payables, and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Inventories

Inventories comprise mainly food and beverages and are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on the estimated selling prices less any estimated costs necessary to make the sale.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, 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, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) receipts from restaurant operations, upon the delivery of food and beverages to customers;

(b) from the rendering of hotel services, when services have been rendered;

(c) rental income, on a time proportion basis over the lease terms; and

(d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of contributed surplus within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of investment properties and buildings

Investment properties and buildings are carried in the balance sheet at their fair value. The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and buildings, the corresponding adjustments to the gain or loss recognised in the income statement and fixed asset revaluation reserve. During the year, surplus arising from revaluation of buildings of approximately HK$32,000 (2008: HK$6,000) and HK$69,000 (2008: HK$332,000) were recognised in the income statement and fixed asset revaluation reserve, respectively. Fair value losses on investment properties for the year ended 31 March 2009 was approximately HK$2,000,000 (2008: Nil). Further details are contained in notes 14 and 15 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 March 2009 was approximately HK$2,386,000 (2008: HK$3,462,000). The amount of unrecognised tax losses at 31 March 2009 was approximately HK$69,109,000 (2008: HK$73,469,000). Further details are contained in note 26 to the financial statements.

4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. The Group's revenues, results and assets are principally derived from operations carried out in Hong Kong and, accordingly, no geographical segment information is disclosed.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. Summarised details of the business segments are as follows:

(a) the restaurant segment comprises the Group's restaurant operations;

(b) the property segment comprises the Group's property investments;

(c) the hotel segment comprises the Group's hotel operations; and

(d) the corporate segment comprises the Group's corporate income and expense items.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. SEGMENT INFORMATION (continued)

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

Group

	Restaurant		Property		Hotel		Corporate		Eliminations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:												
Revenue	**269,508**	256,441	**18,458**	16,386	**7,185**	4,307	**9,676**	9,545	**(27,330)**	(25,025)	**277,497**	261,654
Other income and gains	**1,420**	987	**1,369**	5,790	**112**	76	**740**	673	**(1,100)**	(1,033)	**2,541**	6,493
Total	**270,928**	257,428	**19,827**	22,176	**7,297**	4,383	**10,416**	10,218	**(28,430)**	(26,058)	**280,038**	268,147
Segment results	**10,190**	8,093	**(1,198)**	3,849	**(1,049)**	(1,587)	**(1,060)**	(87)	**–**	–	**6,883**	10,268
Interest income and unallocated gains											**350**	1,874
Finance costs											**(462)**	(840)
Profit before tax											**6,771**	11,302
Tax											**(947)**	2,351
Profit for the year											**5,824**	13,653

4. SEGMENT INFORMATION (continued)

Group

	Restaurant		Property		Hotel		Corporate		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities										
Segment assets	**46,178**	37,037	**39,746**	42,139	**9,099**	8,263	**28,022**	42,152	**123,045**	129,591
Unallocated assets									**1,924**	2,083
Total assets									**124,969**	131,674
Segment liabilities	**17,374**	17,915	**2,669**	3,563	**2,740**	1,394	**2,372**	2,095	**25,155**	24,967
Unallocated liabilities									**10,569**	10,744
Total liabilities									**35,724**	35,711
Other segment information:										
Depreciation	**4,753**	3,632	**45**	38	**1,339**	1,296	**48**	47	**6,185**	5,013
Fair value losses on investment properties	**–**	–	**2,000**	–	**–**	–	**–**	–	**2,000**	–
Surplus arising from revaluation of buildings recognised in the income statement	**(32)**	(6)	**–**	–	**–**	–	**–**	–	**(32)**	(6)
Capital expenditure	**11,405**	6,816	**–**	–	**264**	459	**27**	83	**11,696**	7,358

5. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the rental income received and receivable from investment properties and hotel operations during the year.

