



PERTAMA HOLDINGS LIMITED
Annual Report 2009

Corporate Information

Board Of Directors

Gerald Harvey (Chairman)
Kay Lesley Harvey
Chris Mentis (Alternate Director to Kay Lesley Harvey)
Angelo Anthony Augustus (Managing Director)
Goh Ching Wah
Goh Ching Lai
Henry Tan Song Kok
Yap Giau Peck
Tan Soo Kiang

Audit Committee

Henry Tan Song Kok (Chairman)
Yap Giau Peck
Tan Soo Kiang
Kay Lesley Harvey
Goh Ching Lai

Nominating Committee

Yap Giau Peck (Chairman)
Henry Tan Song Kok
Tan Soo Kiang
Kay Lesley Harvey
Goh Ching Lai

Remuneration Committee

Yap Giau Peck (Chairman)
Henry Tan Song Kok
Tan Soo Kiang
Kay Lesley Harvey
Goh Ching Lai

Company Secretary

Poon Chun Onn

Registered Office

315 Outram Road
#01-01/02 Tan Boon Liat Building
Singapore 169074
Tel: 6225 6006 Fax: 6225 2002

Auditors

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge
Terry Wee Hiang Bing
(With effect from financial year ended 30 June 2008)

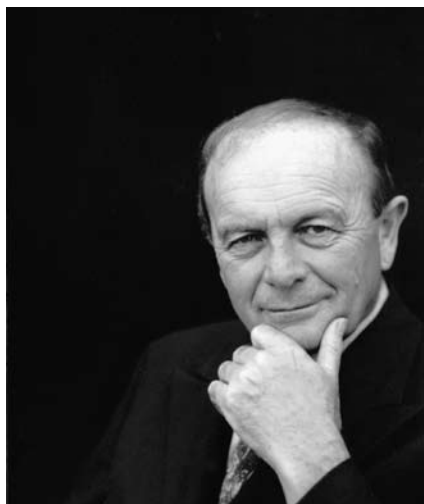
Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
8 Cross Street
#11-00 PWC Building
Singapore 048424

Principal Bankers

The Development Bank of Singapore Ltd
The Hong Kong and Shanghai Banking
Corporation Limited

Chairman's Statement



Moving forward, we will adopt a cautious approach towards our core retail business in Singapore and Malaysia.

On behalf of the Board, I am pleased to present our Annual Report for the year ended 30 June 2009 to the shareholders of Pertama Holdings Limited.

In the first half of our financial year, the world witnessed the collapse of established institutions which led to a world economic crisis not seen since the Great Depression of the 1930's. In the second half of our financial year, there were some indications that worst of the global crisis may be behind us though the road to recovery can be slow and challenging.

Despite these challenges, the profit for the year held steady at S\$6.7 million representing a slight increase of 1.5% over the last financial year of S\$6.6 million.

With the cessation of the export and distribution business as reported in the last financial year, our sales reduced by 10.6% from S\$420.9 million for the year ended 30 June 2008 as compared to S\$376.4 million for the year ended 30 June 2009.

Our group continued to enjoy a robust balance sheet with a healthy cash and cash equivalents position of S\$77.4 million with no bank borrowings.

Moving forward, we will adopt a cautious approach towards our core retail business in Singapore and Malaysia.

For the financial year ended 30 June 2009, the directors are pleased to propose a final tax exempt dividend of 1.65 cents per ordinary share.

I would like to thank my fellow directors, management team and all employees for their dedication and commitment to the group and business associates for their invaluable support.

Gerald Harvey

Our Commitment

To equip them with training and knowledge, and harness their growth in rewarding career paths.

TO OUR
EMPLOYEES

To maximize returns of invested capital through continued profit growth and prudent asset management.

TO OUR
SHAREHOLDERS

To serve with professionalism and be the largest home furnishing and electronics retailer with the widest range of products at competitive prices.

TO OUR
CUSTOMERS

Directors' Profile

Gerald Harvey

NON-EXECUTIVE DIRECTOR & CHAIRMAN

Mr Harvey was appointed as Chairman and Non-Executive Director on 11th February 2000.

Mr Harvey was the co-founder of Australia's Harvey Norman in 1982 with Mr I. Norman.

He is a Director and the Executive Chairman of Australian listed Harvey Norman Holdings Limited. He has overall responsibility for the strategic direction of the Australian consolidated entity, and in particular, property investments.

He was last re-elected on 26 October 2007.

Angelo Anthony Augustus

EXECUTIVE DIRECTOR & MANAGING DIRECTOR (MD)

Mr Augustus was appointed as Executive Director and MD on 1st October 2005. He is also a Director of a number of subsidiaries of Pertama Holdings Limited. He was also the MD of Pertama Holdings Limited from year 2000 to 2003.

Mr Augustus has more than thirty years of retail experience in Asia Pacific region and the Middle East, including eight years operating as a Franchisee with Harvey Norman Holdings Limited in Australia.

Kay Lesley Harvey

NON-EXECUTIVE DIRECTOR

Mrs Harvey was appointed as Non-Executive Director on 11th February 2000. She was appointed as a member of the Audit, Nominating & Remuneration Committees on 8 August 2007.

Mrs Harvey joined Australia's Harvey Norman in 1983 and was appointed a Director of Harvey Norman Holdings Limited in 1987.

Mrs Harvey became the Managing Director of the Australian listed company in February 1999. She has overall executive responsibility for the operations of the Harvey Norman group of companies.

She was last re-elected on 28 October 2008.

Chris Mentis

ALTERNATE DIRECTOR

Mr Mentis was appointed as Alternate Director to Mrs Kay Lesley Harvey on 15 May 2007. Currently, he is also an Executive Director of Harvey Norman Holdings Limited. Mr Mentis is a Chartered Accountant and Chartered Secretary with over twenty years experience in the financial accounting field.

Goh Ching Wah

NON-EXECUTIVE DIRECTOR

Mr Goh was appointed as Non-Executive Director on 11th February 2000. Mr Goh is the Group Executive Chairman of Ossia International Limited and Internet Technology Group Limited and Executive Director of VGO Corporation Limited, which are companies listed on the main board of the Singapore Exchange Securities Trading Limited.

Mr Goh and his brother (Mr Goh Ching Lai) are experienced entrepreneurs who have over twenty years of experience in distribution and retailing in the Asia Pacific region.

He was last re-elected on 27 October 2006.

Goh Ching Lai

NON-EXECUTIVE DIRECTOR

Mr Goh was appointed as Non-Executive Director on 11th February 2000 and serves as a member of Audit, Remuneration and Nominating Committees. He is the Non-Independent and Non-Executive Director of Ossia International Limited, Internet Technology Group Limited and VGO Corporation Limited, which are companies listed on the main board of the Singapore Exchange Securities Trading Limited.

Mr Goh and his brother (Mr Goh Ching Wah) are experienced entrepreneurs who have over twenty years of experience in distribution and retailing in the Asia Pacific region.

He was last re-elected on 27 October 2008.

Henry Tan Song Kok
INDEPENDENT DIRECTOR

Mr Tan was appointed as Independent Non-Executive Director on 29th January 2003. He is also the Chairman of the Audit Committee and member of the Remuneration and Nominating Committees.

Mr Tan is the Managing Director of Nexia TS Public Accounting Corporation a firm of Certified Public Accountants and the Board member and Asia Pacific Chairman of Nexia International. He is also the Chairman of Nexia China. He is also a Director in several listed companies.

Mr Tan graduated with a First Class Honours Degree in Bachelor of Accountancy from the National University of Singapore. He is a member of the Institute of Chartered Accountants in Australia, the Institute of Certified Public Accountants of Singapore, Institute of Internal Auditors, Inc (Singapore Chapter) and Singapore Institute of Directors.

He was last re-elected on 26 October 2007.

Yap Giau Peck
INDEPENDENT DIRECTOR

Mr Yap was appointed as Independent Non-Executive Director on 1st March 2003 and serves as Chairman of the Nominating and Remuneration Committees. He is also a member of the Audit Committee.

He has more than thirty years experience in corporate finance, marketing and human resource. Currently, he runs his own consultancy practice.

Mr Yap is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Certified Public Accountants, Singapore.

He was last re-elected on 26 October 2007.

Tan Soo Kiang
INDEPENDENT DIRECTOR

Mr Tan was appointed as Independent Non-Executive Director on 1 December 2005 and serves as a member of the Audit, Nominating and Remuneration Committees.

Mr Tan has been in legal practice for more than thirty years.

He was last re-elected on 27 October 2008.

Key Executives

Mr Poon Chun Onn, the Group Financial Controller is primarily responsible for the formulation and implementation of financial, accounting, human resource, shipping, administration and operation functions of the Group. Prior to joining the Group, he has many years of experience in audit, finance, accounting, human resource and operations predominately in the retail industry.

Mr Poon is a Fellow of the Association of Chartered Certified Accountants and a non practicing member of the Institute of Certified Public Accountants of Singapore.

Ms Kam Yat Tin joined the Group in 1978. She was then the Group's Administration and Human Resource Manager and was responsible for the overall administration and personnel matters.

Ms Kam is currently the General Manager (Advertising and Promotions), responsible for the Group's marketing activities.

Corporate Governance Report

The Board of Directors of Pertama Holdings Limited is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment in which the Group strives to preserve the interests of all stakeholders. This report describes the Group's corporate governance practices with specific reference to the Code of Corporate Governance 2005 (the "Code").

Board Matters

Principle 1: Board's Conduct of its Affairs

Principle 2: Board Composition and Guidance

The Board comprises a Non-executive Chairman, an Executive Director, three Independent Directors and three Non-executive Directors. The Board holds at least four regular meetings in a financial year and at other times as appropriate. Board meetings are conducted in Singapore and teleconferencing is used when necessary. In between the meetings, important matters concerning the Group are put to the Board for its decision by circulating resolutions in writing for the directors' approval.

