closer to you

FairPrice

ANNUAL REPORT FY2008/2009

Contents

At FairPrice, we are closer to you.

These graphic wings donned throughout the report represent our lasting affinity with customers, partners and staff. The wings symbolise taking flight and working hand-in-hand in providing quality products and services for our customers. Above all, it is an expression of FairPrice and the people as one, soaring higher in bringing about a better life for everyone.

NTUC FairPrice. A name that resounds with warmth and familiarity. Always providing, always meeting every need. For over 36 years, we stay true to our social mission to moderate the cost of living in Singapore. As the largest supermarket chain, we go beyond providing quality products at best value and service.

At FairPrice, we draw closer. Closer to the hearts of our customers and the community. Closer as an organisation that places people at the heart of the business. We share the ups and downs with you, embracing relationships and bonds that last a lifetime. A name for everyone to call their own.

To us,
it's about being **closer to you. To you…**

That's My FairPrice!

Our Vision

To be Singapore's leading world-class retailer with a **heart**.

Our Mission

To provide customers with the best value, quality products and excellent service, be a preferred employer, to moderate the cost of living in Singapore, and serve the needs of our members, the labour movement and the community.

NTUC FairPrice Aims to be-

Best Place to Shop

Best Place to Work

Best Corporate Citizen

The New
NTUC FairPrice Logo

NTUC FairPrice was founded by the labour movement in 1973. The new FairPrice logo reinforces FairPrice's deep rooted relationship with the labour movement while reflecting the new identity of the National Trades Union Congress (NTUC). The logo also defines FairPrice's promise to our customers.

The NTUC hallmark

The logo is framed by the NTUC U hallmark which is made up of three 'U's:

- The small U that stands for working people of all collars, ages and nationalities in Singapore, and their families. These are the people that FairPrice serves everyday.

- The big U that stands for the Labour Movement, made up of our affiliated unions and associations, social enterprises, staff, members and partners. FairPrice believes that we can do more together with other members in the NTUC family.

- The invisible U that stands beside working people and their families at work, live and play, to help them earn a better living and live a better life. Like the invisible U, customers can trust that FairPrice will always be there to moderate the cost of living for all.

Our Colours

The strong vibrant red represents the NTUC unity and our passion to serve our customers and the community. The solid blue represents the values of professionalism. The three white ticks represent our brand promise to deliver quality products at great value and service, always.

The colours combine to represent FairPrice's core values of customer-focus, professionalism and teamwork.

Our Brand Promise

The FairPrice brand is a brand trusted by our customers to deliver quality products at great value and service, always.

Quality

Quality assurance through regular audits and compliance with regulations and standards.

Value

FairPrice offers value-for-money through rebates, linkpoints, discounts, Everyday Low Price items and FairPrice housebrand products.

Service

Provide service training and reward good performance.

Our retail formats:

FairPrice

FairPrice xpress

FairPrice finest

Cheers

FairPrice Xtra

FairPrice Online

Closer To Our Customers

"We grew up with FairPrice. To us, FairPrice means 'Fair Deal, Good Price'. Conveniently-located stores, purchase-with-purchase offers and friendly frontline staff make our shopping experience at FairPrice enjoyable."

Mr Seah Kim Cheong and family,
FairPrice customer for over 25 years

A smile and a greeting for every face we meet, we delight in bringing enjoyable experiences for our customers.