An analysis of revenue, other income and gains is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Receipts from restaurant operations	**269,508**	256,441
Hotel operations	**7,185**	4,307
Gross rental income *(note 7)*	**804**	906
	277,497	261,654
Other income		
Bank interest income	**350**	395
Others	**1,159**	967
	1,509	1,362
Gains		
Surplus arising from revaluation of buildings	**32**	6
Gain on disposal of an investment property	**–**	5,520
Write back of an amount due to a minority shareholder	**–**	1,430
Gain on forfeited deposits	**1,350**	–
Gain on disposal of a jointly-controlled entity	**–**	10
Gain on disposal of associates	**–**	39
	1,382	7,005
	2,891	8,367

6. FINANCE COSTS

	Group	
	2009	2008
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts	**462**	832
Interest on finance leases	**–**	8
	462	840

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Group 2009 HK$'000	2008 HK$'000
Minimum lease payments under operating leases:			
Land and buildings		**31,861**	27,723
Office equipment		**112**	56
		31,973	27,779
Recognition of prepaid land lease payments	*16*	**101**	80
Fair value losses on investment properties	*15*	**2,000**	–
Auditors' remuneration		**792**	792
Staff costs (including directors' remuneration *(note 8)*):			
Wages, salaries and bonuses		**75,735**	72,999
Provision for long service payments, net	*25*	**1,540**	85
Pension scheme contributions*		**3,467**	3,353
Total staff costs		**80,742**	76,437
Loss on disposal of items of property, plant and equipment		**–**	612
Write off of amount due from a jointly controlled entity		**–**	906
Write off of deposits and other receivables		**278**	426
Gross rental income	*5*	**(804)**	(906)
Less: Outgoings		**162**	226
Net rental income		**(642)**	(680)

* At 31 March 2009, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2008: Nil).

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group			
	Executive directors		Independent non-executive directors	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Fees	**–**	–	**300**	300
Other emoluments:				
Salaries, allowances and benefits in kind	**1,884**	1,704	**–**	–
Pension scheme contributions	**33**	33	**–**	–
	1,917	1,737	**300**	300

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Kung Fan Cheong	**100**	100
Chan Ka Ling, Edmond	**100**	100
Lo Kin Cheung	**100**	100
	300	300

There were no other emoluments payable to the independent non-executive directors during the year.

8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors

	Group			
	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2009				
Chan Shu Kit	**–**	**1,008**	**12**	**1,020**
Kung Wing Yiu	**–**	**180**	**9**	**189**
Chan Ho Man	**–**	**696**	**12**	**708**
	–	**1,884**	**33**	**1,917**
2008				
Chan Shu Kit	–	1,008	12	1,020
Kung Wing Yiu	–	180	9	189
Chan Ho Man	–	516	12	528
	–	1,704	33	1,737

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2008: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2008: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2008: three) non-director, highest paid employees for the year are as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**1,017**	1,061
Pension scheme contributions	**34**	36
	1,051	1,097

The remuneration of the three (2008: three) non-director, highest paid employees fell within the band of Nil to HK$1,000,000.

10. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 March 2009.

	Group	
	2009	2008
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**450**	154
Deferred *(note 26)*	**497**	(2,505)
Total tax charge/(credit) for the year	**947**	(2,351)

A reconciliation of the tax charge/(credit) applicable to profit before tax using the statutory rate to the tax credit at the effective tax rate is as follows:

	Group			
	2009		2008	
	HK$'000	*%*	*HK$'000*	*%*
Profit before tax	**6,771**		11,302	
Tax at the statutory rate	**1,117**	**16.5**	1,978	17.5
Income not subject to tax	**(140)**		(2,803)	
Expenses not deductible for tax	**603**		184	
Tax losses utilised from previous periods	**(1,656)**		(3,280)	
Tax losses not recognised	**722**		1,531	
Temporary differences not recognised	**301**		39	
Tax charge/(credit) at the Group's effective rate	**947**		(2,351)	

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated profit attributable to equity holders of the parent for the year ended 31 March 2009 includes a profit of approximately HK$6,227,000 (2008: HK$13,534,000) which has been dealt with in the financial statements of the Company (note 28(b)).