The Board comprises Directors who as a group, has core competencies, diversified and vast experience that enables them to lead and control the Group effectively. Such competencies and experience include industry knowledge, strategic planning, business management, finance and accounting.

The Board directs and supervises the management of the business and corporate affairs of the Group with a view to enhance long-term shareholders' value. The key roles of the Board are to:

1. formulate corporate strategies, financial objectives and directions for the Group
2. provide entrepreneurial leadership of integrity and quality
3. establish a framework of prudent and effective controls which enables risks to be managed
4. review management performance

The Group has adopted internal guidelines that require the approval of the Board. The types of material transactions that require Board approval includes the:

- a. approval of release of financial results to the Singapore Exchange Securities Trading Limited (SGX-ST)
- b. approval of annual results and accounts
- c. declaration of interim and proposal of final dividends
- d. approval of corporate strategy
- e. convening of shareholders' meetings
- f. authorization of major transactions

To assist in the execution of its responsibilities, the Board has established the Audit Committee, the Nominating Committee and the Remuneration Committee.

The Board's present size and composition takes into account the nature and scope of the Group's operations, the depth and breadth of knowledge, expertise and business experiences of the Directors to govern and manage the Group's affairs. One third of the Board is independent as disclosed on Page 4 and 5 under Directors' Profile.

Principle 3: Chairman and Managing Director

The roles of the Chairman and Managing Director (MD) are separate and distinct from each other.

The Chairman is a Non-executive Director and assumes the responsibilities of scheduling and preparing the agenda for Board meetings in consultation with the MD and bears responsibility for conducting Board Meetings.

The MD is an Executive Director and provides overall vision, strategic guidance and bears full executive responsibility for the Group's operations.

Corporate Governance Report

Principle 4: Board Membership

Principle 5: Board Performance

Pursuant to the recommendations of the Code of Corporate Governance and in compliance thereof, the Nominating Committee (NC) was formed. The following persons are the members of the NC at the date of this report:

- Yap Giau Peck (Chairman and Independent Director)
- Henry Tan Song Kok (Independent Director)
- Tan Soo Kiang (Independent Director)
- Kay Lesley Harvey (Non-executive Director)
- Goh Ching Lai (Non-executive Director)

In the nominating and selection process, the NC recommends all new appointments and re-nominations of Directors to the Board, taking into consideration such factors as experience and knowledge in business, finance and management skills critical to the Group's businesses and so that each Director, through his unique contributions, brings to the Board an independent and objective perspective to enable balanced and well considered decisions to be made.

The NC also ensures that all Directors except the Managing Director shall retire from office at least once in every three years and a retiring Director shall be eligible for re-election by the shareholders at every annual general meeting pursuant to the Company's Articles and Association under Article 73.

The NC, in addition, determines annually whether a Director is independent, guided by the guidelines contained in the Code and evaluates and assesses the effectiveness of the Board as a whole by taking into consideration appropriate performance criteria that includes board structure, conduct of meetings, corporate strategy, risk management and internal controls.

As the Board comprises a majority of Non-executive Directors, the Board is of the view that the financial indicators set out in the Code as performance criteria for the evaluation of directors' performance are more a measure of management performance and thus less appropriate for the majority of Non-executive Directors and the Board's performance as a whole. The Board is of the view that its performance would perhaps be better reflected in its ability to steer the Group in the right direction and the support it renders to management during difficult times.

Principle 6: Access to Information

To enable the Board to fulfill its responsibilities, the Board is provided with timely information prior to Board meetings and as and when necessary.

The Directors are also given full access to the management team and the company secretary at all times. The company secretary attends Board and Committee meetings and is responsible for ensuring that Board procedures are followed and the applicable rules and regulations are complied with.

Where necessary, the Board may in furtherance of their duties obtain independent professional advice at the company's expense.

Remuneration Matters

Principle 7: Procedure for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

A Remuneration Committee (RC) was constituted pursuant to the recommendations of the Code. As at the date of this report, the RC members are:

- Yap Giau Peck (Chairman and Independent Director)
- Henry Tan Song Kok (Independent Director)
- Tan Soo Kiang (Independent Director)
- Kay Lesley Harvey (Non-executive Director)
- Goh Ching Lai (Non-executive Director)

Corporate Governance Report

The RC comprises entirely of Non-executive Directors of which the Chairman and two other Directors are independent of management and free from any business relationships. The Committee recommends to the Board, a framework of remuneration for the Directors of the Group on all aspects of remuneration which includes Directors' fees, salaries, allowances, options and benefits in kind. In its deliberations, the RC takes into consideration industry practices and norms in compensation in addition to the Company's relative performance. No Director will be involved in deciding his own remuneration. The RC may, if it considers it necessary, obtain professional advice on remuneration matters.

The Company believes that it is not in its best interest to disclose the details of the remuneration of its Directors and key executives (who are not Directors) due to the competitive conditions, sensitivity and confidentiality of the information. However, the Directors' band of remuneration is disclosed under Note 27 of the Financial Statements. For the financial year, there were no employees who are immediate family members of a director whose remuneration exceeds S\$150,000.

Details of share options granted are disclosed in the Directors' Report.

Accounting and Audit

Principle 10: Accountability

Principle 11: Audit Committee

Principle 12: Internal Controls

Principle 13: Internal Audit

The Board recognises that it is accountable to shareholders for the Group's performance. Every quarter, a review of performance and prospects are provided to shareholders with the quarterly and full year results announcements.

As at the date of this report, the Audit Committee (AC) members are:-

- Henry Tan Song Kok (Chairman and Independent Director)
- Yap Giau Peck (Independent Director)
- Tan Soo Kiang (Independent Director)
- Kay Lesley Harvey (Non-executive Director)
- Goh Ching Lai (Non-executive Director)

In the course of the financial year, the Audit Committee held six meetings and performed the following functions:

- Review the audit plan with the external auditors, the audit findings and reports
- Review the scope of internal audit procedures and the results of the internal audit reports
- Review the quarterly and yearly results of the Group before submission to the Board for approval
- Consider the appointment or re-appointment of the external auditors
- Review interested party transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST) to ensure that they are on normal commercial terms and not prejudicial to the interests of the Group
- Generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time
- Review the independence of the external auditors
- Review all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors

In performing the above functions, the AC reviewed the overall scope of the external audits and the assistance rendered by the Company's officers to the auditors. The AC met with the external auditors separately without the presence of Company's management to discuss the results of their respective examinations. The AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the year ended 30 June 2009 as well as the external auditors' report thereon.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any Director or Executive Director or Executive Officer to attend its meetings. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its function properly.

The AC, in addition oversees the internal audit function of the Group. The AC reviews and approves the internal audit plan proposed by the internal auditor.

Corporate Governance Report

The Group's system of internal control is designed to manage the risk failure to achieve business objectives. The review of the Group's system of internal control is a continuing process. Based on the audit reports reviewed by the AC and management controls in place, the AC is satisfied that there are adequate internal control systems within the Group.

The Board acknowledges its overall responsibility for ensuring that there is a sound system of internal control and is satisfied that there is no significant weakness in the system of internal control of the Group that may result in material loss to the Group.

The AC has undertaken a review of non-audit services rendered by the external auditors during the financial year. The AC is satisfied with the independence and objectivity of the external auditors and recommends to the Board the re-appointment of Ernst & Young LLP as external auditors at the forthcoming Annual General Meeting of the Company.

Communication with Shareholders

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation

The Board recognises that it is accountable to shareholders for the Group's performance. Every quarter, a review of performance and prospects are provided to shareholders with the quarterly and full year results announcements.

Shareholders are also kept informed of the developments and operations in the Group, through timely announcements via SGXNET as well as through the Annual Report that is distributed to every shareholder in the company.

The participation of shareholders is encouraged at the Company's Annual General Meetings. The Board, management and external auditors are on hand at these meetings to address any questions that shareholders may have concerning the Company.

Dealings in Securities

The Group has adopted the Best Practices Guide issued by the SGX - ST with respect to dealings in securities by Directors and key officers of the Group.

Interested Person Transactions

The Company has adopted an internal policy in respect of transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions.

All interested person transactions are subject to review by the AC.

Corporate Governance Report

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Corporate Governance Report

Directors' Attendance At Board And Committee Meetings

Name of Directors	Board Meetings		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held*	No. of meetings attended
Gerald Harvey	4	–	–	–	–	–	–	–
Kay Lesley Harvey	4	3	6	–	1	–	1	–
Chris Mentis (alternate to Kay Lesley Harvey)	4	4	6	4	1	–	1	1
Angelo Anthony Augustus	4	4	–	–	–	–	–	–
Goh Ching Wah	4	4	–	–	–	–	–	–
Goh Ching Lai	4	4	6	5	1	1	1	1
Henry Tan Song Kok	4	4	6	6	1	1	1	1
Yap Giau Peck	4	4	6	6	1	1	1	1
Tan Soo Kiang	4	4	6	6	1	1	1	1

* The number of meetings held during the period where the Director was a Board member and a member of respective Committees.

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Directors' Report

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Pertama Holdings Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2009.

Directors

The Directors of the Company in office at the date of this report are:

Gerald Harvey	(Chairman)
Kay Lesley Harvey	
Chris Mentis	(Alternate Director to Kay Lesley Harvey)
Angelo Anthony Augustus	(Managing Director)
Goh Ching Wah	
Goh Ching Lai	
Henry Tan Song Kok	
Yap Giau Peck	
Tan Soo Kiang	

Arrangements to enable Directors to acquire shares or debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares, share options in, or debentures of, the Company or any other body corporate.