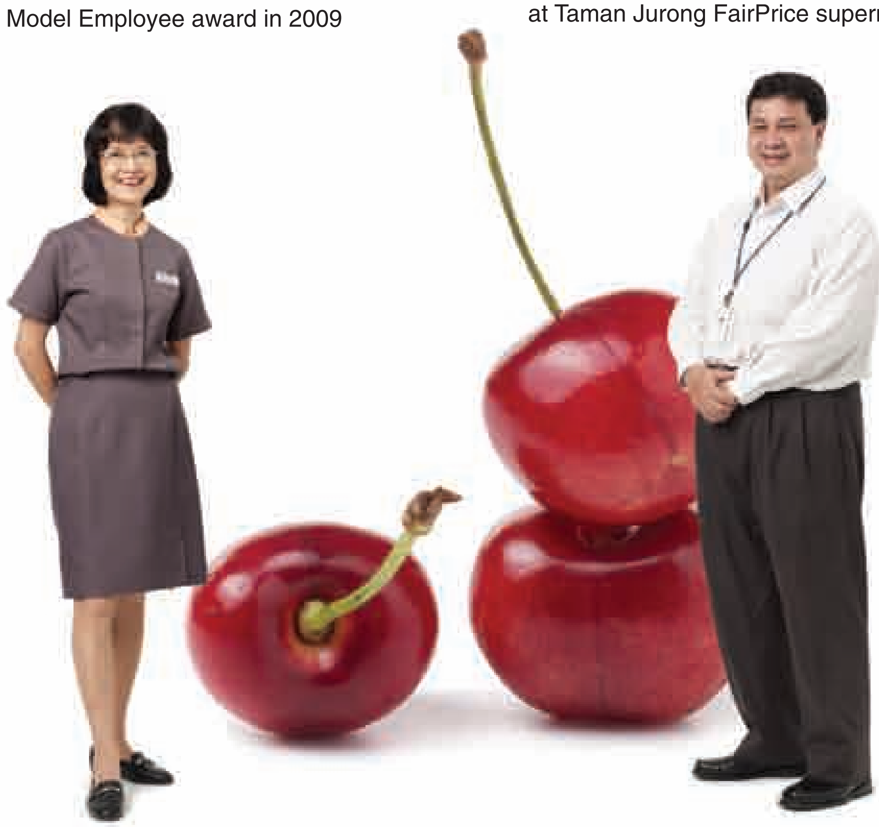
Closer As One

"As a frontline staff with FairPrice for over nine years, each and every smile on our customer's face gives me great sense of satisfaction. I am proud to be part of FairPrice's big family and look forward to continue contributing positively."

Mdm Tan Choon Lea, Retail Assistant at Thomson Plaza FairPrice Finest.
Recipient of both FairPrice Service Champion award and Model Employee award in 2009

"Working in FairPrice has always been challenging, interesting and I get to meet people from all walks of life. FairPrice has also given me ample opportunities for growth and development."

Mr Mohamed Maarof Bin Ghani, Branch Manager at Taman Jurong FairPrice supermarket

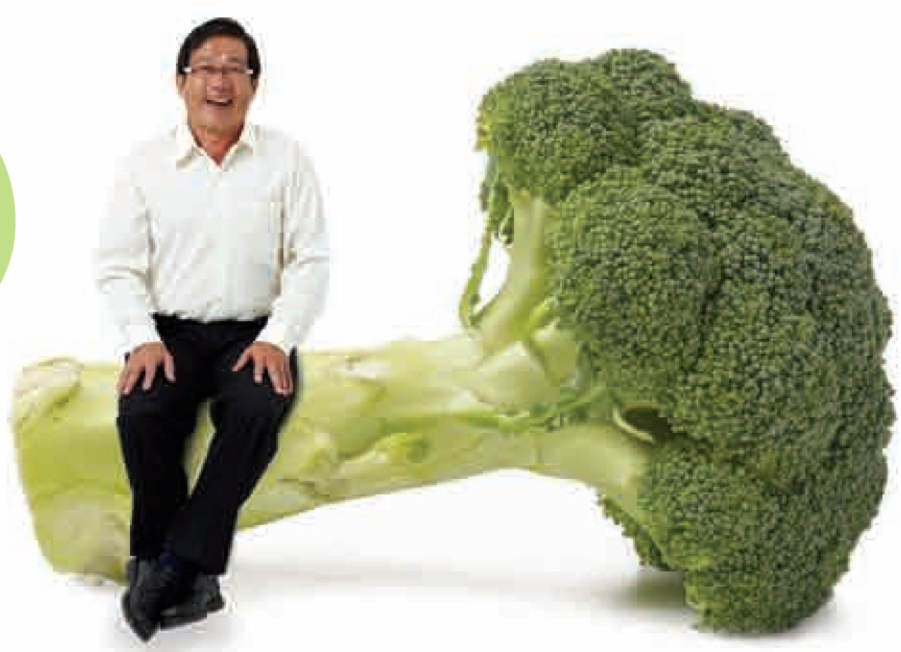


Working as one, our
values of customer-focus,
professionalism and teamwork
see a solid foundation that
supports each other to
constantly challenge ourselves
and find innovative solutions.

Closer Ties

"Yili Farm values our partnership with FairPrice. FairPrice has helped Yili achieve our business goals and I would like to commend FairPrice for its flexible and cost-effective logistics support."