12. DIVIDEND

	2009	2008
	HK$'000	*HK$'000*
Interim – HK1 cent (2008: Nil) per ordinary share	**3,603**	–
Proposed final – HK1.5 cents (2008: HK2.5 cents) per ordinary share	**5,405**	9,008
	9,008	9,008

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent of approximately HK$4,606,000 (2008: HK$13,281,000) and the number of 360,321,620 ordinary shares in issue during the year.

Diluted earnings per share amounts for the years ended 31 March 2009 and 2008 have not been disclosed as no diluting events existed during these years.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings	Furniture and fixtures	Air-conditioning plant	Electrical appliances	Office equipment	Motor vehicles	Kitchen utensils, linen and uniforms	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2009								
At 31 March 2008 and 1 April 2008:								
Cost or valuation	2,200	29,316	4,830	7,000	1,651	130	2,245	47,372
Accumulated depreciation	–	(16,232)	(2,196)	(4,136)	(1,532)	(130)	–	(24,226)
Net carrying amount	2,200	13,084	2,634	2,864	119	–	2,245	23,146
At 1 April 2008, net of accumulated depreciation	2,200	13,084	2,634	2,864	119	–	2,245	23,146
Additions	1,328	4,645	1,169	1,722	20	–	260	9,144
Surplus on revaluation	101	–	–	–	–	–	–	101
Depreciation provided during the year	(71)	(4,038)	(750)	(1,283)	(43)	–	–	(6,185)
At 31 March 2009, net of accumulated depreciation	3,558	13,691	3,053	3,303	96	–	2,505	26,206
At 31 March 2009:								
Cost or valuation	3,558	30,799	5,323	8,080	372	130	2,505	50,767
Accumulated depreciation	–	(17,108)	(2,270)	(4,777)	(276)	(130)	–	(24,561)
Net carrying amount	3,558	13,691	3,053	3,303	96	–	2,505	26,206
Analysis of cost or valuation:								
At cost	–	30,799	5,323	8,080	372	130	2,505	47,209
At 31 March 2009 valuation	3,558	–	–	–	–	–	–	3,558
	3,558	30,799	5,323	8,080	372	130	2,505	50,767

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	Buildings HK$'000	Furniture and fixtures HK$'000	Air-conditioning plant HK$'000	Electrical appliances HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Kitchen utensils, linen and uniforms HK$'000	Construction in progress HK$'000	Total HK$'000
31 March 2008									
At 1 April 2007:									
Cost or valuation	1,900	24,150	2,898	5,188	1,806	130	2,123	2,220	40,415
Accumulated depreciation	–	(12,848)	(1,614)	(3,187)	(1,472)	(130)	–	–	(19,251)
Net carrying amount	1,900	11,302	1,284	2,001	334	–	2,123	2,220	21,164
At 1 April 2007, net of accumulated depreciation	1,900	11,302	1,284	2,001	334	–	2,123	2,220	21,164
Additions	–	4,084	808	1,831	54	–	581	–	7,358
Disposals	–	(9)	(5)	(19)	(209)	–	(459)	–	(701)
Surplus on revaluation	338	–	–	–	–	–	–	–	338
Depreciation provided during the year	(38)	(3,384)	(582)	(949)	(60)	–	–	–	(5,013)
Transfers	–	1,091	1,129	–	–	–	–	(2,220)	–
At 31 March 2008, net of accumulated depreciation	2,200	13,084	2,634	2,864	119	–	2,245	–	23,146
At 31 March 2008:									
Cost or valuation	2,200	29,316	4,830	7,000	1,651	130	2,245	–	47,372
Accumulated depreciation	–	(16,232)	(2,196)	(4,136)	(1,532)	(130)	–	–	(24,226)
Net carrying amount	2,200	13,084	2,634	2,864	119	–	2,245	–	23,146
Analysis of cost or valuation:									
At cost	–	29,316	4,830	7,000	1,651	130	2,245	–	45,172
At 31 March 2008 valuation	2,200	–	–	–	–	–	–	–	2,200
	2,200	29,316	4,830	7,000	1,651	130	2,245	–	47,372

The Group's buildings were stated at open market values as at 31 March 2009, based on valuations performed by CS Surveyors Limited, independent professionally qualified valuers, on an open market, existing use basis.