Director's interests in shares or debentures

The following Directors, who held office at the end of the financial year had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act") an interest in shares and share options of the Company and related corporations, as stated below:

	Direct interest			Deemed interest		
	At the beginning of year	At the end of year	At 21 July 2009	At the beginning of year	At the end of year	At 21 July 2009
The Company						
Pertama Holdings Limited						
Ordinary shares						
Gerald Harvey	–	–	–	146,515,350	147,337,350	147,337,350
Kay Lesley Harvey	–	–	–	148,447,350	149,269,350	149,269,350
Goh Ching Wah	–	–	–	120,051,350	120,051,350	120,051,350
Goh Ching Lai	–	–	–	120,051,350	120,051,350	120,051,350

Directors' Report

Director's interests in shares or debentures (cont'd)

	Direct interest			Deemed interest		
	At the beginning of year	At the end of year	At 21 July 2009	At the beginning of year	At the end of year	At 21 July 2009
The Company						
Pertama Holdings Limited						
<i>Options to subscribe for ordinary shares</i>						
Director of the Company						
Angelo Anthony Augustus	4,000,000	4,000,000	4,000,000	–	–	–
Immediate holding company						
Harvey Norman Ossia (Asia) Pte Ltd						
<i>Preference shares</i>						
Gerald Harvey	–	–	–	198,000	198,000	198,000
Kay Lesley Harvey	–	–	–	198,000	198,000	198,000
Goh Ching Wah	–	–	–	132,000	132,000	132,000
Goh Ching Lai	–	–	–	132,000	132,000	132,000
<i>Ordinary shares</i>						
Gerald Harvey	–	–	–	60	60	60
Kay Lesley Harvey	–	–	–	60	60	60
Goh Ching Wah	–	–	–	40	40	40
Goh Ching Lai	–	–	–	40	40	40
Ultimate holding company						
Harvey Norman Holdings Limited						
<i>Ordinary shares</i>						
Gerald Harvey	170,996,898	170,996,898	170,996,898	141,113,634	149,094,702	149,094,702
Kay Lesley Harvey	16,260,800	8,379,732	8,379,732	141,113,634	149,244,702	149,244,702
Angelo Anthony Augustus	–	–	–	78,000	78,000	78,000

Directors' Report

Director's interests in shares or debentures (cont'd)

	At the beginning of year	At the end of year	Exercise price A\$	Exercise period
Ultimate holding company				
Harvey Norman Holdings Limited				
Options to subscribe for ordinary shares				
Gerald Harvey	1,000,000	—*	2.7900	1.9.2007 — 30.11.2008
	1,000,000	—*	2.9263	1.9.2006 — 30.11.2008
	1,000,000	—*	3.0000	1.9.2005 — 30.11.2008
	900,000	900,000	6.7700	1.9.2010 — 25.11.2012
Kay Lesley Harvey	1,000,000	—*	2.7900	1.9.2007 — 30.11.2008
	1,000,000	—*	2.9263	1.9.2006 — 30.11.2008
	1,000,000	—*	3.0000	1.9.2005 — 30.11.2008
	900,000	900,000	6.7700	1.9.2005 — 25.11.2012
Chris Mentis	350,000	350,000	6.7700	1.9.2005 — 25.11.2012

* The options to subscribe for ordinary shares had expired during the financial year.

There was no change in the above-mentioned interests between the financial year end to 21 July 2009.

By virtue of Section 7 of the Act, Gerald Harvey, Kay Lesley Harvey, Angelo Anthony Augustus, Goh Ching Wah and Goh Ching Lai are deemed to have interests in the issued share capital of the Company and those held by the Company in its subsidiaries.

Except as disclosed in this report and in the financial statements, no other Directors who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning, or at date of appointment, if later or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements and emoluments paid by the related corporations, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' Report

Share options

In the financial year ended 30 June 2006, the Board of Directors of the Company granted an option to Angelo Anthony Augustus to subscribe for 4,000,000 ordinary shares in the capital of the Company pursuant to an option agreement entered into between the Company and him. This was approved by the shareholders at the Extraordinary General Meeting on 11 November 2005.

The number of options issued and outstanding at year end pursuant to the Option Agreements are as follows :

Name of director	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Angelo Anthony Augustus	–	4,000,000	–	4,000,000

The options granted to Angelo Anthony Augustus are exercisable between the period from 1 October 2008 to 1 October 2010 and the exercise price of \$0.365 is subject to review on an annual basis by the Board of Directors.

The above options do not entitle the holder to participate, by virtue of the option, in any share issue of any other corporation.

Except as disclosed above, no other options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

Audit committee

The Audit Committee performed the functions specified in the Act. The functions performed are detailed in the Report on Corporate Governance.

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Gerald Harvey
Director

Angelo Anthony Augustus
Director

Singapore
28 August 2009

Statement by Directors

We, Gerald Harvey and Angelo Anthony Augustus, being two of the Directors of Pertama Holdings Limited, do hereby state that, in the opinion of the Directors :

- (i) the accompanying balance sheets, consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Gerald Harvey
Director

Angelo Anthony Augustus
Director

Singapore
28 August 2009

Independent Auditors' Report

for the financial year ended 30 June 2009

To the Members of Pertama Holdings Limited

We have audited the accompanying financial statements of Pertama Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 20 to 61, which comprise the balance sheets of the Group and the Company as at 30 June 2009, the statement of changes in equity, income statement and cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; 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. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report

for the financial year ended 30 June 2009

To the Members of Pertama Holdings Limited

Opinion

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and the results, changes in equity and cash flows of the Group and the Company for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants

Singapore
28 August 2009

Balance Sheets

as at 30 June 2009

(In Singapore dollars)

	Note	Group		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-current assets					
Property, plant and equipment	4	13,420	16,407	–	–
Investment in subsidiaries	5	–	–	17,568	18,217
Due from subsidiary (non-trade)	10	–	–	13,204	15,843
Deferred tax assets	6	900	595	–	–
		14,320	17,002	30,772	34,060
Current assets					
Inventories	7	48,988	55,689	–	–
Trade receivables	8	4,368	8,754	–	–
Other receivables	9	5,768	6,562	1,250	1,280
Prepaid expenses		248	299	6	–
Due from subsidiaries (non-trade)	10	–	–	26,869	26,121
Cash and cash equivalents	11	77,454	62,530	12,043	19,979
		136,826	133,834	40,168	47,380
Total assets		151,146	150,836	70,940	81,440
Current liabilities					
Trade payables	12	26,073	24,807	–	–
Other payables and accruals	13	16,315	17,950	142	139
Provision	14	2,920	2,832	–	–
Due to subsidiaries (non-trade)	10	–	–	–	6,084
Income tax payable		1,919	1,950	–	13
		47,227	47,539	142	6,236
Total liabilities		47,227	47,539	142	6,236
Net current assets		89,599	86,295	40,026	41,144
Net assets		103,919	103,297	70,798	75,204
Equity attributable to equity holders of the Company					
Share capital	15	66,654	66,654	66,654	66,654
Reserves	16	37,265	36,643	4,144	8,550
		103,919	103,297	70,798	75,204
Minority interests		–	–	–	–
Total equity		103,919	103,297	70,798	75,204
Total equity and liabilities		151,146	150,836	70,940	81,440

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Income Statement

for the financial year ended 30 June 2009

(In Singapore dollars)

	Note	2009 \$'000	2008 \$'000
Revenue	17	376,413	420,953
Cost of sales		(350,853)	(388,784)
Gross profit		25,560	32,169
Other operating income	18	2,829	2,998
Distribution and selling expenses		(9,340)	(8,739)
Administrative expenses		(10,535)	(12,420)
Other operating expenses		(169)	(4,021)
Profit before tax	19	8,345	9,987
Tax expense	21	(1,646)	(3,351)
Profit for the year		6,699	6,636
Attributable to :			
Equity holders of the Company		6,699	7,373
Minority interests		-	(737)
		6,699	6,636
Earnings per share (cents) :	22		
- Basic		2.80	3.08
- Diluted		2.80	3.07

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 30 June 2009

(In Singapore dollars)

Attributable to equity holders of the Company

	Note	Share capital \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Revenue reserve \$'000	Revaluation reserve \$'000	Total reserves \$'000	Minority interests \$'000	Total equity \$'000
Group									
Balance at 1 July 2007		66,654	(4,510)	326	39,845	437	36,098	744	103,496
Foreign currency translation		–	(1,800)	–	–	–	(1,800)	(7)	(1,807)
Share option expense		–	–	81	–	–	81	–	81
Profit for the year		–	–	–	7,373	–	7,373	(737)	6,636
Dividend paid	23	–	–	–	(5,109)	–	(5,109)	–	(5,109)
Balance at 30 June 2008		66,654	(6,310)	407	42,109	437	36,643	–	103,297
Balance at 1 July 2008		66,654	(6,310)	407	42,109	437	36,643	–	103,297
Foreign currency translation		–	(286)	–	–	–	(286)	–	(286)
Share option expense		–	–	20	–	–	20	–	20
Profit for the year		–	–	–	6,699	–	6,699	–	6,699
Dividend paid	23	–	–	–	(5,811)	–	(5,811)	–	(5,811)
Balance at 30 June 2009		66,654	(6,596)	427	42,997	437	37,265	–	103,919

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 30 June 2009

(In Singapore dollars)

