

Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement for the financial year ended 31 December 2009

	31.12.09	Group	31.12.08	+ / (-)
	\$'000		\$'000	%
Sales	322,762		339,360	(4.89)
Other income	9,461		9,393	0.72
Expenses				
- Changes in inventories of finished goods	(52)		(89)	(41.57)
- Purchases of inventories and related costs	(236,706)		(247,794)	(4.47)
- Staff costs	(17,744)		(20,284)	(12.52)
- Depreciation expense	(6,239)		(6,198)	0.66
- Rental expense - operating leases	(28,909)		(27,076)	6.77
- Other expenses	(27,689)		(29,010)	(4.55)
Total expenses	<u>(317,339)</u>		<u>(330,451)</u>	(3.97)
Share of loss of associated company	(951)		(38)	2402.63
Profit before income tax	13,933		18,264	(23.71)
Income tax expense	<u>(2,766)</u>		<u>(3,477)</u>	(20.45)
Net profit for the financial year	<u>11,167</u>		<u>14,787</u>	(24.48)
Attributable to :				
Equity holders of the Company	<u>11,167</u>		<u>14,787</u>	(24.48)

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2009

	31.12.09	Group	31.12.08	+ / (-)
	\$'000		\$'000	%
Net Profit for the financial year	11,167		14,787	(24.48)
Other comprehensive income				
Financial assets, available-for-sale				
- Fair value gains/(losses) (movement in the fair value reserve)	644		(758)	(184.96)
- Disposal	(3)		(14)	(78.57)
Other comprehensive income, net of tax	<u>641</u>		<u>(772)</u>	(183.03)
Total comprehensive income for the financial year	<u>11,808</u>		<u>14,015</u>	(15.75)
Attributable to :				
Equity holders of the Company	<u>11,808</u>		<u>14,015</u>	(15.75)

Additional Disclosure

(i)	Group		+ / (-) %
	31.12.09 \$'000	31.12.08 \$'000	
Dividend income	241	278	(13.31)
Gross rental income	7,273	6,887	5.60
Interest income	1,710	1,856	(7.87)
Allowance for impairment of receivables and bad debts written off	(193)	(140)	37.86
Impairment loss in value of club membership	(45)	(538)	(91.64)
Over provision of current income tax in prior years	145	450	(67.78)
Over provision of deferred income tax in prior years	34	-	N.M.
Property, plant and equipment written off	(548)	(575)	(4.70)
Foreign exchange gain	9	116	(92.24)

N.M. Not meaningful

(ii) There were no interest on borrowings and extraordinary items during the year and the preceding year.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**Balance Sheets as at 31 December 2009**

	Group		Company	
	31.12.2009 \$'000	31.12.2008 \$'000	31.12.2009 \$'000	31.12.2008 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	82,480	83,738	81,705	83,194
Trade and other receivables	14,789	16,451	14,763	16,429
Financial assets, held-to-maturity	7,000	8,000	7,000	8,000
Inventories	10,623	10,675	10,623	10,675
Tax recoverable	18	13	18	13
Other current assets	1,599	1,324	1,599	1,324
	116,509	120,201	115,708	119,635
Non-current assets				
Other receivables	265	307	265	307
Financial assets, available-for-sale	3,347	2,658	3,330	2,644
Financial assets, held-to-maturity	24,874	18,874	24,874	18,874
Club memberships	709	754	709	754
Investment in associated companies	1,647	2,598	2,598	2,598
Investment in a subsidiary	-	-	3,308	3,308
Rental deposits	5,058	5,058	5,058	5,058
Investment property	2,967	3,026	-	-
Property, plant and equipment	86,929	88,216	86,929	88,216
	125,796	121,491	127,071	121,759
Total assets	242,305	241,692	242,779	241,394

LIABILITIES**Current liabilities**

Trade and other payables	53,894	61,122	53,801	61,035
Current income tax liabilities	4,287	4,848	4,287	4,848
	58,181	65,970	58,088	65,883

Non-current liabilities

Other payables	1,426	1,354	1,426	1,354
Provisions for other liabilities and charges	1,130	1,081	1,130	1,081
Deferred income tax liabilities	868	1,301	868	1,301
	3,424	3,736	3,424	3,736

Total liabilities

	61,605	69,706	61,512	69,619
--	---------------	---------------	---------------	---------------

NET ASSETS

	180,700	171,986	181,267	171,775
--	----------------	----------------	----------------	----------------

EQUITY

Share capital	91,710	91,710	91,710	91,710
General reserve	17,000	17,000	17,000	17,000
Fair value reserve	1,232	591	1,218	583
Retained earnings	70,758	62,685	71,339	62,482
Shareholders' equity	180,700	171,986	181,267	171,775

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the financial year ended 31 December 2009