Had these buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been approximately HK$2,979,000 at 31 March 2009 (2008: HK$1,733,000).

During the year, surplus arising from revaluation of buildings of approximately HK$32,000 (2008: HK$6,000) and HK$69,000 (2008: HK$332,000) were recognised in the income statement and fixed asset revaluation reserve, respectively.

15. INVESTMENT PROPERTIES

	Group 2009 HK$'000	2008 HK$'000
Carrying amount at 1 April	**25,000**	44,400
Disposals	**–**	(19,400)
Net loss from a fair value adjustment *(note 7)*	**(2,000)**	–
Carrying amount at 31 March	**23,000**	25,000

The investment properties with carrying values of HK$23,000,000 (2008: HK$25,000,000) were pledged to a bank to secure credit facilities granted to the Group (note 24).

The Group's investment properties were stated at open market values as at 31 March 2009, based on valuations performed by CS Surveyors Limited, independent professionally qualified valuers, on an open market, existing use basis.

The investment properties are situated in Hong Kong and are held under medium term leases. They are leased to third parties under operating leases, further summary details of which are included in note 30(a) to the financial statements. Details of the investment properties are as follows:

Location	**Use**
Lot No. 237 in Demarcation District No. 331, Cheung Sha, Lantau Island, New Territories	Investment property for rental income

16. PREPAID LAND LEASE PAYMENTS

	Group 2009 HK$'000	2008 HK$'000
Carrying amount at 1 April	**4,925**	5,005
Additions	**2,552**	–
Recognised during the year *(note 7)*	**(101)**	(80)
Carrying amount at 31 March	**7,376**	4,925
Current portion included in prepayments, deposits and other receivables	**(101)**	(80)
Non-current portion	**7,275**	4,845

The prepaid land lease payments are situated in Hong Kong and are held under the following lease terms:

	HK$'000
Long term leases	5,171
Medium term leases	2,205
	7,376

17. PROPERTY HELD FOR DEVELOPMENT

	Group 2009 HK$'000	2008 HK$'000
At cost	**4,665**	4,665

Property held for development represents a development project which is situated in Hong Kong and is held under a medium term lease. Details of the property held for development are as follows:

Location	**Use**
Lot Nos. 2902-2906 & 2908 in Demarcation District No. 1, Tung Chung, Lantau Island, New Territories	Residential

18. INTERESTS IN SUBSIDIARIES

	Company 2009 HK$'000	2008 HK$'000
Unlisted shares, at cost	**238,075**	238,075
Impairment	**(200,125)**	(207,225)
	37,950	30,850
Loan to a subsidiary	**80,000**	80,000
	117,950	110,850
Due to subsidiaries	**28,750**	15,254

The balances with the subsidiaries are unsecured, interest-free and not repayable within one year.

Impairment loss was recognised for certain unlisted investments because the relevant subsidiaries had suffered losses for years or ceased operations.

18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows:

Name	Place of incorporation and operations@	Nominal value of issued capital	Percentage of equity interest attributable to the Company 2009	2008	Principal activities
Charmwide Development Limited	Hong Kong	HK$10,000*	**100**	100	Investment holding
First Charm Development Limited	Hong Kong	HK$100*	**100**	100	Property investment
Golden Target (Hong Kong) Limited	Hong Kong	HK$1*	**100**	100	Hotel operations
Grandward Limited	Hong Kong	HK$100* HK$2#	**100**	100	Property holding
Jade Terrace Restaurant (Causeway Bay) Limited	Hong Kong	HK$100* HK$680,000#	**100**	100	Restaurant operations
Newfame Development Limited	Hong Kong	HK$1*	**100**	100	Property development
Real Bright Asia Limited	Hong Kong	HK$100*	**100**	100	Dormant
Royal Power Investment Limited	Hong Kong	HK$4,600,000*	**100**	100	Dormant
Tack Hsin (BVI) Holdings Limited	British Virgin Islands/ Hong Kong	HK$17,763,202*	**100**	100	Investment holding
Tack Hsin Restaurant (London) Limited	Hong Kong	HK$100* HK$2#	**100**	100	Restaurant operations
Tack Hsin Restaurant (Peninsula) Limited	Hong Kong	HK$100* HK$2,380,000#	**100**	100	Restaurant operations
Top Excel Investment Limited	Hong Kong	HK$10,000*	**51**	51	Restaurant operations
Vastpro Developments Limited	Hong Kong	HK$2*	**100**	100	Property holding
Wealth Glory Investment Limited	Hong Kong	HK$100* HK$30,000#	**100**	100	Dormant