Mr Alan Toh, Managing Director of Yili Farm,
FairPrice supplier for fresh produce

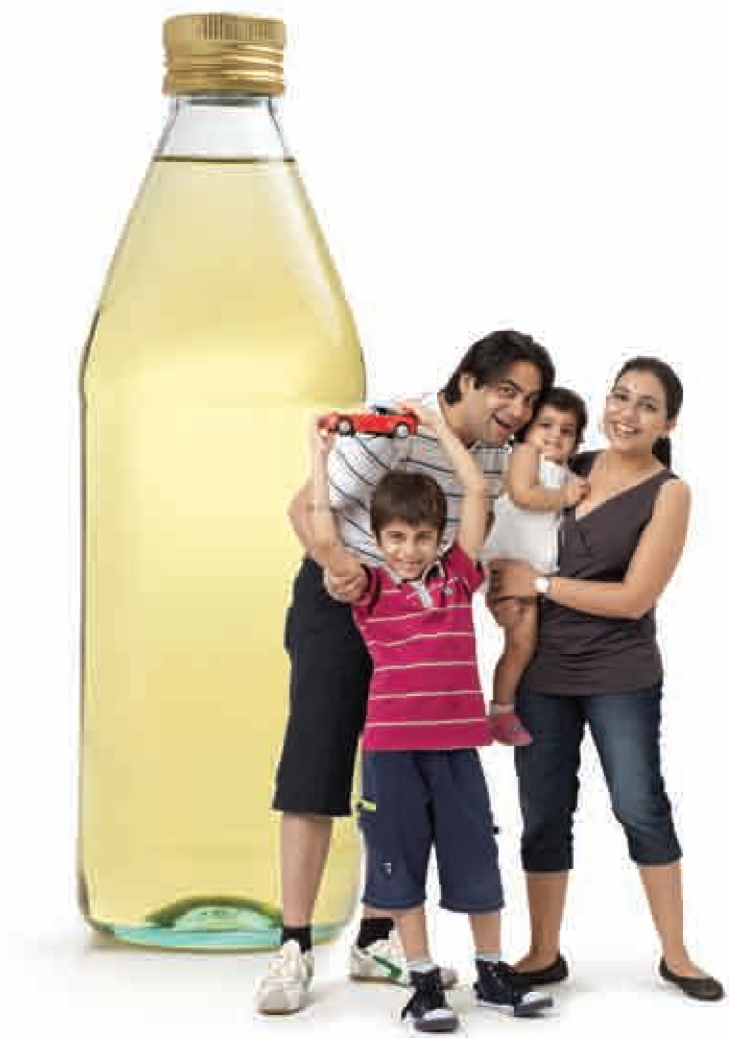


Building amiable and long-lasting relationships with our partners and suppliers, we believe in supporting one another, maximising business opportunities, and creating value for growth.

Closer to The Workforce

"Among the benefits in being an NTUC and FairPrice member, I feel secure knowing there is someone watching over me and I get to enjoy fabulous deals, discounts and offers at FairPrice. The instant Linkpoints redemption and members' rebates are simply great!"

Mr Amit Nagpal, NTUC member for two years, with family



As a social enterprise, FairPrice moderates the cost of living in Singapore and sustains the essential quality of life of the workers through contributions to the Labour Movement.

A Closer Community

"Because of FairPrice's donation to Ang Mo Kio FSC (Cheng San), we are able to get referrals for financial assistance and other community resources from the FSC. Thank you, FairPrice, for your helping hand."

Mr and Mrs Ong Beng Huat, beneficiaries under
Ang Mo Kio Family Service Centre

More than a leading supermarket retailer, FairPrice cares and shares with a heart, reaching out to those in need and enabling better lives for the community.

Corporate Information

BOARD OF DIRECTORS
Mr Ng Ser Miang (Chairman)
Mr John Lim (Deputy Chairman)
Mr Teo Yock Ngee
Dr Jennifer Lee
Mr Eric Ang
Ms May Ng
Mr Willie Cheng
Ms Adeline Sum
Mr Hee Theng Fong
Ms Tan Hwee Bin
Mr John De Payva
Mr Willy Shee
Mr Wong Heng Tew
Ms Ng Shin Ein
Mr Poh Leong Sim (Secretary)

AUDIT COMMITTEE
Mr Willie Cheng (Chairman)
Mr Teo Yock Ngee
Ms Tan Hwee Bin
Mr Wong Heng Tew

ESTABLISHMENT COMMITTEE
Ms Tan Hwee Bin (Chairman)
Mr Willie Cheng
Ms Adeline Sum
Mr Willy Shee

RISK COMMITTEE
Mr Eric Ang (Chairman)
Dr Jennifer Lee
Mr Hee Theng Fong
Mr John De Payva

FINANCE & REAL ESTATE COMMITTEE
Ms May Ng (Chairman)
Mr Eric Ang
Mr Willie Cheng
Mr Willy Shee

STUDY GRANT COMMITTEE
Mr Teo Yock Ngee (Chairman)
Dr Jennifer Lee
Mr John De Payva

BUSINESS DEVELOPMENT
Mr John Lim (Chairman)
Ms May Ng
Mr Wong Heng Tew
Ms Ng Shin Ein