	Group	
	31.12.09	31.12.08
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	13,933	18,264
Adjustments for:		
Depreciation	6,239	6,198
Property, plant and equipment written off	548	575
Impairment loss in value of club memberships	45	538
Gain on disposal of property, plant and equipment	-	(4)
Gain on disposal of financial assets, available for sale	(3)	(37)
Interest income	(1,710)	(1,856)
Finance expense - increase in provisions for other liabilities and charges	49	47
Dividend income	(241)	(278)
Share of losses of associated company	951	38
	<u>19,811</u>	<u>23,485</u>
Changes in working capital		
Trade and other receivables	1,748	497
Inventories	52	89
Other assets	(275)	(1,295)
Trade and other payables	(7,156)	2,258
Cash generated from operations	<u>14,180</u>	<u>25,034</u>
Income taxes paid	(3,765)	(3,947)
Loan repayments from directors	30	32
Net cash provided by operating activities	<u>10,445</u>	<u>21,119</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	109
Payments for property, plant and equipment	(5,441)	(8,487)
Purchase of financial assets, available-for-sale	(51)	-
Proceeds from maturity of financial assets, held-to-maturity	8,000	3,000
Proceeds from disposal of financial assets, available-for-sale	6	103
Proceeds from assets held for sale	-	6
Purchase of financial assets, held-to-maturity	(13,000)	(17,874)
Payment for investment in associated company	-	(1,327)
Interest received	1,636	1,782
Dividend received	241	278
Net cash used in investing activities	<u>(8,609)</u>	<u>(22,410)</u>
Cash flows from financing activities		
Dividends paid	(3,094)	(825)
Net cash used in financing activities	<u>(3,094)</u>	<u>(825)</u>
Net decrease in cash and cash equivalents	(1,258)	(2,116)
Cash and cash equivalents at beginning of the financial year	83,738	85,854
Cash and cash equivalents at end of the financial year	<u>82,480</u>	<u>83,738</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the financial year ended 31 December 2009

	<u>Share Capital</u> \$'000	<u>General reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
<u>Group</u>					
Balance at 1 January 2009	91,710	17,000	591	62,685	171,986
Total comprehensive income for the year	-	-	641	11,167	11,808
Dividend relating to 2008 paid	-	-	-	(3,094)	(3,094)
Balance at 31 December 2009	91,710	17,000	1,232	70,758	180,700
Balance at 1 January 2008	91,710	17,000	1,363	48,723	158,796
Total comprehensive income for the year	-	-	(772)	14,787	14,015
Dividend relating to 2007 paid	-	-	-	(825)	(825)
Balance at 31 December 2008	91,710	17,000	591	62,685	171,986
	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
<u>Company</u>					
Balance at 1 January 2009	91,710	17,000	583	62,482	171,775
Total comprehensive income for the year	-	-	635	11,951	12,586
Dividend relating to 2008 paid	-	-	-	(3,094)	(3,094)
Balance at 31 December 2009	91,710	17,000	1,218	71,339	181,267
Balance at 1 January 2008	91,710	17,000	1,337	51,261	161,308
Total comprehensive income for the year	-	-	(754)	12,046	11,292
Dividend relating to 2007 paid	-	-	-	(825)	(825)
Balance at 31 December 2008	91,710	17,000	583	62,482	171,775

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

Not applicable.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at the end of current financial year ended 31 December 2009	As at the end of financial year ended 31 December 2008
Total number of ordinary shares issued	41,250,000	41,250,000

There were no treasury shares held as at the end of the current financial year reported on and as at the end of the immediately preceding year.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in preparing this financial statement for the current accounting year compared with the most recently audited financial statements for the year ended 31 December 2008, except for those as disclosed under paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2009, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. They are:

FRS 1R - Presentation of financial statements

FRS 1R requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in a separate Statement of comprehensive income.

The 'Cash flow statements' have been re-titled to 'Consolidated Statement of Cash Flows'

FRS 108 - Operating Segments

INT FRS 113 - Customer Loyalty Programs

Amendment to FRS 107 - Improving disclosures about Financial Instruments

The adoption of these new or revised FRS has no material impact on the Group or Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>Group</u>	31.12.08
	31.12.09	
Earnings per ordinary share for the period based on net profit attributable to shareholders :-		
(i) Based on weighted average number of ordinary shares in issue (cents)+	27.07	35.85
(ii) On a fully diluted basis (cents)++	27.07	35.85

+ The earnings per share are calculated based on the issued ordinary shares of 41,250,000 (31 December 2008 : 41,250,000)

++ The fully diluted earnings per share are calculated based on the issued ordinary shares of 41,250,000 (31 December 2008: 41,250,000)

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	31.12.09	31.12.2008	31.12.09	31.12.2008
Net asset value per ordinary share based on issued share capital at the end of financial period	\$4.38	\$4.17	\$4.39	\$4.16

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

Review of Group Performance

Group sales turnover for the year ("FY 2009") was \$322.762 million, a 4.89% decrease over the previous year ("FY 2008"). Consumers were more cautious and selective in their spending due to external factors like the unemployment situation, stagnant incomes and the sluggish economy.