@ Unless otherwise stated, the place of operations is the place of incorporation.
* Ordinary shares
# Non-voting deferred shares

18. INTERESTS IN SUBSIDIARIES (continued)

All subsidiaries are indirectly held by the Company except Tack Hsin (BVI) Holdings Limited.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

19. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly by cash and credit card settlement, except for certain well-established customers where the terms vary with these customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within 3 months	**638**	441
4 to 6 months	**66**	43
7 to 12 months	**22**	–
	726	484

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**638**	441
Less than 6 months past due	**66**	43
Over 6 months past due	**22**	–
	726	484

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade 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, the directors of the Company are of the opinion that no provision for impairment 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. The Group does not hold any collateral or other credit enhancements over these balances.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Prepayments	**861**	538
Deposits	**14,782**	13,152
Other receivables	**856**	7
Tax recoverable	**316**	15
	16,815	13,712

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cash and bank balances	**30,119**	21,484	**59**	54
Time deposits	**11,001**	30,000	**–**	–
	41,120	51,484	**59**	54

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one and two months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within 3 months	**4,852**	5,131
Over 3 months	**–**	3
	4,852	5,134

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Deferred credit on operating lease	**6,515**	6,385	**–**	–
Receipt in advance	**1,465**	1,846	**–**	–
Other payables	**143**	153	**9**	16
Accruals	**9,635**	10,193	**–**	–
	17,758	18,577	**9**	16

Other payables are non-interest-bearing and have an average term of 30 days.

24. INTEREST-BEARING BANK BORROWINGS

Group

	2009			2008		
	Contractual interest rate (%)	**Maturity**	***HK$'000***	Contractual interest rate (%)	Maturity	*HK$'000*
Current						
Secured bank loan	**4.25 – 4.50 (Floating)**	**2010**	**542**	5.00 – 7.00 (Floating)	2009	509
Non-current						
Secured bank loan	**4.25 – 4.50 (Floating)**	**2023**	**9,689**	5.00 – 7.00 (Floating)	2023	10,235
			10,231			10,744

Group

	2009	2008
	HK$'000	*HK$'000*
Analysed into:		
Bank loan repayable:		
Within one year	**542**	509
In the second year	**567**	533
In the third to fifth years, inclusive	**1,849**	1,750
Beyond five years	**7,273**	7,952
	10,231	10,744

At 31 March 2009, the bank loan was secured by the Group's investment properties with carrying values of HK$23,000,000 (2008: HK$25,000,000) (note 15), and guarantees given by the Company and a subsidiary.

The Group's borrowings are denominated in Hong Kong dollars and the carrying amounts approximate to their fair values.

25. PROVISION FOR LONG SERVICE PAYMENTS

	Group 2009 HK$'000	2008 HK$'000
At 1 April	**1,256**	1,256
Addition for the year *(note 7)*	**1,540**	85
Amounts utilised during the year	**(424)**	(85)
At 31 March	**2,372**	1,256

The Group provides for probable future long service payments expected to be made to employees under the Employment Ordinance. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group at the balance sheet date.

