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WING ON COMPANY INTERNATIONAL LIMITED
永安國際有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 289)

ANNOUNCEMENT OF 2009 ANNUAL RESULTS

The directors of Wing On Company International Limited ("the Company") announce the consolidated financial results for the year ended 31 December 2009:

CONSOLIDATED INCOME STATEMENT

	Note	2009 HK$'000	2008 HK$'000
Turnover	4	**1,443,180**	1,407,644
Other revenue	5	**34,942**	65,262
Other net gain/(loss)	5	**65,095**	(164,296)
Cost of department store sales	6(d)	**(626,866)**	(599,112)
Cost of property leasing activities	6(c)	**(58,959)**	(63,135)
Other operating expenses		**(376,565)**	(361,849)
Profit from operations		**480,827**	284,514
Finance costs	6(a)	**(35,075)**	(71,291)
		445,752	213,223
Net valuation gain/(loss) on investment properties		**397,763**	(494,995)
		843,515	(281,772)
Share of profits less losses of associates		**(7,686)**	3,509
Profit/(loss) before taxation	6	**835,829**	(278,263)
Income tax (expense)/benefit	7	**(98,056)**	106,027
Profit/(loss) for the year		**737,773**	(172,236)
Attributable to:			
Shareholders of the Company		**736,817**	(172,600)
Minority interests		**956**	364
Profit/(loss) for the year		**737,773**	(172,236)
Basic and diluted earnings/(loss) per share	9(a)	**249.5 cents**	(58.4) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2009		2008	
	HK$'000	HK$'000	HK$'000	HK$'000
Profit/(loss) for the year		**737,773**		(172,236)
Other comprehensive income/(loss) for the year (after tax and reclassification adjustments):				
Foreign currency translation adjustments:				
- exchange differences on translation of financial statements of overseas subsidiaries	**358,927**		(346,503)	
- share of exchange differences on translation of financial statements of overseas associates	**441**		(4,045)	
- release of the exchange reserve upon dissolution of an overseas subsidiary	**(251)**		-	
- release of the exchange reserve upon return on investments in overseas subsidiaries	-		(19,911)	
		359,117		(370,459)
Share of cashflow hedge of an associate:				
- net movement in the hedging reserve		**29,454**		(45,082)
Land and building revaluation:				
- effect on deferred tax balances related to the land and building revaluation reserve at 1 January resulting from a decrease in tax rate	-		1,675	
- share of the land and building revaluation reserve of an associate: release of valuation surplus upon disposal of a property	-		(6,818)	
		-		(5,143)
Available-for-sale securities:				
- changes in fair value recognised during the year	**1,787**		(19,151)	
- transfer to the consolidated income statement on impairment	-		17,249	
		1,787		(1,902)
		390,358		(422,586)
Total comprehensive income/(loss) for the year		**1,128,131**		(594,822)
Attributable to:				
Shareholders of the Company		**1,127,165**		(595,091)
Minority interests		**966**		269
Total comprehensive income/(loss) for the year		**1,128,131**		(594,822)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 31 December 2009 HK$'000	At 31 December 2008 HK$'000
Non-current assets			
Fixed assets			
- Investment properties		**6,548,149**	5,654,751
- Other property, plant and equipment		**626,493**	660,741
		7,174,642	6,315,492
Goodwill		**1,178**	1,178
Interest in associates		**686,738**	669,482
Available-for-sale securities		**24,776**	22,989
Deferred tax assets		**54,165**	40,966
		7,941,499	7,050,107
Current assets			
Trading securities		**174,940**	176,419
Inventories		**81,353**	85,066
Debtors, deposits and prepayments	10	**77,035**	165,711
Loans to an associate		**1,239**	-
Amounts due from fellow subsidiaries		**1,793**	1,774
Current tax recoverable		**-**	3,100
Cash and cash equivalents		**1,510,819**	1,118,141
		1,847,179	1,550,211
Current liabilities			
Creditors and accrued charges	11	**324,132**	317,147
Amounts due to fellow subsidiaries		**1,587**	1,999
Secured bank loan		**44,344**	8,549
Amount due to an associate		**13,133**	12,936
Current tax payable		**30,563**	729
		413,759	341,360
Net current assets		**1,433,420**	1,208,851
Total assets less current liabilities		**9,374,919**	8,258,958
Non-current liabilities			
Secured bank loan		**658,236**	675,368
Deferred tax liabilities		**924,834**	804,083
		1,583,070	1,479,451
Net assets		**7,791,849**	6,779,507
Capital and reserves			
Share capital		**29,530**	29,533
Reserves		**7,745,789**	6,734,023
Total equity attributable to shareholders of the Company		**7,775,319**	6,763,556
Minority interests		**16,530**	15,951
Total equity		**7,791,849**	6,779,507