Group profit before tax was \$13.933 million in FY 2009, a decrease of 23.71% over FY 2008. Although there were decreases in staff costs and other expenses, the decrease in sales, higher rental expenses and higher share of loss of associated company contributed mainly to the decrease in the Group profit before tax; last year's share of loss of associated company was lower due to the gain of \$1.621 million recognised from the dilution of the Company's shareholding in the associated company from 45% to 23.072%.

As compared to FY 2008, Trade and other receivables decreased mainly due to lower purchases made by consumers. Under current assets, Financial assets, held-to-maturity decreased mainly due to the maturity of financial assets, held-to-maturity. Under non-current assets, Financial assets, held-to-maturity increased mainly due to the purchase of new financial assets, held-to-maturity. Trade and other payables decreased mainly due to lower purchases from trade creditors.

Under the cash flows from operating activities, the lower sales volume in FY 2009 contributed to lower net cash provided by operating activities as compared to FY2008. Under the cash flows from investing activities, the net cash outflow for FY 2009 was lower as compared to FY 2008 mainly due to lower purchases of property, plant and equipment, lower purchases of financial assets, held-to-maturity and higher proceeds from the maturity of financial assets, held-to-maturity. Under the cash flows from financing activities, cash outflow for FY 2009 was higher than FY 2008 due to a higher quantum of dividends paid.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast was made previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The government has forecasted an economic growth of 4.5 to 6.5 percent in 2010 but the recovery will be highly influenced by global developments. This in turn will influence the recovery in consumer confidence and spending. Following the opening of new malls in the Orchard Road shopping belt and the suburban areas last year, both the integrated resorts are expected to be operational in 2010. They will introduce new retail offerings and this will further intensify the competition for the consumer dollar.

As was first announced in Quarter 3 of 2009, the Group's new store in Serangoon Central is expected to be opened by the end of 2010. This will be the group's third department store in the suburbs after Isetan Tampines and Isetan Katong stores which are operating in the eastern part of Singapore.

11. Dividend

(a) Current Financial Year Reported On

Any dividend recommended for the current financial period reported on? **Yes**

Name of Dividend	Proposed final
Dividend Type	Cash
Dividend Rate	7.5 cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	7.5 cents per ordinary share

(c) Date payable

The date of the payment of the dividend will be announced at a later date

(d) Books closure date

The date of the book closure will be announced at a later date

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

a) Primary reporting format - business segments

- The retail segment is involved in the business of retailing and operating of department stores.
- The others segment is mainly involved in the leasing of property owned by the Group.

Group	Retail	Others	Total Consolidated
2009	\$'000	\$'000	\$'000
Segment revenue			
Sales to external customers	322,762	-	322,762
Rental income	-	3,460	3,460
Segment results			
Other income	6,544	2,339	8,883
Share of losses of associated company	(951)	-	(951)
Profit before income tax			13,933
Income tax expense			(2,766)
Net profit			11,167
Other segment items			
Capital expenditure	5,441	-	5,441
Depreciation	5,821	418	6,239
Assets and Liabilities			
Segment assets	110,431	12,508	122,939
Investment in associated company	1,647	-	1,647
Unallocated assets			117,719
Total Consolidated Assets			242,305
Segment liabilities	56,357	93	56,450
Unallocated liabilities			5,155
Total Consolidated Liabilities			61,605

Group	Retail	Others	Total Consolidated
2008	\$'000	\$'000	\$'000
Segment revenue			
Sales to external customers	339,360	-	339,360
Rental income	-	3,368	3,368
Segment results			
Other income	10,090	2,187	12,277
Share of losses of associated company	(38)	-	(38)
Profit before income tax			18,264
Income tax expense			(3,477)
Net profit			14,787
Other segment items			
Capital expenditure	8,487	-	8,487
Depreciation	5,780	418	6,198
Assets and Liabilities			
Segment assets	121,385	13,009	134,394
Investment in associated companies	2,598	-	2,598
Unallocated assets			104,700
Total Consolidated Assets			241,692
Segment liabilities	63,470	87	63,557
Unallocated liabilities			6,149
Total Consolidated Liabilities			69,706

b) Secondary reporting format - geographical segments

The Group operates in Singapore and accordingly, no geographical segment information is presented.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue from the retail segment decreased by 4.89% to \$322.762 million for the year ended 31 December 2009 ("FY 2009") due to lower consumer spending. This decline in sales coupled with the higher rental expense were the main reasons that caused the retail segment results to decline from \$10.090 million in the financial year ended 31 December 2008 to \$6.544 million in FY 2009.

15. A breakdown of sales.

	Group		
	2009	2008	+ / (-)
	\$'000	\$'000	%
(a) Sales reported for first half year	157,814	162,847	(3.09)
(b) Profit after tax before deducting minority interests reported for first half year	5,976	6,754	(11.52)
(c) Sales reported for second half year	164,948	176,513	(6.55)
(d) Profit after tax before deducting minority interests reported for second half year	5,191	8,033	(35.38)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest full year	Previous full year
Ordinary	\$3,093,750	\$825,000
Preference	-	-
Total:	\$3,093,750	\$825,000

BY ORDER OF THE BOARD

DOROTHY HO
Company Secretary
23 February 2010