		<u>Attributable to equity holders of the Company</u>				
	Note	Share capital \$'000	Share option reserve \$'000	Revenue reserve \$'000	Total reserves \$'000	Total equity \$'000
Company						
Balance at 1 July 2007		66,654	326	9,385	9,711	76,365
Share option expense		–	81	–	81	81
Profit for the financial year		–	–	3,867	3,867	3,867
Dividend paid	23	–	–	(5,109)	(5,109)	(5,109)
Balance at 30 June 2008		66,654	407	8,143	8,550	75,204
Balance at 1 July 2008		66,654	407	8,143	8,550	75,204
Share option expense		–	20	–	20	20
Profit for the financial year		–	–	1,385	1,385	1,385
Dividend paid	23	–	–	(5,811)	(5,811)	(5,811)
Balance at 30 June 2009		66,654	427	3,717	4,144	70,798

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the financial year ended 30 June 2009

(In Singapore dollars)

	Note	2009 \$'000	2008 \$'000
Operating activities			
Profit before tax		8,345	9,987
Adjustments:			
Depreciation of property, plant and equipment		5,075	5,070
Loss/(gain) on disposal of property, plant and equipment		46	(60)
Allowance for doubtful debts		166	2,659
Allowance for inventory obsolescence (net)		1,559	832
Share option expense		20	81
Interest income		(812)	(1,445)
Exchange difference on consolidation		(220)	(1,506)
Operating cash flows before working capital changes		14,179	15,618
Decrease/(increase) in:			
Inventories		5,139	(11,272)
Trade receivables		4,210	21,352
Other receivables, deposits and prepayments		845	11
Increase/(decrease) in:			
Trade payables		1,266	(7,170)
Other payables and accruals		(1,548)	(1,438)
Cash flows from operations		24,091	17,101
Interest received		812	1,445
Income taxes paid		(1,982)	(4,774)
Net cash flows from operating activities		22,921	13,772
Investing activities			
Proceeds from sale of property, plant and equipment		44	98
Purchase of property, plant and equipment		(2,230)	(6,530)
Net cash flows used in investing activities		(2,186)	(6,432)
Financing activity			
Payment of dividends to shareholders		(5,811)	(5,109)
Net cash flows used in financing activity		(5,811)	(5,109)
Net increase in cash and cash equivalents		14,924	2,231
Cash and cash equivalents at the beginning of the financial year		62,530	60,299
Cash and cash equivalents at the end of the financial year	11	77,454	62,530

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

30 June 2009

1. Corporate information

Pertama Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's immediate holding company is Harvey Norman Ossia (Asia) Pte Ltd, incorporated in Singapore. The ultimate holding company is Harvey Norman Holdings Limited, incorporated in Australia. Related companies in these financial statements refer to Harvey Norman Holdings Limited and its subsidiaries.

The registered office and principal place of business of the Company are located at 315 Outram Road #01-01/02 Tan Boon Liat Building, Singapore 169074.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as shown in Note 5 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as discussed in the accounting policies below.

The financial statements are presented in Singapore Dollars (\$) and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed in the following note below.

Changes in accounting policies

On 1 July 2008, the Group and the Company adopted new and revised Interpretation of Financial Reporting Standards ("INT FRS") that are relevant:

Reference	Description
INT FRS 29	Disclosure – Service Concession Agreements
INT FRS 104	Determining Whether an Arrangement Contains a Lease
INT FRS 112	Service Concession Arrangements
INT FRS 113	Customer Loyalty Programmes
INT FRS 114	FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above INT FRS did not result in any significant impact to the Group's accounting policies and did not give rise to any material adjustments to the opening balance of revenue reserves or changes to comparatives.

Notes to the Financial Statements

30 June 2009

2.2 Future changes in accounting policies

The Group has not adopted the following FRS and INT FRS that have been issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1	Presentation of Financial Statements – Revised Presentation	1 January 2009
	Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	Borrowing Costs	1 January 2009
FRS 27	Consolidated and Separate Financial Statements – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 32	Financial Instruments: Presentation – Amendments to FRS 32 and FRS 1 regarding Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 39	Eligible Hedged Items	1 July 2009
FRS 101	First-time Adoption of Financial Reporting Standards – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102	Share-based Payments – Vesting Conditions and Cancellations	1 January 2009
FRS 107	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments	1 January 2009
FRS 108	Operating Segments	1 January 2009
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2009
INT FRS 109	Embedded Derivative	30 June 2009
INT FRS 112	Service Concessionary Arrangements	1 January 2009
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1 October 2008
INT FRS 117	Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118	Transfers of Assets from Customers	1 July 2009
Various	Improvements to FRS	Various

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application, except for FRS 1 and FRS 108 as indicated below.

FRS 1 Presentation of Financial Statements (Revised Presentation)

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in owners' account equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income. It presents all items of income and expenses, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

FRS 108 Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in the year ending 30 June 2010.

Notes to the Financial Statements

30 June 2009

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisition of subsidiaries is accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

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

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the income statement on the date of acquisition.

2.4 Foreign currencies

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in a separate component of equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiary. In the Company's separate financial statements, such exchange differences are recognised in the income statement.

The assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.5 Subsidiary

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. Details of the subsidiaries are set out in Note 5 of the financial statements.

Notes to the Financial Statements

30 June 2009

2.6 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separate from parent shareholders' equity.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Subsequent to recognition, property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Land and buildings are subsequently revalued on an asset-by-asset basis, to their fair values. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are made with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value at the balance sheet date.

When an asset is revalued, any increase in the carrying amount is credited directly to the asset revaluation reserve. However, the increase is recognised in the profit and loss account to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit and loss account. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the profit and loss account. However, the decrease is deducted against the asset revaluation reserve to the extent of any balance existing in the reserve in respect of that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The whole of the revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of an asset is computed on a straight-line basis over the estimated useful life of the asset as follows:

Freehold building	–	22 to 27 years
Renovations, equipment, furniture and fittings	–	3 to 10 years
Motor vehicles	–	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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 arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Notes to the Financial Statements

30 June 2009

2.8 Impairment of non-financial assets (Cont'd)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

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. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Inventories

Inventories are stated at the lower of cost, determined on weighted average basis, and net realisable value. Cost includes all costs in bringing the inventories to their present location and condition, net of volume rebates and other inventory-based incentives. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made for deteriorated, damaged, obsolete and slow-moving inventories.

2.10 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. 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 concerned.

(a) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and cash equivalents;
- trade and other receivables, including amounts due from subsidiaries, and loans to subsidiaries.

Notes to the Financial Statements

30 June 2009

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits and short-term, highly liquid investments readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Cash at bank and on hand carried in the balance sheet are classified and accounted for as loan and receivables under FRS 39. The accounting policies for these categories of financial assets are stated in Note 2.10.

Cash on hand and at banks are carried at cost.

2.12 Trade and other receivables

Trade and other receivables, including amounts due from subsidiaries are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.10.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.13 below.

2.13 Impairment of financial assets

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

(a) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on financial assets 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 discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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. 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.

(b) *Assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Notes to the Financial Statements

30 June 2009

2.14 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

2.15 Derecognition of financial assets and liabilities

(a) 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 contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual 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 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 that in the case of a written put option on an asset measured at fair value, 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.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

(b) Financial liabilities

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

For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

Notes to the Financial Statements

30 June 2009

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), where as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefit will be required to settle the obligation, the provision is reversed.

2.17 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

(c) *Employee share option scheme*

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in the employee share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Details of the share option plan are disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

30 June 2009

2.18 Operating leases – As lessee

Leases where substantially all the risks and benefits of ownership of the lease effectively remains with the lessor are classified as operating leases.

Rental expenses pursuant to operating leases are charged to the income statement on a straight line basis.

2.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) *Revenue from sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods which generally coincides with delivery and acceptance of the goods sold.

Revenue is recorded net of goods and services tax, and sales returns.

(b) *Advertising commission income*

The principal sources of income from advertising activities are commissions and fees retained from the gross cost of media billed to the customers. Generally, revenue is recognised based on public presentation dates for media advertising.

(c) *Volume rebates*

Volume rebates from suppliers for purchases made during the financial year is deducted from the cost of inventory if the goods remain unsold at the balance sheet date or credited against cost of goods sold in the income statement if the goods have been sold at the balance sheet date.

(d) *Dividend*

Dividend income is recorded gross in the financial year in which the Company and/or the Group's right to receive payment has been established.

(e) *Interest income*

Interest income is recognised using the effective interest method.

Group revenue excludes intercompany transactions.

2.20 Income taxes

(a) *Current tax*

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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements

30 June 2009

2.20 Incomes taxes (cont'd)

(b) *Deferred tax*

Deferred income tax is provided using the liability method on 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, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward 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 carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow 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 year 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.

Income tax relating to items recognised directly in equity is recognised in equity.

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.

Notes to the Financial Statements

30 June 2009

2.20 Incomes taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.21 Segment reporting

The Group is principally involved in one business segment, being wholesale and retail of consumer electronics, home appliances and furniture and bedding.

For management purposes, the Group is organised on a world-wide basis into two major geographical segments. The geographical segments are the basis on which the Group reports its primary segment information.

Segment revenue, expenses and results include transfers between geographical segments. Such transfers are accounted for on an arm's length basis.

2.22 Share capital

Ordinary shares are classified as equity and recorded at the fair value of the consideration received by the Company.

2.23 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.24 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

2.25 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants in recognition of specific expenses are taken to income in the same year as the relevant expenses.

Notes to the Financial Statements

30 June 2009

3. Significant accounting estimates and judgements

Estimates, assumptions and judgements concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of 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.

(i) Useful lives of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 27 years. Changes in the expected level of usage and technological development as well as consumer preferences could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years. The carrying amount of the Group's property, plant and equipment as of 30 June 2009 was \$13,420,000 (2008 : \$16,407,000).