Consolidated statement of changes in equity

	Note	Attributable to shareholders of the Company										
		Share capital	Land and building revaluation reserve	Investment revaluation reserve	Exchange reserve	Hedging reserve	Contributed surplus	General reserve fund	Retained earnings (note)	Total	Minority interests	Total equity
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2009		29,533	176,750	7,311	(4,395)	(75,115)	754,347	66	5,875,059	6,763,556	15,951	6,779,507
Total comprehensive income/(loss) for the year		-	-	1,787	359,107	29,454	-	-	736,817	1,127,165	966	1,128,131
Share of the general reserve fund of an associate: transfer to the general reserve fund		-	-	-	-	-	-	475	(475)	-	-	-
Purchase of own shares												
- par value paid		(3)	-	-	-	-	-	-	-	(3)	-	(3)
- premium paid		-	-	-	-	-	-	-	(234)	(234)	-	(234)
Dividends approved in respect of the previous year	8(b)	-	-	-	-	-	-	-	(50,200)	(50,200)	-	(50,200)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	-	(64,965)	(64,965)	-	(64,965)
Distribution to minority shareholders upon dissolution of a subsidiary		-	-	-	-	-	-	-	-	-	(387)	(387)
At 31 December 2009		29,530	176,750	9,098	354,712	(45,661)	754,347	541	6,496,002	7,775,319	16,530	7,791,849
At 1 January 2008		29,533	181,893	9,213	365,969	(30,033)	754,347	-	6,251,500	7,562,422	15,682	7,578,104
Total comprehensive income/(loss) for the year		-	(5,143)	(1,902)	(370,364)	(45,082)	-	-	(172,600)	(595,091)	269	(594,822)
Share of the general reserve fund of an associate: transfer to the general reserve fund		-	-	-	-	-	-	66	(66)	-	-	-
Dividends approved in respect of the previous year	8(b)	-	-	-	-	-	-	-	(153,570)	(153,570)	-	(153,570)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	-	(50,205)	(50,205)	-	(50,205)
At 31 December 2008		29,533	176,750	7,311	(4,395)	(75,115)	754,347	66	5,875,059	6,763,556	15,951	6,779,507

Note: Retained earnings attributable to the shareholders of the Company at 31 December 2009 include the aggregate net valuation gain relating to investment properties after deferred tax of HK$3,401,072,000 (2008: HK$3,062,944,000).

NOTES

1. Basis of preparation

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 December 2009 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. This announcement also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In addition, this announcement has been reviewed by the Company's Audit Committee.

The figures in respect of this announcement of the Group's results for the year ended 31 December 2009 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in respect of this announcement was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor on this announcement.

2. Changes in accounting policies

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

- HKFRS 8, "Operating segments"
- HKAS 1 (revised), "Presentation of financial statements"
- Improvements to HKFRSs
- Amendments to HKAS 27, "Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate"
- Amendments to HKFRS 7, "Financial instruments: Disclosures – improving disclosures about financial instruments"
- HKAS 23 (revised), "Borrowing costs"
- HK(IFRIC) 13, "Customer loyalty programmes"

The adoption of improvements to HKFRSs, the issue of Interpretation HK(IFRIC) 13 and the amendments to HKAS 27 and HKAS 23 (revised) do not have a significant impact on the financial statements of the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management (see note 3). Corresponding amounts have been presented on a basis consistent with the revised segment information.

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

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

3. Segment reporting

The Group manages its businesses by two divisions, namely department stores and property investment. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Department stores: this segment operates department stores in Hong Kong.
- Property investment: this segment leases commercial premises to generate rental income. Currently the Group's investment property portfolio is located in Hong Kong, Australia and the United States of America.

(a) Segment results, assets and liabilities

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

Segment assets include all tangible, intangible assets and current assets with the exception of goodwill, interest in associates, investments in financial assets, current tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade and other creditors, accrued charges and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is profit before interest income, finance costs and income tax.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning revenue (including inter-segment revenue), finance costs on bank borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2009 and 2008 is set out below.