ADVOCATES & SOLICITORS
KhattarWong
Allen & Gledhill
Bih Li & Lee
Rodyk & Davidson
Sim & Wong LLC

AUDITOR
Deloitte & Touche LLP

BANKERS
Development Bank of Singapore
Oversea-Chinese Banking Corporation

CO-OPERATIVE DATA
NTUC Fairprice Co-operative Ltd
680 Upper Thomson Road
Singapore 787103
Tel: 6456 0233
Fax: 6458 8975
www.fairprice.com.sg

REGISTERED ADDRESS
680 Upper Thomson Road
Singapore 787103

Financial Highlights

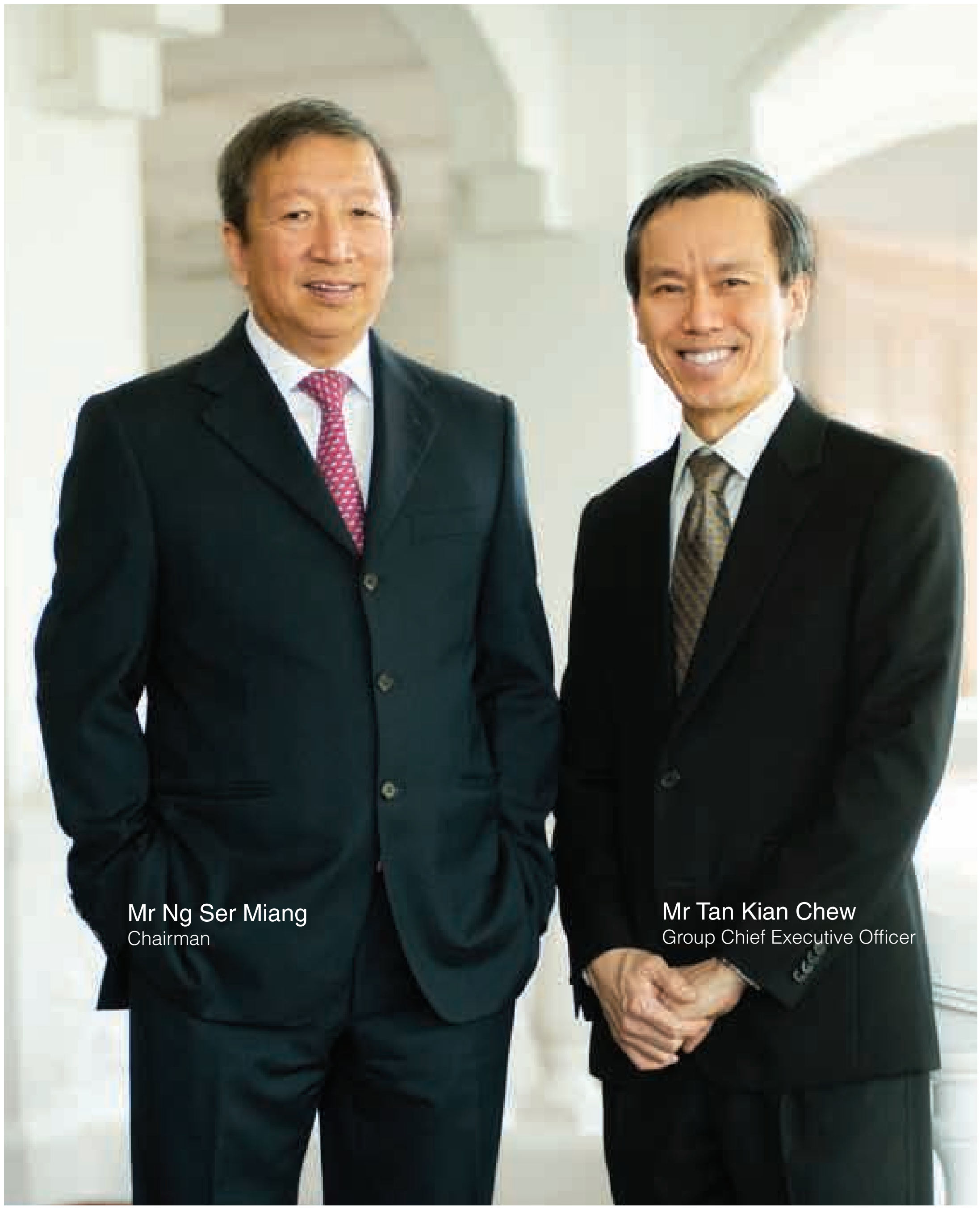
For the year ended 31st March 2009

	The Group		The Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Revenue	2,025,555	1,705,398	1,906,717	1,599,528
Profit before share of associates' and jointly controlled entity's results	62,094	99,443	51,225	88,712
Share of profit/(loss) of :				
- associates	1,952	3,440	-	-
- jointly controlled entity	(62)	(52)	-	-
Profit before taxation	63,984	102,831	51,225	88,712
Taxation	(805)	(1,832)	-	-
Profit Before Contributions	63,179	100,999	51,225	88,712
Net profit margin	3.12%	5.92%	2.69%	5.55%
Return on net assets employed (Note 1)	6.99%	7.96%	6.72%	8.32%
Net tangible assets per share (Note 2)	$4.64	$5.43	$3.80	$4.41
Dividend Declared	-	-	5.00%	5.00%
Patronage rebate	-	-	4.00%	4.00%

Note:
1) Return on net assets is computed based on net profit after contribution to CCF and SLF. Net assets used in computation exclude share capital repayable on demand.

2) NTA per share is computed based on share capital including share capital repayable on demand.

Joint Message from
Chairman and Group Chief Executive Officer



It has been a successful year for NTUC FairPrice's core retail business and social achievements despite challenging economic conditions. Inflation was high in the first half of the year and the global economy headed for a severe downturn in the second half of the year. Despite the challenges, our retail sales was up and this enabled us to achieve our social mission to moderate the cost of living and to help provide a better life for the community.

The various new business initiatives implemented in the previous financial year proved successful and we maintained our market leader position. We are grateful to our customers and members who continue to trust that FairPrice will always deliver quality products and services at best value. Our core values define the FairPrice culture that guides everyone to achieve our goals with strong customer-focus, professionalism and teamwork. Our social mission remains at the heart of our operations and business decisions. At FairPrice, everyone of us understands that we exist to meet our customers' daily needs and we always give back to the community. We share a vision to be a world-class retailer with a heart.

Higher Retail Sales. Margin eroded by higher cost of social contributions.