(ii) Allowance for inventory obsolescence

Allowance for inventory obsolescence is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their expected market selling prices, and estimated costs to be incurred for their sales. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amount of the Group's inventories as of 30 June 2009 was \$48,988,000 (2008 : \$55,689,000).

(iii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Notes to the Financial Statements

30 June 2009

3. Significant accounting estimates and judgements (cont'd)

(b) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and deferred tax assets at 30 June 2009 were \$1,919,000 (2008 : \$1,950,000) and \$900,000 (2008 : \$595,000) respectively.

Notes to the Financial Statements

30 June 2009

4. Property, plant and equipment

Group	At valuation		At cost		Total \$'000
	Freehold land \$'000	Freehold properties \$'000	Renovation equipment, furniture, and fittings \$'000	Motor vehicles \$'000	
Cost or valuation					
At 1 July 2007	4,790	489	24,684	847	30,810
Additions during the financial year	–	–	6,267	263	6,530
Disposals	–	–	(957)	(347)	(1,304)
Exchange difference	–	–	(409)	(8)	(417)
At 30 June 2008 and 1 July 2008	4,790	489	29,585	755	35,619
Additions during the financial year	–	–	2,152	78	2,230
Disposals	–	–	(2,913)	(99)	(3,012)
Exchange difference	–	–	(91)	(1)	(92)
At 30 June 2009	4,790	489	28,733	733	34,745
Accumulated depreciation					
At 1 July 2007	–	2	15,099	495	15,596
Charge for the financial year	–	20	4,948	102	5,070
Disposals	–	–	(942)	(324)	(1,266)
Exchange difference	–	–	(184)	(4)	(188)
At 30 June 2008 and 1 July 2008	–	22	18,921	269	19,212
Charge for the financial year	–	32	4,962	81	5,075
Disposals	–	–	(2,838)	(84)	(2,922)
Exchange difference	–	–	(40)	–	(40)
At 30 June 2009	–	54	21,005	266	21,325
Net book value					
At 30 June 2009	4,790	435	7,728	467	13,420
At 30 June 2008	4,790	467	10,664	486	16,407

Notes to the Financial Statements

30 June 2009

4. Property, plant and equipment (cont'd)

The freehold properties are stated at the fair values which have been determined based on valuations carried out in June 2009. Valuations are performed by accredited independent valuer, HBA Group Property Consultants Pte Ltd. The valuations are performed on an open market value basis. The historical cost of the properties amounted to \$5,173,000 (2008 : \$5,173,000). At the time of acquisition, no allocation of cost was made between land and building. The separate cost of land and building was determined on the basis of allocation of their value indicated in the latest valuation report.

Had it been stated at cost, the net book value at the end of the financial year would have been \$4,809,000 (2008 : \$4,830,000).

As at 30 June 2009, the freehold properties of the Group consist of the following :

Type of property	Location	Approximate area (in sq m)	Net book value	
			2009 \$'000	2008 \$'000
Office/warehouse premises (3 units)	Tan Boon Liat Building, Outram Road	925	5,225	5,257

Depreciation expense included in cost of sales

Depreciation expense amounting to \$4,699,000 (2008 : \$4,643,000) was included in the cost of sales during the financial year.

5. Investment in subsidiaries

	Company	
	2008 \$'000	2007 \$'000
Unquoted ordinary shares, at cost	20,193	20,193
Impairment losses	(2,625)	(1,976)
	17,568	18,217

Notes to the Financial Statements

30 June 2009

5. Investment in subsidiaries (cont'd)

Details of subsidiaries as at 30 June 2009 :

Name of company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2009 %	2008 %
Held by the Company				
@ Pertama Merchandising Pte Ltd	Wholesaling and retailing of consumer electronics, home appliances, photographic equipment, furniture and bedding	Singapore	100	100
@ Marina Merchandising Pte Ltd	Inactive	Singapore	100	100
* S Marina Sales & Services Sdn. Bhd.	Inactive	Malaysia	100	100
* E-Creation (M) Sdn. Bhd.	Inactive	Malaysia	100	100
* Cascade Consolidated Sdn. Bhd.	Investment holding	Malaysia	70	70
@ Supreme Electronics Private Limited	Inactive	Singapore	100	100
@ Eastern Audio (Private) Limited	Advertising agency and property investment	Singapore	100	100
@ Pertama Audio Private Limited	Dormant	Singapore	100	100

Notes to the Financial Statements

30 June 2009

5. Investment in subsidiaries (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2009 %	2008 %
Held by Cascade Consolidated Sdn. Bhd.				
* Elitetrax Marketing Sdn Bhd	Wholesaling and retailing of consumer electronics, home appliances, photographic equipment, furniture and bedding	Malaysia	70	70

@ Audited by Ernst & Young LLP, Singapore.

* Audited by a member firm of Ernst & Young Global.

6. Deferred tax assets

	Group	
	2009 \$'000	2008 \$'000
At 1 July	595	584
Movement during the financial year	305	11
At 30 June	900	595
Deferred tax assets arise as a result of :		
Difference in depreciation	(387)	(334)
Allowances for doubtful debts and inventory obsolescence	1,287	929
	900	595

7. Inventories

	Group	
	2009 \$'000	2008 \$'000
Balance sheet:		
Finished goods at lower of cost and net realisable value	48,988	55,689
Income statement:		
Inventories recognised as an expense in cost of sales		
Inclusive of the following charge :		
Allowance for inventory obsolescence	2,459	832
Reversal of write-down of inventories	(900)	-

Notes to the Financial Statements

30 June 2009

8. Trade receivables

	Group	
	2009 \$'000	2008 \$'000
Trade receivables	7,242	12,766
Allowance for doubtful debts	(2,874)	(4,012)
	4,368	8,754
Trade receivables are denominated in the following currencies :		
- Singapore dollars	3,734	6,366
- Malaysia Ringgit	634	828
- United States dollars	-	1,560
	4,368	8,754

Interest is charged at between 7% to 12% (2008 : 7% to 12%) per annum on certain overdue trade receivables. Trade receivables are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$2,123,000 (2008 : \$4,788,000) that are past due at the balance sheet date but not impaired.

Except for a trade receivable amount of \$Nil (2008 : \$1,319,000) which was secured by a charge placed over a residential property located along Nassim Road, the remaining trade receivables are unsecured. An analysis of ageing at the balance sheet date is as follows :

	Group	
	2009 \$'000	2008 \$'000
Trade receivables past due		
31 to 60 days	1,240	3,134
61 to 90 days	259	615
More than 91 days	624	1,039
	2,123	4,788

Notes to the Financial Statements

30 June 2009

8. Trade receivables (cont'd)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date are as follows :

	Group	
	2009	2008
	\$'000	\$'000
<i>Individually impaired</i>		
Gross amount	2,874	4,012
Less : impairment loss	(2,874)	(4,012)
	<u> </u>	<u> </u>
	-	-

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral/credit enhancement.

Movement in allowance account

At 1 July	4,012	3,455
(Written-back)/charge for the financial year	(143)	2,359
Written off	(986)	(1,742)
Exchange differences	(9)	(60)
	<u> </u>	<u> </u>
At 30 June	2,874	4,012

Notes to the Financial Statements

30 June 2009

9. Other receivables

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Deposits	3,737	3,789	–	–
Sundry receivables	2,031	2,773	1,250	1,280
	5,768	6,562	1,250	1,280
Other receivables are denominated in the following currencies :				
- Singapore dollars	3,260	3,619	2	20
- Malaysia Ringgit	2,508	1,473	1,248	1,260
- Euro	–	1,470	–	–
	5,768	6,562	1,250	1,280

10. Due from/to subsidiaries (non-trade)

Long-term amount due from subsidiary includes unsecured quasi-equity advances to the subsidiary and is non-interest bearing. The amount is not expected to be repaid by the subsidiary within the next 12 months.

Short-term amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

11. Cash and cash equivalents

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash and bank balances	41,011	24,847	472	102
Fixed deposits	36,443	37,683	11,571	19,877
	77,454	62,530	12,043	19,979

Fixed deposits are placed with financial institutions for varying periods of between 7 to 90 days and earn interest at the average rate of 0.1% to 2.94% (2008 : 0.23% to 3.30%) per annum.

Cash and cash equivalents in the consolidated cash flow statement comprise cash and bank balances and fixed deposits at the balance sheet amounts as stated above.

Notes to the Financial Statements

30 June 2009

11. Cash and cash equivalents (cont'd)

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash and cash equivalents are denominated in the following currencies :				
- Singapore dollars	51,284	40,068	12,028	19,978
- Malaysia Ringgit	26,122	20,806	1	1
- United States dollars	48	1,656	14	-
	77,454	62,530	12,043	19,979

12. Trade payables

Trade payables are denominated in the following currencies :

	Group	
	2009 \$'000	2008 \$'000
Singapore dollars	19,154	18,219
Malaysia Ringgit	6,770	5,772
United States dollars	89	702
Euro	60	114
	26,073	24,807

Trade payables are non-interest bearing. Trade payables are normally settled on 30-days terms.

13. Other payables and accruals

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Other payables	2,137	2,793	3	-
Advances from customers	6,310	7,704	-	-
Accrued operating expenses	7,868	7,453	139	139
	16,315	17,950	142	139

Advances from customers are interest-free and unsecured. Other payables are normally settled on 90-days terms.

Notes to the Financial Statements

30 June 2009

13. Other payables and accruals (cont'd)

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Other payables and accruals are denominated in the following currencies :				
- Singapore dollars	10,935	12,375	142	139
- Malaysia Ringgit	5,380	5,440	-	-
- United States dollars	-	135	-	-
	16,315	17,950	142	139

14. Provision

Provision relates to reinstatement cost, which is the estimated cost of dismantling, removing and restoring the retail outlets at the end of the lease terms.