26. DEFERRED TAX

Group

Deferred tax assets

	Losses available for offsetting against future taxable profits HK$'000
At 1 April 2007	1,978
Deferred tax credited to the income statement during the year *(note 10)*	1,484
At 31 March 2008 and 1 April 2008	3,462
Deferred tax charged to the income statement during the year *(note 10)*	(1,076)
Gross deferred tax assets at 31 March 2009	**2,386**

26. DEFERRED TAX (continued)

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation	Revaluation of properties	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2007	1,110	1,290	2,400
Deferred tax charged/(credited) to the income statement during the year *(note 10)*	269	(1,290)	(1,021)
At 31 March 2008 and 1 April 2008	1,379	–	1,379
Deferred tax credited to the income statement during the year *(note 10)*	(579)	–	(579)
Gross deferred tax liabilities at 31 March 2009	**800**	**–**	**800**

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

	2009	2008
	HK$'000	*HK$'000*
Net deferred tax assets recognised in the consolidated balance sheet	**1,924**	2,083
Net deferred tax liabilities recognised in the consolidated balance sheet	**338**	–

At the balance sheet date, the Group had tax losses arising in Hong Kong of approximately HK$69,109,000 (2008: HK$73,469,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as the utilisation of which is uncertain.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

27. SHARE CAPITAL

	Group and Company 2009 HK$'000	2008 HK$'000
Authorised:		
500,000,000 ordinary shares of HK$0.10 each	**50,000**	50,000
Issued and fully paid:		
360,321,620 ordinary shares of HK$0.10 each	**36,032**	36,032

28. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 23 of the financial statements.

The Group's contributed surplus originally represented the difference between the nominal value of the shares and share premium account of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.

(b) Company

	Notes	**Share premium account** *HK$'000*	**Contributed surplus** *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*
At 1 April 2007		37,934	225,264	(217,130)	46,068
Profit for the year		–	–	13,534	13,534
Proposed final dividend	*12*	–	(9,008)	–	(9,008)
At 31 March 2008 and 1 April 2008		37,934	216,256	(203,596)	50,594
Profit for the year		–	–	6,227	6,227
Interim dividend	*12*	–	(3,603)	–	(3,603)
Proposed final dividend	*12*	–	(5,405)	–	(5,405)
At 31 March 2009		37,934	207,248	(197,369)	47,813

The Company's contributed surplus originally represented the excess of the fair value of the shares of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), a company may make distributions to its members out of the contributed surplus if to do so would not render the Company's ability to pay its liabilities as they become due or the realisable value of its assets would not thereby become less than the aggregate of its liabilities and its issued share capital and share premium account.

29. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in these financial statements were as follows:

(a) The Company provided guarantees to banks in connection with banking facilities granted to its subsidiaries amounting to HK$22,600,000 (2008: HK$22,600,000), of which HK$10,231,000 (2008: HK$10,744,000) had been utilised at the balance sheet date.

(b) The Company provided a guarantee to a third party in connection with rental payments of a subsidiary amounting to HK$18,768,000 (2008: HK$30,528,000).

30. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with remaining lease terms of one year. The terms of the leases generally require the tenants to pay security deposits.

At 31 March 2009, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within one year	**106**	760
In the second to fifth years, inclusive	**–**	106
	106	866

(b) As lessee

The Group leases certain of its office premises, restaurant premises and office equipment under operating lease arrangements, with remaining lease terms ranging from one month to nine years.

At 31 March 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within one year	**31,421**	28,052
In the second to fifth years, inclusive	**76,159**	66,045
After five years	**37,345**	13,431
	144,925	107,528

31. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

		Group	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
Transaction with a director:			
Rental expenses paid	*(i)*	**72**	72
Transaction with a jointly-controlled entity:			
Management fee income received	*(ii)*	**–**	264

Notes:

(i) The Group paid rental expenses to a director of the Company. The rentals were determined with reference to open market rentals.

(ii) The Group received management fee income from a jointly-controlled entity for management services provided by the Group. The transaction was conducted on terms as agreed between the Group and the jointly-controlled entity.