Like all social enterprises, our business philosophy is to do well in order to do good. Overall Group revenue was S$2.02 billion, an increase of 18.8% over the previous year's. The Group's profit before contributions was S$63.2 million, a decrease of 37.4% from the previous year. The drop in profit was due to a net loss from investments of S$0.3 million, compared to a net income from investments of S$47 million in the previous year. Retail profit, however, increased as a result of higher retail sales, although the margin was lower. The lower margin of our retail sales was mainly due to our efforts to moderate the cost of living in view of the high inflation and economic recession.

Overall net profit for the Group after contributions to the Central Co-operative Fund and the Singapore Labour Foundation was S$45.7 million. This was 27.7% lower than the previous year's net profit of S$63.3 million.

The Board is recommending a first and final dividend of 5%. This amounts to S$9.0 million. The patronage rebate remains at 4%, which amounts to S$32.0 million. FairPrice also gave out S$14.8 million in LinkPoints to members and Link cardholders. Total payout to members and Link cardholders for the year in review will amount to S$55.8 million.

Maintaining Business Growth

Growth opportunities continue to emerge even in this difficult business environment. We opened our second FairPrice Finest store at Thomson Plaza and we are planning to open a third outlet by end 2009. Our 24-hour FairPrice Xtra hypermarket opened in Jurong Point in March 2009, making this our third hypermarket since we first launched the format in 2006. With 223 stores, including our convenience stores, FairPrice is there for everyone, everywhere in Singapore. This year, we have committed S$40 million in capital expenditure to further expand and upgrade our network and retail management systems to serve our customers better.

To ensure that customers enjoy quality products at best value, our purchasing team works tirelessly to find the best deals for our customers. We launched a new product line Pasar Organic under our Pasar housebrand. Sales have been encouraging and we are adding new products to the line. Our purchasing team will continue to source for quality products at best value for our customers and explore alternative food sources to enhance our food supply resilience at national level.

Achieving our Social Mission

Faced with continued inflationary pressure, consumers turned to FairPrice to help them stretch their dollar. To keep prices of essential items affordable, we extended the 5% discount on 500 essential housebrand items till the end of 2009, even though this programme will cost us S$12 million in total since it was launched in December 2007. For customers who are looking for even cheaper alternatives, we launched a range of lowest-priced yellow dot items to meet their needs. We now have over 200 yellow dot items and we continue to source for more items to add to this range.

When the rice crisis started in March 2008, the global price of rice tripled and created panic buying. FairPrice took quick action to increase supply before prices ran away. We were able to moderate the price of rice during the rice crisis and became the last retailer to raise rice prices and was the first to drop prices.