	Department stores		Property investment		Total	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**1,133,414**	1,100,859	**309,766**	306,785	**1,443,180**	1,407,644
Inter-segment revenue	**-**	-	**79,928**	76,333	**79,928**	76,333
Reportable segment revenue	**1,133,414**	1,100,859	**389,694**	383,118	**1,523,108**	1,483,977
Reportable segment profit	**122,487**	142,077	**292,383**	282,595	**414,870**	424,672
Finance costs	**-**	-	**35,075**	71,291	**35,075**	71,291
Depreciation and amortisation for the year	**9,836**	8,106	**44,471**	45,165	**54,307**	53,271
Impairment of trade and other debtors	**(1)**	10	**709**	-	**708**	10
Reportable segment assets	**136,172**	138,986	**7,165,137**	6,301,403	**7,301,309**	6,440,389
Additions to non-current segment assets during the year	**7,090**	9,665	**23,694**	35,596	**30,784**	45,261
Reportable segment liabilities	**257,696**	248,527	**751,869**	730,550	**1,009,565**	979,077

(b) Reconciliations of reportable segment profit/(loss), assets and liabilities

	2009 **HK$'000**	2008 HK$'000
Profit/(loss)		
Reportable segment profit derived from the Group's external customers	**414,870**	424,672
Share of profits less losses of associates	**(7,686)**	3,509
Other revenue	**34,942**	65,262
Other net gain/(loss)	**65,095**	(164,296)
Finance costs	**(35,075)**	(71,291)
Net valuation gain/(loss) on investment properties	**397,763**	(494,995)
Unallocated head office and corporate expenses	**(34,080)**	(41,124)
Consolidated profit/(loss) before taxation	**835,829**	(278,263)

	2009 **HK$'000**	2008 HK$'000
Assets		
Reportable segment assets	**7,301,309**	6,440,389
Elimination of inter-segment receivables	**(8,821)**	(8,799)
	7,292,488	6,431,590
Goodwill	**1,178**	1,178
Interest in associates	**686,738**	669,482
Available-for-sale securities	**24,776**	22,989
Trading securities	**174,940**	176,419
Loans to an associate	**1,239**	-
Current tax recoverable	**-**	3,100
Deferred tax assets	**54,165**	40,966
Unallocated head office and corporate assets	**1,553,154**	1,254,594
Consolidated total assets	**9,788,678**	8,600,318

	2009 **HK$'000**	2008 HK$'000
Liabilities		
Reportable segment liabilities	**1,009,565**	979,077
Elimination of inter-segment payables	**(8,821)**	(8,799)
	1,000,744	970,278
Amounts due to fellow subsidiaries	**1,587**	1,999
Amount due to an associate	**13,133**	12,936
Current tax payable	**30,563**	729
Deferred tax liabilities	**924,834**	804,083
Unallocated head office and corporate liabilities	**25,968**	30,786
Consolidated total liabilities	**1,996,829**	1,820,811

(c) Geographic information

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

	Revenue from external customers		Specified non-current assets	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (place of domicile)	**1,315,539**	1,272,330	**4,977,813**	4,569,030
United States of America	**16,602**	13,321	**778,116**	758,635
Australia	**111,039**	121,993	**2,106,629**	1,658,487
	127,641	135,314	**2,884,745**	2,417,122
	1,443,180	1,407,644	**7,862,558**	6,986,152

4. Turnover

The principal activities of the Group during the year were the operation of department stores and property investment.

The Group's turnover for the year comprised the invoiced value of goods sold to customers less returns, net income from concession sales and income from property investment and is analysed by principal activities as follows:

	2009	2008
	HK$'000	HK$'000
Sale of goods	**923,927**	884,173
Net income from concession sales	**209,487**	216,686
Department stores	**1,133,414**	1,100,859
Property investment	**309,766**	306,785
	1,443,180	1,407,644

5. Other revenue and other net gain/(loss)

	2009	2008
	HK$'000	HK$'000
Other revenue		
Interest income from bank deposits	**19,850**	50,732
Interest income from loans to an associate	**349**	1,378
Dividend income from listed securities	**2,772**	5,881
Dividend income from unlisted securities	**2,206**	2,854
Compensation received on early termination of leases	**584**	1,801
Forfeiture of unclaimed dividends	**7,530**	-
Others	**1,651**	2,616
	34,942	65,262