	Group	
	2009 \$'000	2008 \$'000
At 1 July	2,832	2,220
Provided for the financial year	120	662
Utilised during the financial year	(32)	(50)
At 30 June	2,920	2,832

15. Share capital

	Group and Company	
	2009 \$'000	2008 \$'000
Issued and fully paid:		
At 1 July and 30 June		
239,116,564 ordinary shares	66,654	66,654

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Notes to the Financial Statements

30 June 2009

15. Share capital (cont'd)

Share option

In financial year ended 30 June 2006, the Board of Directors of the Company granted an option to Angelo Anthony Augustus to subscribe for 4,000,000 ordinary shares in the capital of the Company pursuant to an option agreement entered into between the Company and him. This was approved by the shareholders at the Extraordinary General Meeting on 11 November 2005.

The number of options issued and outstanding at year end pursuant to the Option Agreements are as follows :

Name of director	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Angelo Anthony Augustus	–	4,000,000	–	4,000,000

The options granted to Angelo Anthony Augustus are exercisable between the period from 1 October 2008 to 1 October 2010 and the exercise price of \$0.365 is subject to review on an annual basis by the Board of Directors.

The above options do not entitle the holder to participate, by virtue of the option, in any share issue of any other corporation.

Except as disclosed above, no other options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

Information on share options outstanding as at 30 June 2009 :

Exercise period	Exercise price \$	Number outstanding	Number exercisable
1.10.2008 to 1.10.2010	0.365	4,000,000	4,000,000

Notes to the Financial Statements

30 June 2009

15. Share capital (cont'd)

The fair value of share options as at the date of grant is estimated by an external valuer using a Black Scholes model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used in the year of grant were as follows:

	Group and Company
Dividend yield (%)	5.11
Expected volatility (%)	29.99
Historical volatility (%)	29.99
Risk-free interest rate (%)	2.47
Expected life of option (years)	2.94
Weighted average share price (\$)	0.38

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

16. Reserves

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue reserve	42,997	42,109	3,717	8,143
Foreign currency translation reserve	(6,596)	(6,310)	-	-
Share option reserve	427	407	427	407
Revaluation reserve	437	437	-	-
	37,265	36,643	4,144	8,550

(a) Revenue reserve

Revenue reserve represents the accumulated profits less distributions made to the shareholders of the Company.

(b) Foreign currency translation reserve

This comprises foreign exchange differences arising from the translation of the financial statements of overseas subsidiaries and from the translation of long-term advances which are effectively part of net investment in the subsidiaries.

(c) Share option reserve

Share option reserve represents the fair value of equity-settled share options granted to Angelo Anthony Augustus (Note 15). The reserve is made up of the accumulated value of services received from Angelo Anthony Augustus recorded on grant of equity-settled share options.

(d) Revaluation reserve

The revaluation reserve represents the increase in the fair value of freehold properties.

The movement in the reserves is shown in the statement of changes in equity.

Notes to the Financial Statements

30 June 2009

17. Revenue

Revenue for the Group represents sales of goods in the normal course of business. Intra-group transactions have been excluded from Group revenue.

18. Other operating income

	Group	
	2009	2008
	\$'000	\$'000
Interest income		
- Fixed deposits	709	387
- Trade receivables	103	1,058
Delivery charge recovery	-	237
Commission income	341	305
Rental income	17	9
Database access fees	-	740
Bad debts recovered	323	-
Government grant in respect of Jobs Credit Scheme	506	-
Insurance recoverable	379	-
Others	451	262
	2,829	2,998

19. Profit before tax

	Group	
	2009	2008
	\$'000	\$'000
The following items have been included in arriving at profit before tax :		
Non-audit fees paid to :		
- auditors of the Company	64	74
Directors' fees - directors of the Company	118	90
Loss/(gain) on disposal of property, plant and equipment	46	(60)
Allowance for doubtful debts	166	2,659
Allowance for inventory obsolescence	1,559	832
Depreciation of property, plant and equipment	5,075	5,070
Operating lease expenses	19,652	18,081
Foreign exchange (gain)/loss	(43)	1,185
Loss of funds in an overseas subsidiary	-	245
Personnel expenses (Note 20)	27,569	28,866

Notes to the Financial Statements

30 June 2009

20. Personnel expenses

	Group	
	2009	2008
	\$'000	\$'000
Wages, salaries and bonuses	24,502	25,236
Central and Employee Provident Fund contributions	2,365	2,405
Other social expenses	682	1,144
Share option expense	20	81
	27,569	28,866

Personnel expenses include Directors' remuneration as disclosed in Note 24.

21. Tax expense

	Group	
	2009	2008
	\$'000	\$'000
In respect of the current financial year :		
- current tax	2,016	2,766
- deferred tax	(299)	(37)
	1,717	2,729
(Over)/under provision for tax in prior years	(65)	622
Effect of change in tax rate	(6)	-
	1,646	3,351

The income tax expense on the results of the Group differ from the amount of tax determined by applying the Singapore statutory income tax rate of 17% (2008 : 18%) to the profit before tax due to the following factors :

Profit before tax	8,345	9,987
Tax at statutory tax rate of 17% (2008: 18%)	1,419	1,798
Adjustments :		
Effect of different tax rate in other country	55	102
Expenses not deductible for income tax purposes	528	336
Income not subject to tax	(211)	(371)
Deferred tax assets not recognised	92	912
Effect of partial tax exemption	(45)	(48)
(Over)/under provision for tax in prior years	(65)	622
Effect of change in tax rate	(6)	-
Tax expense	1,646	3,351

Notes to the Financial Statements

30 June 2009

21. Tax expense (cont'd)

As at 30 June 2009, the Group has unutilised tax losses of approximately \$548,000 (2008 : \$3,006,000), which may be carried forward and utilised to set-off against future taxable profits, subject to the agreement with the relevant tax authorities. The potential tax benefit of approximately \$124,000 (2008 : \$781,000) arising from the unutilised tax losses and capital allowances has not been recognised in the financial statements due to the uncertainty of its recoverability.

The Singapore statutory income tax rate was reduced to 17% for Year of Assessment 2010 from 18% for Year of Assessment 2009.

22. Earnings per share (cents)

Basic earnings per share amounts are calculated by dividing profit for the year that is attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year that is attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the income statement and share data used in the computation of basic and diluted earnings per share for the years ended 30 June :

	Group	
	2009 \$'000	2008 \$'000
Profit for the year attributable to ordinary equity holders of the company used in computation of basic and diluted earnings per share	<u>6,699</u>	<u>7,373</u>
Weighted average number of ordinary shares for basic earnings per share computation	239,117	239,117
Dilutive effect of share options	<u>-</u>	<u>761</u>
Weighted average number of ordinary shares adjusted for the effect of dilution	236,771	239,878

4,000,000 (2008: 4,000,000) of share options granted to employees under the existing employee share option plans have been included in the calculation of diluted earnings per share.

Notes to the Financial Statements

30 June 2009

23. Dividends

	Group and Company	
	2009	2008
	\$'000	\$'000
Final exempt (one-tier) dividend paid of 1.63 cents per share (2008 : 1.63 cents less income tax of 18%) in respect of financial year ended 30 June 2008 (2008 : 30 June 2007)	3,898	3,196
Interim exempt (one-tier) dividend paid of 0.50 cents per share (2008 : 0.8 cents less income tax of 18%) in respect of financial year ended 30 June 2009 (2008 : 30 June 2008)	1,195	1,913
Special interim exempt dividend paid of 0.30 cents per share (2008: Nil) in respect of financial year ended 30 June 2009 (2008: 30 June 2008)	718	–
	5,811	5,109

The Directors have proposed a final exempt (one-tier) dividend of 1.65 cents per ordinary share to be paid in respect of the financial year ended 30 June 2009. The dividend will be recorded as a liability on the balance sheet of the Company and Group upon approval by the shareholders of the Company at the next Annual General Meeting.

24. Related party information

An entity or individual is considered a related party of the Group for the purposes of the financial statements if it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa, or it is subject to common control or common significant influence.

(i) Sale and purchase of goods/services

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between the parties, were as follows :

	Group	
	2009	2008
	\$'000	\$'000
Income		
Administrative expense charged to a related company	56	31

Notes to the Financial Statements

30 June 2009

24. Related party information (cont'd)

(ii) Compensation of key management personnel

	Group	
	2009	2008
	\$'000	\$'000
Short-term employee benefits	1,008	1,371
Pension and other benefits	28	69
Share option expense	20	81
Total compensation paid to key management personnel	<u>1,056</u>	<u>1,521</u>

Included in the total compensation paid to key management personnel is remuneration (excluding fees) of \$610,000 (2008 : \$608,000) to Directors of the Company.

25. Commitments

Operating lease commitments

The Group has various operating lease agreements for retail outlets, equipment, offices and other facilities. Most leases contain renewable options. Some of the leases contain escalation clauses and provide for contingent rentals based on percentages of sales derived from assets held under operating leases. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Future minimum lease payments as at 30 June:

	Group	
	2009	2008
	\$'000	\$'000
Within one year	15,912	19,298
After one year but not more than five years	6,819	17,934
	<u>22,731</u>	<u>37,232</u>

Notes to the Financial Statements

30 June 2009

26. Contingencies

Corporate guarantees

- (i) The Company, together with its subsidiary, Pertama Merchandising Pte Ltd has issued joint corporate guarantees of \$17,125,000 (2008 : \$23,745,000) for banking facilities obtained. The banking facilities are also secured by a negative pledge over the assets of the Company and its subsidiary.
- (ii) In the previous financial year, the Company issued a corporate guarantee in relation to banking facilities amounting to RM57,500,000 (approximately \$25,472,500) in favour of its overseas subsidiaries.