This frightening scenario reminded us why our first supermarket was started 36 years ago. Back then, prices of basic essentials such as rice sky-rocketed and caused panic buying. Our first supermarket was founded by the labour movement to curb profiteering and stabilise retail prices of essential items. Until today, we are mindful of this social mission.

To renew our commitment to our social mission, FairPrice launched a new logo last year. We were honoured to have Minister Mentor Lee Kuan Yew unveil our new logo at our first supermarket store in Toa Payoh Lorong 4. The launch was reminiscent of the opening of our first store by Minister Mentor Lee in 1973. Our new logo is also a symbol of our commitment to the labour movement.

Helping the Community in Tough Times

It is said that a friend in need is a friend indeed. At FairPrice, we understand that tough times call for a helping hand. We introduced a recession package to help our customers, suppliers, workers, staff and the community ride through the downturn. This includes the cashflow acceleration programme for our suppliers and financial assistance to the labour movement and the community.

Our one-year-old NTUC FairPrice Foundation worked hard on its mission to provide a better life for the community. Funded wholly by FairPrice, the Foundation contributed a total of S$6.7 million to the community this financial year. Whether it was contract workers, union workers, needy families or foreign workers, FairPrice was there to help.

A Responsible and Caring Retailer

It is our mission to be the best corporate citizen, be it towards the community or the environment. Our evergreen Used Textbooks Project worked with four community partners to achieve a record year where we collected a whopping number of 200,000 used textbooks and helped 11,500 students save on textbook expenses. We partnered with the Boys' Brigade Sharity Gift Box to spread the Christmas spirit of giving and sharing, by making use of our wide network of stores, as well as our online store for public donations of gifts to the needy. Our hearts also went out to the victims of the China Earthquake.

Touched by the plight of the victims, we set up the widest network of donation points for the Singapore Red Cross China Earthquake fundraising effort. With donations from FairPrice and our customers, the project raised S$150,000 for victims of the earthquake.

Environmental sustainability is also high on our corporate social responsibility agenda. We believe that reducing waste and conserving our resources will not only contribute towards a greener environment but will also help us lower costs and provide savings for our customers. Our Green Rewards programme, for example, has saved more than 40 million plastic bags since it was launched in 2007. To show our support in the global initiative to raise environmental awareness, FairPrice participated in Earth Hour by switching off all non-essential lightings at our facilities.

Well Positioned to Succeed

The economic outlook this year is uncertain but we believe FairPrice is well positioned to manage the challenges. Our sales are strong, thanks to the unwavering support of our members and customers. We have excellent long-term relationships with our suppliers who support us in delivering quality, value and variety to our customers. Our multi-retail format strategy and our wide network of stores ensure that FairPrice serves the needs of customers from all walks of life, everywhere, everyday.

We have a very talented and capable management team that ensures we achieve our goals. Our staff are well-trained and dedicated to contribute to our success. Most importantly, our strong teamwork helps us to overcome challenges and find innovative solutions.

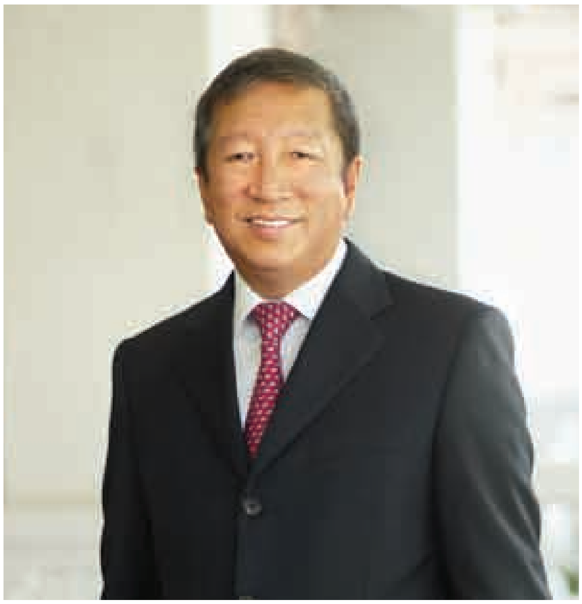
We would like to express our sincere gratitude to each and everyone of our staff for their resilience, passion and tireless effort to uphold the FairPrice brand promise and their commitment to our social mission. We would also like to thank our Board of Directors for their guidance and vision. Our success would not be possible without the ready collaboration and cooperation from our suppliers and business partners.

And to our customers, thank you for rewarding FairPrice with your trust and loyalty.