	2009	2008
	HK$'000	HK$'000
Other net gain/(loss)		
Net gain/(loss) on remeasurement to fair value of trading securities	**29,215**	(153,739)
Net realised gain/(loss) on disposal of:		
- trading securities	**13,880**	(3,195)
- derivative financial instruments	**5,445**	10,862
Net foreign exchange gain/(loss)	**15,593**	(6,148)
Net gain on disposal of other fixed assets	**725**	40
Net gain on dissolution of subsidiaries (note (a))	**237**	437
Release of exchange reserve upon return on investments in overseas subsidiaries	**-**	19,911
Impairment of available-for-sale securities (note (b))	**-**	(32,464)
	65,095	(164,296)

Notes:

(a) The amount for the year ended 31 December 2009 included HK$251,000 transferred from the exchange reserve.

(b) The amount for the year ended 31 December 2008 included HK$17,249,000 transferred from the investment revaluation reserve.

6. Profit/(loss) before taxation

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

		2009 HK$'000	2008 HK$'000
(a)	Finance costs:		
	Interest on bank loan repayable within five years	**35,075**	71,291
(b)	Staff costs (excluding directors' remuneration):		
	Contributions to defined contribution retirement plans	**10,351**	10,322
	Salaries, wages and other benefits	**174,182**	176,850
		184,533	187,172
(c)	Rentals received and receivable from investment properties:		
	Gross rentals	**(309,766)**	(306,785)
	Less: direct outgoings	**58,959**	63,135
		(250,807)	(243,650)
(d)	Other items:		
	Depreciation and amortisation		
	- owned assets	**43,926**	43,203
	- lease incentives	**10,833**	10,600
	Impairment losses recognised		
	- available-for-sale securities	**-**	32,464
	- trade and other debtors	**708**	10
	- fixed assets	**24**	-
	Auditors' remuneration		
	- current year	**2,530**	2,558
	- prior year	**16**	17
	Operating lease charges		
	- minimum lease payments for hire of land and buildings	**35,006**	31,490
	- contingent rentals for hire of land and buildings	**255**	321
	Cost of inventories sold	**626,866**	599,112

7. Income tax in the consolidated income statement

	2009	2008
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**30,267**	16,138
Under/(over)-provision in respect of the prior year	**5**	(50)
	30,272	16,088
Current tax – Overseas		
Provision for the year	**15,036**	8,429
Under/(over)-provision in respect of the prior year	**64**	(5,809)
	15,100	2,620
Deferred tax		
Origination and reversal of temporary differences		
- changes in fair value of investment properties	**59,543**	(90,434)
- other temporary differences	**(6,859)**	2,002
Effect on deferred tax balances at 1 January resulting from a decrease in tax rate		
- changes in fair value of investment properties	**-**	(38,056)
- other temporary differences	**-**	1,753
	52,684	(124,735)
Total income tax expense/(benefit)	**98,056**	(106,027)

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged similarly at the appropriate current rates of taxation ruling in the relevant countries.

8. Dividends

(a) Dividends payable to shareholders of the Company attributable to the year:

	2009	2008
	HK$'000	HK$'000
Interim dividend declared and paid of 22 HK cents (2008: 17 HK cents) per share	**64,965**	50,205
Final dividend proposed after the financial year end date of 48 HK cents (2008: 17 HK cents) per share	**141,742**	50,205
	206,707	100,410

The final dividend proposed after the financial year end date has not been recognised as a liability at the financial year end date.

(b) Dividends payable to shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2009	2008
	HK$'000	HK$'000
Final dividend in respect of the financial year ended 31 December 2008 of 17 HK cents (31 December 2007: 52 HK cents) per share		
- approved during the year	**50,205**	153,570
- attributable to shares repurchased	**(5)**	-
- paid during the year	**50,200**	153,570

In respect of the final dividend for the year ended 31 December 2008, there is a difference of HK$5,000 between the final dividend approved and disclosed in the 2008 annual report and amounts paid during the year which represents dividends attributable to shares repurchased before the closing date of the register of members.

9. Basic and diluted earnings/(loss) per share

(a) The calculation of basic earnings/(loss) per share is based on the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2009 of HK$736,817,000 (2008: a loss of HK$172,600,000) divided by the weighted average of 295,305,000 shares (2008: 295,326,000 shares) in issue during the year, calculated as follows:

	2009 Number of Shares '000	2008 Number of Shares '000
Issued shares at 1 January	**295,326**	295,326
Effect of shares repurchased	**(21)**	-
Weighted average number of shares at 31 December	**295,305**	295,326

There were no outstanding potential shares throughout the years presented.