27. Directors' remuneration

The number of Directors of the Company in the various remuneration bands is as follows:

	2009			2008		
	Executive directors	Non-executive directors	Total	Executive directors	Non-executive directors	Total
\$500,000 and above	1	–	1	1	–	1
\$250,000 to \$499,999	–	–	–	–	–	–
Up to \$249,999	–	8	8	–	8	8
	1	8	9	1	8	9

28. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from operations and the use of financial instruments. The key financial risks include interest rate risk, foreign exchange risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Group Financial Controller and they are summarised below :

The following sections provide details regarding the Group's and Company's exposure to the below-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rate environment relates mainly to its cash and cash equivalents.

The Group has surplus cash balances arising from operations which are placed with reputable banks and financial institutions. These deposits generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

Notes to the Financial Statements

30 June 2009

28. Financial risk management objectives and policies (cont'd)

(a) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates of the Group's profit after tax.

	Increase/ (decrease) in basis points	Increase/ (decrease) effect on Group's profit net of tax \$'000
2009		
- Singapore dollars	0.5	236
- Singapore dollars	(0.5)	(236)
2008		
- Singapore dollars	0.5	277
- Singapore dollars	(0.5)	(277)

Risk variables are based on assessed volatility in interest rates. This analysis assumes that all other variables remain constant.

(b) Foreign exchange risk

The Group has transactional currency exposures, which arise from the sales and purchases in currencies other than their respective functional currencies of Group entities, primarily United States Dollars (USD), Malaysia Ringgit (Ringgit) as well as Euro (EUR). Whenever necessary, the Group uses forward foreign exchange contracts to manage its foreign exchange risks from cash flows denominated in foreign currencies, primarily the USD. There were no outstanding forward exchange contracts as at 30 June 2009 (2008 : Nil).

The Group is also exposed to translational risks arising from its net investment in foreign subsidiaries. The Group does not use any foreign currency borrowings to hedge against such investments.

Notes to the Financial Statements

30 June 2009

28. Financial risk management objectives and policies (cont'd)

(b) Foreign exchange risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, Ringgit and Euro exchange rates (against SGD), of the Group's profit net of tax.

	2009 Increase/ (decrease) effect on Group's profit net of tax \$'000	2008 Increase/ (decrease) effect on Group's profit net of tax \$'000
United States dollars		
- strengthened 4% (2008: 3%)	6	142
- weakened 4% (2008: 3%)	(6)	(142)
Malaysia Ringgit		
- strengthened 5% (2008: 1%)	904	403
- weakened 5% (2008: 1%)	(904)	(403)
Euro		
- strengthened 11% (2008: 14%)	(4)	88
- weakened 11% (2008: 14%)	4	(88)

Risk variables are based on assessed volatility of USD, Ringgit and Euro against SGD at the balance sheet date. This analysis assumes that all other variables remain constant.

Notes to the Financial Statements

30 June 2009

28. Financial risk management objectives and policies (cont'd)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. 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 with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The carrying amounts of cash and cash equivalents, and trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	2009		2008	
	\$'000	% of total	\$'000	% of total
Group				
By country:				
Singapore	3,734	85	6,263	72
Malaysia	634	15	828	9
Indonesia	–	–	1,319	15
Africa	–	–	186	2
Middle East	–	–	158	2
	4,368	100	8,754	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 8 covering trade receivables.

Notes to the Financial Statements

30 June 2009

29. Fair value of financial assets and liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate.

Financial instruments whose carrying amount approximate fair value

The fair values of trade and other receivables, cash and cash equivalents, and trade and other payables approximate their carrying values at 30 June 2009 due to the relatively short-term maturity of these instruments.

Financial instruments carried at other than fair values

The Company has extended non-current advances to a subsidiary, which either form part of the Company's net investment in a subsidiary or are not expected to be repaid until the cash flows of the subsidiary permit. It is impractical to determine the fair value of these receivables as the timing of the future cash flow repatriation cannot be estimated reliably. Therefore, such loans are carried at cost.

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain and adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives and processes during the years ended 30 June 2009 and 30 June 2008.

There were no bank borrowings for the current and prior financial year. Accordingly, calculations of gross debt equity ratio are not meaningful to the Group. Total capital of the Group at year end is analysed as follows:

	Group	
	2009 \$'000	2008 \$'000
Total gross debt	–	–
Shareholders' Funds		
Share capital	66,654	66,654
Reserves	37,265	36,643
	103,919	103,297
Minority interests	–	–
Total capital	103,919	103,297

The Group and the Company are in compliance with all externally imposed capital requirements in the countries that the Group operates, where applicable, for the financial years ended 30 June 2009 and 30 June 2008.

Notes to the Financial Statements

30 June 2009

31. Segment information

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities.

Segment information based on business segment/activity is not presented as the Group has only one principal activity.

The geographical segment information determined on the basis of location of operations is as follows:

	Singapore \$'000	Malaysia \$'000	Eliminations \$'000	Total \$'000
2009				
Revenue	298,881	77,390	142	376,413
Profit before tax	8,965	(606)	(14)	8,345
Tax expense				(1,646)
Profit for the year				6,699
Segment assets	103,583	46,663	–	150,246
Unallocated assets				900
Total assets				151,146
Segment liabilities	34,827	10,481	–	45,308
Unallocated liabilities				1,919
Total liabilities				47,227

Notes to the Financial Statements

30 June 2009

31. Segment information (cont'd)

	Singapore \$'000	Malaysia \$'000	Eliminations \$'000	Total \$'000
2008				
Revenue	319,042	101,682	229	420,953
Profit before tax	8,532	1,696	(241)	9,987
Tax expense				(3,351)
Profit for the year				6,636
Segment assets	102,832	47,409	–	150,241
Unallocated assets				595
Total assets				150,836
Segment liabilities	27,954	17,635	–	45,589
Unallocated liabilities				1,950
Total liabilities				47,539

Notes to the Financial Statements

30 June 2009

31. Segment information (cont'd)

	Singapore \$'000	Malaysia \$'000	Eliminations \$'000	Total \$'000
2009				
Other segment information				
Capital expenditure	1,727	503	–	2,230
Significant non-cash expenses :				
- Depreciation of property, plant and equipment	2,573	2,502	–	5,075
- Allowance for doubtful debts	155	11	–	166
- Allowance for inventory obsolescence	1,015	544	–	1,559
2008				
Other segment information				
Capital expenditure	2,524	4,006	–	6,530
Significant non-cash expenses :				
- Depreciation of property, plant and equipment	2,935	2,135	–	5,070
- Allowance for doubtful debts	2,048	611	–	2,659
- Allowance for inventory obsolescence	529	303	–	832

32. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2009 were authorised for issue in accordance with a resolution of the directors on 28 August 2009.

Statistics of Shareholdings

as at 1 September 2009

Number of Shares in Issue : 239,116,564
 Class of Shares : Ordinary shares
 Voting Rights : One vote per share

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	144	8.80	47,120	0.02
1,000 - 10,000	1,219	74.51	5,498,330	2.30
10,001- 1,000,000	262	16.02	12,378,694	5.18
1,000,001 - and above	11	0.67	221,192,420	92.50
Total	1,636	100.00	239,116,564	100.00

List of Top Twenty Shareholders

No.	Name of Shareholder	No. of Shares	% of Holdings
1	HARVEY NORMAN OSSIA (ASIA) PTE LTD	120,051,350	50.21
2	HSBC (SINGAPORE) NOMINEES PTE LTD	41,434,000	17.33
3	HARVEY NORMAN SINGAPORE PTE LTD	25,082,000	10.49
4	RAFFLES NOMINEES (PTE) LTD	14,003,000	5.86
5	DBSN SERVICES PTE LTD	9,990,000	4.18
6	CIMB-GK SECURITIES PTE. LTD.	2,383,000	1.00
7	KIM ENG SECURITIES PTE. LTD.	2,159,000	0.90
8	CITIBANK NOMINEES SINGAPORE PTE LTD	1,922,070	0.80
9	PUAH TENG YONG	1,516,000	0.63
10	DBS NOMINEES PTE LTD	1,330,000	0.56
11	DB NOMINEES (SINGAPORE) PTE LTD	1,322,000	0.55
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	893,250	0.37
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	832,000	0.35
14	KAM YAT TIN	430,380	0.18
15	LOW GER KIANG @ LAU MEI JUN MAGDALINE	350,000	0.15
16	HL BANK NOMINEES (SINGAPORE) PTE LTD	328,000	0.14
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	306,500	0.13
18	OCBC SECURITIES PRIVATE LIMITED	228,748	0.10
19	MATTHEW IAN BULL	216,000	0.09
20	VISION CAPITAL PRIVATE LIMITED	209,000	0.09
	Total:	224,986,298	94.11

Statistics of Shareholdings

as at 1 September 2009

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest	%	Deemed Interest	%
Harvey Norman Ossia (Asia) Pte Ltd	120,051,350	50.21	–	–
Harvey Norman Singapore Pte Ltd ⁽¹⁾	25,082,000	10.49	120,051,350	50.21
GPG (UK) Holdings plc	41,434,000	17.33	–	–
Ossia International Limited ⁽¹⁾	–	–	120,051,350	50.21
Goh Ching Wah ⁽¹⁾	–	–	120,051,350	50.21
Goh Ching Lai ⁽¹⁾	–	–	120,051,350	50.21
Setto Pty Ltd ⁽²⁾	–	–	145,133,350	60.70
Harvey Norman Holdings Limited ⁽²⁾	–	–	145,133,350	60.70
Gerald Harvey ⁽³⁾	–	–	147,337,350	61.62
Kay Lesley Harvey ⁽⁴⁾	–	–	149,269,350	62.43
FMR CORP & Fidelity International Limited ⁽⁵⁾	–	–	21,714,000	9.08
Guinness Peat Group plc ⁽⁶⁾	–	–	41,434,000	17.33

Notes:

- Deemed to be interested in 120,051,350 shares held by Harvey Norman Ossia (Asia) Pte Ltd.
- Deemed to be interested in shares held by Harvey Norman Ossia (Asia) Pte Ltd and Harvey Norman Singapore Pte Ltd.
- Deemed to be interested in shares held by Harvey Norman Ossia (Asia) Pte Ltd and Harvey Norman Singapore Pte Ltd as well as 2,204,000 shares held by K Page Pty Limited.
- Mrs Kay Lesley Harvey is the spouse of Mr Gerald Harvey. Mrs Harvey's interest arose from all deemed interest of Mr Gerald Harvey in the Company and her deemed interest in 1,932,000 shares in the Company held by Page Options Trust.
- On behalf of their direct & indirect subsidiaries.
- Deemed to be interested in shares held by GPG (UK) Holdings plc through a nominee agent, HSBC (Singapore) Nominees Pte Ltd.