Mr Ng Ser Miang
Chairman

Mr Tan Kian Chew
Group Chief Executive Officer

Board of **Directors**



MR NG SER MIANG
Chairman

Mr Ng was appointed Chairman of NTUC FairPrice on 16 September 2005. He also chairs Choice Homes and TIBS International Pte Ltd. Mr Ng is an Executive Board Member of the International Olympic Committee (IOC) and also serves in the IOC Finance Commission, IOC Audit Committee, Olympic Congress 2009 Editorial Committee and IOC Co-ordination Commission for London 2012. He is also Chairman of the 2010 Inaugural Youth Olympics Games and the 1st Asian Youth Games Steering Committee. A Singapore Ambassador to the Republic of Hungary and the Kingdom of Norway, Mr Ng has been conferred with numerous awards for his meritorious contribution to the public service.

MR JOHN LIM KOK MIN
Deputy Chairman

Mr Lim joined the Board in 1999. He is currently the Chairman of Senoko Power Ltd and Executive Deputy Chairman of LMA International NV. Mr Lim is also the immediate past Chairman of the Building & Construction Authority and serves as a director of several public and private companies. Mr Lim is the President of the Singapore Institute of Directors and Member of the Securities Industry Council.

MR TEO YOCK NGEE

Mr Teo joined the Board in 2000. He is General Secretary of the Amalgamated Union of Public Employees (AUPE) and Chairman of the AUPE Multi-Purpose Co-operative Society. Mr Teo is Secretary for Financial Affairs of NTUC Central Committee. He serves as a Member of the National Wages Council and a Member of Employee Panel of the Industrial Arbitration Court.

DR JENNIFER LEE

Dr Lee was appointed to the Board in 2001. She is Chairman of the Board of Eu Yan Sang International Pte Ltd and of the External Review Panel, Quality Assurance Framework for Universities. She also serves on the boards of the Health Sciences Authority, the SingHealth Foundation, Bunrungrad International and is a Member of the Tripartite Committee on Work-Life Strategy.

MR ERIC ANG TEIK LIM

Mr Ang joined the Board in 2001. He is the Managing Director and Head of Capital Markets at DBS Bank, responsible for Debt Capital Markets, Equity Capital Markets, Mergers and Acquisitions and Private Equity. He is also a member of DBS Bank's Management Committee.

MS MAY NG

Ms Ng joined the Board in 2001. She is the Executive Director of Pan-United Corporation Ltd. She is also director of several companies. Ms Ng graduated with Bachelor of Arts (Honors) from the University of Western Ontario.

MR WILLIE CHENG

Mr Cheng joined the Board in 2003. He sits on the boards of Singapore Press Holdings, Integrated Health Information Systems, and several non-profit boards. He is also the Chairman of Caritas Singapore and the Lien Centre for Social Innovation.

MS ADELINE SUM

Ms Sum was appointed to the Board in 2004. She is currently the Chief Executive Officer of the Singapore Labour Foundation. Ms Sum is also a Competency Director (Group Development), National Trades Union Congress.

MR HEE THENG FONG

Mr Hee joined the Board in 2006. He is a practising lawyer with more than 20 years' experience in legal practice. He is currently a Fellow of the Chartered Institute of Arbitrators (UK) and the Singapore Institute of Arbitrators and an Arbitrator of Singapore International Arbitration Centre (SIAC), Beijing Arbitration Commission (BAC) and China International Economic and Trade Arbitration Commission (CIETAC). Mr Hee is also a member of the Standing Committee of the Singapore Chinese Chamber of Commerce & Industry and an independent director of several public listed companies. He is frequently invited to speak on Director's Duties and Corporate Governance.

MS TAN HWEE BIN

Ms Tan joined the Board in 2006. She is the Executive Director of Wing Tai Holdings group. She is also a council member of Central Singapore Community Development Council (CDC) and a member of the Finance and Establishment Committee of Chinese Development Assistance Council (CDAC).

MR JOHN DE PAYVA

Mr De Payva joined the Board in 2008. He is the current President of the Singapore National Trades Union Congress (NTUC) and Secretary-General of the Singapore Manual and Mercantile Workers' Union (SMMWU). Mr De Payva holds several other positions both locally as well as in the Global Union Federation of Union Network International and the International Trade Union Confederation. Mr De Payva served as a Nominated Member of Parliament from 1994 to 1997. He was awarded the national Public Service Medal in 1998 and the Public Service Star medal in 2004 in recognition of his contributions to the workers and Singapore labour movement.

MR WILLY SHEE

Mr Shee joined the Board in 2008. He is the Chairman (Asia) of CB Richard Ellis Pte Ltd, the world's largest real estate service provider with over 300 offices in 55 countries. His current directorships in companies include Ascendas Pte Ltd, Strategic Partners Asia II Pte Ltd, Lafe (Emerald Hill) Development Pte Ltd, SLF AMK Pte Ltd and SLF Properties Pte Ltd.