(b) Adjusted basic earnings per share excluding the net valuation gain/(loss) on investment properties and related deferred tax thereon

For the purpose of assessing the underlying performance of the Group, the management is of the view that the profit/(loss) for the year should be adjusted for the net valuation gain/(loss) on investment properties and the related deferred tax thereon in arriving at the "underlying profit attributable to shareholders of the Company".

The difference between the underlying profit attributable to shareholders of the Company and profit/(loss) attributable to shareholders of the Company as shown in the consolidated income statement for the year is reconciled as follows:

	2009		2008	
		Amount per share		Amount per share
	HK$'000	**HK cents**	HK$'000	HK cents
Profit/(loss) attributable to shareholders of the Company as shown in the consolidated income statement	**736,817**	**249.5**	(172,600)	(58.4)
Net valuation (gain)/loss on investment properties	**(397,763)**	**(134.7)**	494,995	167.6
Increase/(decrease) in deferred tax liabilities in relation to the net valuation gain/(loss) on investment properties	**59,543**	**20.2**	(90,434)	(30.6)
	398,597	**135.0**	231,961	78.6
Effect on deferred tax balances in relation to the net valuation gain on investment properties at 1 January resulting from a decrease in tax rate	**-**	**-**	(38,056)	(12.9)
Net valuation gain/(loss) on investment properties net of related deferred tax attributable to minority interests	**92**	**-**	(662)	(0.2)
Underlying profit attributable to shareholders of the Company	**398,689**	**135.0**	193,243	65.5

10. Debtors, deposits and prepayments

	2009 HK$'000	2008 HK$'000
Trade and other debtors	**48,117**	138,238
Less: Allowance for doubtful debts	**(819)**	(21)
	47,298	138,217
Deposits and prepayments	**29,737**	27,494
	77,035	165,711

Included in debtors, deposits and prepayments are trade and other debtors (net of allowance for doubtful debts) with the following ageing analysis as of the financial year end date:

	2009 HK$'000	2008 HK$'000
Current or less than one month past due	**46,722**	136,709
One to three months past due	**444**	698
More than three months but less than twelve months past due	**52**	201
More than twelve months past due	**80**	609
	47,298	138,217

Trade and other debtors are normally due within 30 days from the date of billing.

All debtors, deposits and prepayments of the Group, apart from certain rental deposits and prepayments totalling HK$10,790,000 (2008: HK$10,582,000), are expected to be recovered or recognised as an expense within one year.

11. Creditors and accrued charges

	2009 HK$'000	2008 HK$'000
Trade and other creditors	**289,529**	285,828
Accrued charges	**34,603**	31,319
	324,132	317,147

Included in creditors and accrued charges are trade and other creditors with the following ageing analysis as of the financial year end date:

	2009 HK$'000	2008 HK$'000
Amounts not yet due	**238,131**	225,012
On demand or less than one month overdue	**48,647**	55,385
One to three months overdue	**502**	1,322
Three to twelve months overdue	**196**	780
More than twelve months overdue	**2,053**	3,329
	289,529	285,828

2009 RESULTS AND DIVIDEND

For the year ended 31 December 2009, the Group achieved a profit of HK$736.8 million for its shareholders as compared to a loss of HK$172.6 million recorded in 2008, while turnover increased by 2.5% to HK$1,443.2 million (2008: HK$1,407.6 million). The improvement in results was due mainly to a net valuation gain on investment properties and gains from investments in securities. Excluding the net valuation gain of HK$338.1 million (2008: a net loss of HK$365.8 million) on investment properties net of the related deferred tax, the underlying profit attributable to shareholders increased by 106.4% to HK$398.7 million (2008: HK$193.2 million).

Basic earnings per share was 249.5 HK cents per share in 2009 (2008: loss of 58.4 HK cents per share). Excluding the net valuation gain (as compared with a loss in 2008) on investment properties and the related deferred tax thereon, the underlying earnings per share for the year increased to 135.0 HK cents (2008: 65.5 HK cents).