PUBLIC FLOAT

On the basis of the information available to the Company as at 1 September 2009, approximately 11.16% of the issued ordinary shares of the Company are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of a listed issuer's equity securities to be held by the public.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 315 Outram Road, #01-01/02 Tan Boon Liat Building, Singapore 169074 on Tuesday 6 October 2009 at 10.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts of the Company for the financial year ended 30 June 2009, and the Reports of the Directors and the Auditor thereon. (Resolution 1)
2. To declare a one-tier tax exempt final dividend of 1.65 Singapore cents per ordinary share for the financial year ended 30 June 2009. (Resolution 2)
3. To approve the Directors' fees of S\$90,000 for the financial year ended 30 June 2009. [2008: S\$90,000]. (Resolution 3)
4. To re-elect the following Directors who are retiring pursuant to Article 73 of the Company's Articles of Association:-
 - (a) Mr Gerald Harvey (Resolution 4)
 - (b) Mr Goh Ching Wah (Resolution 5)
 - (c) Mr Henry Tan Song Kok (Resolution 6)

Mr Henry Tan Song Kok, when re-elected, will remain as Chairman of the Audit Committee, member of the Nominating Committee and the Remuneration Committee. He is an Independent Director of the Company.
5. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)
6. To transact any other business that may properly transacted at an Annual General Meeting.

Notice Of Annual General Meeting

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 29 October 2009 for the purpose of determining Members' entitlements to proposed final dividend (the "Proposed Final Dividend") at the Annual General Meeting of the Company to be held on 6 October 2009 (the "AGM").

Duly completed registrable transfers in respect of shares in the Company received up to the close of business at 5.00 p.m. on 28 October 2009 by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 8 Cross Street, #11-00 PWC Building, Singapore 048424 will be registered to determine Members' entitlements to the Proposed Final Dividend. Members whose Securities Accounts with The Central Depository (Pte.) Ltd is credited with shares in the Company as at 5.00 p.m. on 28 October 2009 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved at the AGM will be paid on 6 November 2009.

By Order of the Board

Poon Chun Onn
Company Secretary

Singapore, 18 September 2009

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend in his stead.
2. A proxy need not be a Member of the Company.
3. If the appointed is a corporation, the proxy must be executed under the seal or the hand of its duly authorized officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company, 315 Outram Road, #01-01/02 Tan Boon Liat Building, Singapore 169074, not less than 48 hours before the time appointed for holding of the Annual General Meeting.

PERTAMA HOLDINGS LIMITED

PROXY FORM

Company Registration No: 198200483W
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy PERTAMA HOLDINGS shares, this Annual Report 2009 is forwarded to them at the request of their CPF Approved Nominees and is sent solely **For Information Only**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

Total Number of Shares Held	
-----------------------------	--

Annual General Meeting to be held at 315 Outram Road, #01-01/02 Tan Boon Liat Building, Singapore 169074 on Tuesday, 6 October 2009 at 10.30am.

I/We, _____ (name) of _____
_____ (address) being a *member/members of Pertama Holdings Limited
(the "Company"), hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

and/or (delete as appropriate)

--	--	--	--	--

as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 315 Outram Road, #01-01/02 Tan Boon Liat Building, Singapore 169074 on Tuesday, 6 October 2009 at 10.30 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the ordinary resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolution	For	Against
1	To receive and adopt the Audited Accounts for the financial year ended 30 June 2009 and the Reports of the Directors and the Auditor thereon.		
2	To approve the payment of a final dividend.		
3	To approve the payment of Directors' fees.		
4	To re-elect Mr Gerald Harvey who is retiring pursuant to Article 73 of the Company's Articles of Association.		
5	To re-elect Mr Goh Ching Wah who is retiring pursuant to Article 73 of the Company's Articles of Association.		
6	To re-elect Mr Henry Tan Song Kok who is retiring pursuant to Article 73 of the Company's Articles of Association.		
7	To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		

Date this _____ day of _____ 2009

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

* Delete accordingly

IMPORTANT: Please read notes overleaf



NOTES :

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act (Chapter 50) of Singapore.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 315 Outram Road, #01-01/02 Tan Boon Liat Building, Singapore 169074 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register as at 48 hours before the time set for the Annual General Meeting.



MILLENNIA WALK - MEGA SUPERSTORE

No. 9 Raffles Boulevard #02-27 Millenia Walk Singapore 039596
Tel: 65-6311 9988 Fax: 65-6311 9292

SINGAPORE

BUKIT PANJANG

1 Jelebu Road
#04-03/04/05 Bukit Panjang Plaza
Singapore 677743
Tel: 65-6767 1500 Fax: 65-6769 3687

CENTREPOINT

176 Orchard Road
#03-31/32/43/43H Centrepoint
Singapore 238843
Tel: 65-6732 8686 Fax: 65-6734 8671

FUNAN DIGITALIFE MALL

109 North Bridge Road
#B1-01 Funan Digital Mall
Singapore 170097
Tel: 65-6334 5432 Fax: 65-6334 1410

HOUGANG MALL

90 Hougang Ave 10
#02-13/15 Hougang Mall
Singapore 538766
Tel: 65-6488 2305 Fax: 65-6385 8992

JURONG POINT SHOPPING CENTRE

1 Jurong West Central 2
#03-37 Jurong Point Shopping Centre
Singapore 648886
Tel: 65-6795 2135 Fax: 65-6794 4232

NORTHPOINT SHOPPING CENTRE

930 Yishun Ave 2
#B02-27 to 31 NorthPoint Shopping Centre
Singapore 769098
Tel: 65-6757 7695 Fax: 65-6754 7756

PARKWAY PARADE

80 Marine Parade Road
#02-34/34A/35/36 Parkway Parade
Singapore 449269
Tel: 65-6346 4705 Fax: 65-6344 2482

RAFFLES CITY

252 North Bridge Road
#03-22/23 Raffles City Shopping Centre
Singapore 179103
Tel: 65-6339 6777 Fax: 65-6338 6203

SUNTEC CITY (ENTERTAINMENT CENTRE)

3 Temasek Boulevard
#02-069/071 Suntec City Mall
Singapore 038983
Tel: 65-6332 2312 Fax: 65-6337 1770

SQUARE 2

10 Sinaran Drive
#B1-06 to 75 Square 2
Singapore 307506
Tel: 65-6397 6190 Fax: 65-6397 2495

TAMPINES MART

No. 9 Tampines Mart
#02-01 Tampines Street 32
Singapore 529286
Tel: 65-6789 3818 Fax: 65-6789 3780

THE CENTRAL

6 Eu Tong Sen Street
#04-11 to 21 & #04-53 to 58 The Central
Singapore 059817
Tel: 65-6327 5581 Fax: 65-6534 7743

WESTMALL

No. 1 Bt Batok Central Link
#03-06/09 West Mall
Singapore 658713
Tel: 65-6794 2812 Fax: 65-6794 1413

IKANO POWER CENTRE - MEGA SUPERSTORE

Unit F3 1st Floor IKANO Power Centre No.2 Jalan PJU 7/2 Mutiara Damansara
47800 Petaling Jaya Selangor Darul Ehsan Malaysia
Tel: 6-03-7718 5200 Fax: 6-03-7718 5222

MALAYSIA

MID VALLEY

Lot AT-1 Lower Ground Floor
Mid Valley Megamall
Mid Valley City
City Lingkaran Syed Putra
59100 Kuala Lumpur Malaysia
Tel: 6-03-22822860 Fax: 6-03-22822360

BUKIT TINGGI

Lot F42 First Floor
AEON Bukit Tinggi Shopping Center
No 1 Persiaran Batu Nilam 1/KS 6
Bandar Bukit Tinggi 2
41200 Klang, Selangor D.E. Malaysia
Tel : 6-03-33262630/31 Fax : 6-03-33262630

PAVILION

Lot 5.24.04 Level 5
Pavilion Kuala Lumpur
No. 168 Jalan Bukit Bintang
55100 Kuala Lumpur Malaysia
Tel: 6-03-21423735/36/44 Fax : 6-03-21423744

SUNWAY

LG2.140 Lower Ground Two
Sunway Pyramid Shopping Centre
No. 3 Jalan PJS 11/15
Bandar Sunway 46150 Petaling Jaya
Selangor Darul Ehsan Malaysia
Tel: 6-03-56221300/03 Fax : 6-03-56221306

QUEENSBAY MALL

Lot 2F-86 South Zone
Queensbay Mall
No 100 Persiaran Bayan Indah
11900 Bayan Lepas
Penang Malaysia
Tel: 6-04-6308210 Fax: 6-04-6411809