(b) Compensation of key management personnel of the Group:

	2009	2008
	HK$'000	*HK$'000*
Short term employee benefits	**2,234**	2,041
Post-employment benefits	**45**	45
Total compensation paid to key management personnel	**2,279**	2,086

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Financial assets – Loans and receivables				
Loan to a subsidiary	**–**	–	**80,000**	80,000
Trade receivables	**726**	484	**–**	–
Financial assets included in prepayments, deposits and other receivables	**15,638**	13,159	**–**	–
Cash and cash equivalents	**41,120**	51,484	**59**	54
	57,484	65,127	**80,059**	80,054
Financial liabilities – Financial liabilities at amortised cost				
Due to subsidiaries	**–**	–	**28,750**	15,254
Trade payables	**4,852**	5,134	**–**	–
Financial liabilities included in other payables and accruals	**16,293**	16,731	**9**	16
Interest-bearing bank borrowings	**10,231**	10,744	**–**	–
	31,376	32,609	**28,759**	15,270

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise bank loans, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rate. The Group monitors the movements in interest rates on an ongoing basis and evaluates the exposure for its debt obligations.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Group	
	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax**
		HK$'000
2009		
HK$	**100**	**(102)**
HK$	**(100)**	**102**
2008		
HK$	100	(107)
HK$	(100)	107

Credit risk

Most of the trade of the Group is on cash terms. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Company is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 29 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

The Group places its cash deposits with major international banks in Hong Kong. This investment policy limits the Group's exposure to concentrations of credit risk.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. In addition, banking facilities have been put in place for contingency purpose.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the financial liabilities of the Group and the Company as at the balance sheet date, based on the contractual undiscounted payments, were as follows:

Group – 2009

	Less than 3 months	**3 to less than 12 months**	**In the second year**	**In the third to fifth years, inclusive**	**Beyond five years**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Trade payables	**4,852**	**–**	**–**	**–**	**–**	**4,852**
Financial liabilities included in other payables and accruals	**8,613**	**7,680**	**–**	**–**	**–**	**16,293**
Interest-bearing bank borrowings	**242**	**725**	**967**	**2,900**	**7,814**	**12,648**
	13,707	**8,405**	**967**	**2,900**	**7,814**	**33,793**

Group – 2008

	Less than 3 months	3 to less than 12 months	In the second year	In the third to fifth years, inclusive	Beyond five years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables	5,131	3	–	–	–	5,134
Financial liabilities included in other payables and accruals	10,620	6,111	–	–	–	16,731
Interest-bearing bank borrowings	246	737	982	2,947	9,907	14,819
	15,997	6,851	982	2,947	9,907	36,684

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company – 2009

	Within one year *HK$'000*	**Over one year** *HK$'000*	**Total** *HK$'000*
Due to subsidiaries	**–**	**28,750**	**28,750**
Financial liabilities included in other payables and accruals	**9**	**–**	**9**
	9	**28,750**	**28,759**

Company – 2008

	Within one year *HK$'000*	Over one year *HK$'000*	Total *HK$'000*
Due to subsidiaries	–	15,254	15,254
Financial liabilities included in other payables and accruals	16	–	16
	16	15,254	15,270

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2009 and 2008.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using gearing ratio, which is total borrowings divided by total equity. The Group's policy is to maintain a stable gearing ratio. The gearing ratios as at the balance sheet dates were as follows:

	2009	2008
	HK$'000	*HK$'000*
Interest-bearing bank borrowings	**10,231**	10,744
Total equity	**89,245**	95,963
Gearing ratio (Interest-bearing bank borrowings/Total equity)	**0.11**	0.11

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 13 July 2009.

Five Year Financial Summary

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

RESULTS

	Year ended 31 March				
	2009	2008	2007	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
Revenue	**277,497**	261,654	192,707	143,990	139,480
PROFIT/(LOSS) FOR THE YEAR	**5,824**	13,653	1,075	(11,013)	28,663
Attributable to:					
Equity holders of the parent	**4,606**	13,281	792	(11,027)	28,176
Minority interests	**1,218**	372	283	14	487
	5,824	13,653	1,075	(11,013)	28,663

ASSETS, LIABILITIES AND MINORITY INTERESTS

	As at 31 March				
	2009	2008	2007	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
Total assets	**124,969**	131,674	124,630	121,216	135,666
Total liabilities	**(35,724)**	(35,711)	(37,041)	(30,904)	(31,035)
Minority interests	**(1,524)**	(306)	(140)	(68)	(54)
	87,721	95,657	87,449	90,244	104,577