In respect of 2009, the directors have recommended a final dividend of 48 HK cents (2008: 17 HK cents) per share payable to shareholders on the Register of Members on 9 June 2010 (Hong Kong time) which, together with the interim dividend of 22 HK cents (2008: 17 HK cents) per share paid on 21 October 2009 (Hong Kong time) makes a total payment of 70 HK cents (2008: 34 HK cents) per share for the whole year. Dividend warrants will be sent to shareholders on 22 June 2010 (Hong Kong time). The Register of Members will be closed from 2 June 2010 to 9 June 2010 (Hong Kong time), both dates inclusive, during which period no share transfer will be effected. To qualify for the final dividend, transfers to be dealt with must be lodged with the Company's Share Registrars, Tricor Progressive Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:00 p.m. on 1 June 2010 (Hong Kong time)

LIQUIDITY AND FINANCIAL RESOURCES

Overall Financial Position

Shareholders' equity as at 31 December 2009 was HK$7.8 billion, an increase of 15.0% compared with 2008. With cash and listed marketable securities at 31 December 2009 of about HK$1.7 billion as well as available banking facilities, the Group has sufficient liquidity to meet its current commitments and working capital requirements.

Borrowings and Charges on Group Assets

At 31 December 2009, the Group's total borrowings amounted to HK$702.6 million, an increase of about HK$18.7 million, due to exchange differences net of partial repayments, as compared to that at 31 December 2008. The partial repayments included an early repayment of HK$173.2 million made by the Group of its own volition. The Group's total borrowings of HK$702.6 million relate to a mortgage loan for Australian investment properties. The repayment of about 89% of the borrowings will be due in December 2011. The management will renegotiate the repayment schedule nearer the time. Certain assets, comprising principally property interests with a book value of HK$2.1 billion, have been pledged to banks as collateral security for banking facilities granted to the extent of HK$0.9 billion. In view of the existing strong cash position, the Group does not anticipate any liquidity problems.

Gearing Ratio

The gearing ratio, which is computed from the total borrowings of the Group divided by shareholders' equity of the Group at 31 December 2009, was 9.0% as compared with 10.1% at 31 December 2008.

Funding and Treasury Policies

The Group adopts a prudent funding and treasury policy. To minimise exposure to foreign exchange fluctuations, the Group's borrowings in Australia for its Melbourne investment property are denominated in Australian dollars. Hence, the foreign exchange exposure is limited to the net investments in overseas subsidiaries of approximately HK$1.7 billion at 31 December 2009 (at 31 December 2008: HK$1.4 billion).

The Group's borrowings are on a floating rate basis. For overseas borrowings, when appropriate and at times of interest rate uncertainty or volatility, hedging instruments including swaps and forwards may be used to assist in the Group's management of interest rate exposure. The Group's cash and bank balances are mainly denominated in Hong Kong, United States, and Australian dollars. The use of financial instruments for hedging the Group's interest rate and foreign exchange exposure is closely monitored.

Capital Commitments and Contingent Liabilities

At 31 December 2009, the total amount of the Group's capital expenditure commitments was HK$1,457,000 (at 31 December 2008: HK$2,188,000). The Company has issued corporate guarantees to a financial institution in Hong Kong in respect of banking facilities granted to a wholly-owned subsidiary of an associate of the Group, which expire within one year. The associate has also issued a corporate guarantee to a financial institution in the People's Republic of China in respect of a financial facility granted to a jointly controlled entity of the associate, which expires within one year. At 31 December 2009, the total maximum contingent liability shared by the Group was HK$19,789,000 (at 31 December 2008: HK$25,175,000).

BUSINESS REVIEW

Department Stores Operations

2009 was a challenging year for the Group's department store operations. With the adverse impact of the global economic downturn and human swine influenza, customer spending fell noticeably in the first half of 2009 resulting in a drop in our department store turnover when compared to the corresponding period of 2008. Due to the various fiscal and monetary rescue packages implemented by governments of various major economies and the easing of the human swine influenza impact, the economic environment as well as consumer sentiment gradually improved in the second half of 2009. The rallying stock market, surge in local property prices and steady increase in tourist arrivals also helped to stimulate retail sales. Benefiting from the improved retailing environment and coupled with the department stores' timely major promotional events, the Group's retail division was able to make more sales in the second half of 2009 and overall achieved a turnover of HK$1,133.4 million (2008: HK$1,100.9 million) for the full year; an increase of 3.0% over 2008. However, operating profits decreased by 13.8% to HK$122.5 million (2008: HK$142.1 million) due mainly to an increase in store premises rental costs, additional advertising expenses and deeper discounts offered to customers.

Property Investments

Income from the Group's investment properties for the year ended 31 December 2009 increased by 3.5% to HK$292.4 million (2008: HK$282.6 million). During the year under review, the Group was able to obtain rental increases from tenancy renewals and rent reviews while maintaining a stable occupancy of over 95% for its commercial office properties in Hong Kong. The Group achieved an 8.5% increase in rental income from its commercial investment properties in Hong Kong to HK$174.9 million (2008: HK$161.2 million) in 2009. Income from the commercial office properties in Melbourne decreased by 7.0% to HK$110.7 million (2008: HK$119.0 million). Although the net rental income in Australian dollar terms achieved in 2009 approximated the amount achieved in 2008, a decrease was recorded when translating the amount from Australian dollars to Hong Kong dollars. The overall occupancy rate for the Group's investment properties in Melbourne was above 95%.

Automobile Dealership Business

During the year under review, the Group's automobile dealership associate in the United States continued to suffer from a decline in revenues as the economy in the United States, which was devastated by the credit crunch problems in 2008, remained fragile. With the adverse impact of economic uncertainty and tightened credit markets, sales of new vehicles plummeted in the year under review. Demand for cars industry-wide was sluggish during most parts of the year except for July and August during which demand surged temporarily, being stimulated by the "Cash for Clunkers" program launched by the United States Government. Despite the sluggish new car sales, our associate was able to sell more used cars and get more parts and service businesses. To offset the impact of the drop in sales, management implemented significant cost reduction measures in late 2008 to reduce personnel costs and other operating expenses. For the year ended 31 December 2009, the Group's share of after tax loss from the associate was HK$13.7 million, compared to an after tax profit of HK$2.8 million in 2008. Excluding the loss on fair value re-measurement of HK$28.0 million (2008: a gain of HK$22.2 million) in respect of the associate's Employee Stock Ownership Plan and Senior Stock Purchase Plan, the Group's share of after tax profit from the associate was HK$14.3 million, compared to a share of after tax loss of HK$19.4 million in 2008.

Others

Benefiting from the gradual recovery in global stock markets, the Group recorded net realised and unrealised gains on trading securities of HK$13.9 million (2008: net loss of HK$3.2 million) and HK$29.2 million (2008: net loss of HK$153.7 million) respectively during the year under review. The Group also recorded a net foreign exchange gain of HK$15.6 million in 2009 (2008: net loss of HK$6.1 million).

STAFF

As at 31 December 2009, the Group had a total staff of 947 (2008: 962). The Group's remuneration policies, bonus schemes, Mandatory Provident Fund schemes, etc. have not changed materially from the information disclosed in the 2008 annual report. Details of such policies will be published in the 2009 annual report.

OUTLOOK FOR 2010

The global economy appears to have passed the lowest ebb in the global economic downturn and economic recovery is expected to continue in 2010. Locally, business and consumer confidence is expected to improve further as economic conditions become more positive. This will bring benefit to the Group's department stores business and property investments. The Group will maintain its efforts to strengthen its department stores performance. The Group's investment properties in Hong Kong and overseas are expected to continue to contribute stable income. The operating environment of our Group's automobile dealership associate in the United States will continue to be difficult in 2010 as the car market in the United States has yet to recover.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the financial year ended 31 December 2009.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding directors' securities transactions. The Company has made specific enquiries of all directors and all directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2009, the Company purchased its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

Month / year	**Number of shares purchased**	**Highest price paid per share HK$**	**Lowest price paid per share HK$**	**Aggregate price paid HK$'000**
May 2009	31,000	7.70	7.57	237

Pursuant to section 42A of the Bermuda Companies Act 1981, the above purchased shares were cancelled upon purchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the purchase of the shares of HK$234,000 (2008: HK$ nil) was charged against retained earnings.

Saved as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the year.

ANNUAL GENERAL MEETING

The 2010 Annual General Meeting of the Company will be held on 9 June 2010. The Notice of Annual General Meeting will be published and dispatched on or about 30 April 2010 in the manner as required by the Listing Rules.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The 2009 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange's website in due course.

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 8 April 2010

As at the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer) and Mr. Mark Kwok, the non-executive directors are Dr. Bill Kwok and Dr. Philip Kwok, and the independent non-executive directors are Miss Maria Tam Wai Chu, Mr. Ignatius Wan Chiu Wong, Mr. Iain Ferguson Bruce, Mr. Anthony Francis Martin Conway and Mr. Leung Wing Ning.