MR WONG HENG TEW

Mr Wong joined the Board in 2008. He is currently the Advisory Director for Temasek Holdings. Mr Wong first joined Temasek Holdings in 1980. His portfolio included stewardship of the Temasek companies, direct investments, investments in private equity funds, mergers and acquisitions, divestments, corporate governance and human resources. Before his retirement in April 2008, Mr Wong held the position of Managing Director (Investments) and concurrently the Chief Representative of Temasek Holdings in Vietnam. Mr Wong's current directorships include Surbana Corporation, Certis Cisco Security Pte Ltd, Olam International Ltd, Orchard Energy Pte Ltd, HOPU Management Co. Ltd and Vietnam Growth Fund Ltd.

MS NG SHIN EIN

Ms Ng joined the Board in 2008. She is the Regional Managing Director of Blue Ocean Associates Pte Ltd, a firm focused on investing in and providing financing solutions to businesses. Prior to this, Ms Ng was with the Singapore Exchange, where she was responsible for developing Singapore's capital market. Additionally, she was part of the Singapore Exchange's IPO Approval Committee. Ms Ng started her career as a corporate lawyer in Messrs Lee & Lee and advised on joint ventures, mergers and acquisitions and fund raising exercises for a number of years. Ms Ng also sits on the board of Yanlord Land Group Ltd and First Resources Ltd, which are publicly listed in Singapore

Principal Officers

Left to right:

MR SEAH KIAN PENG
Managing Director
(Group Business)

MR TAN KIAN CHEW
Group Chief Executive Officer

MR WEE LEONG HOW
Managing Director
(Group Corporate Services)

Left to right:

MR GERRY LEE
Deputy Managing Director
(Group Business)

MR KOH KOK SIN
General Manager
(Convenience Stores)

MS CYNTHIA LEE
General Manager
(Real Estate Management Business)

MR PETER TEO
General Manager
(Hypermarket)

Left to right:

MR LIM KOK GUAN
Chief Financial Officer

MR DICKSON YEO
Director
(Supply Chain)

MR LEE KIN SENG
Director
(Corporate Planning)

MR TNG AH YIAM
Director
(Integrated Purchasing)

Left to right:

MR POH LEONG SIM
Group Company Secretary &
Director (Legal)

MS CHONG NYET CHIN
Director
(Food Safety & Quality)

MR BERNARD CHEW
Chief Information Officer

MS REBECCA TEO
Director
(Human Resource)

Highlights for Financial Year 2008/2009

10 April 2008

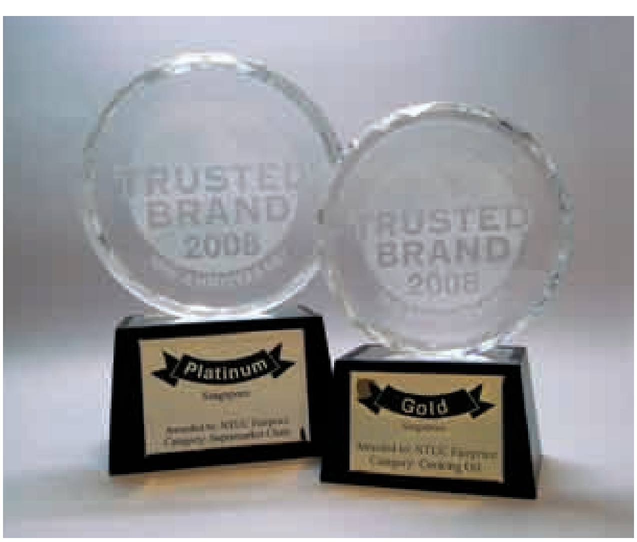
FairPrice Helps Consumers Stretch Their Dollar With Housebrand Rice And Frozen Meat

At the NTUC Learning Journey educational session held at its Fresh Food Distribution Centre, FairPrice shared with 80 union leaders tips on how to stretch the dollar. These included switching from higher grade of rice to lower grade, switching from chilled meat to frozen meat. Guest-of-Honour NTUC Secretary-General Mr Lim Swee Say announced NTUC's latest initiative to help low-income union members cope with the inflation through the distribution of S$4 million worth of U Stretch vouchers.

13 April 2008

FairPrice Foundation Contributes S$220,000 Worth Of Vouchers To Help Workers Offset Rising Costs

To help workers mitigate rising costs of living, NTUC FairPrice Foundation contributed S$220,000 worth of FairPrice vouchers to the Unit for Contract & Casual Workers (UCCW) in April 2008. UCCW is an NTUC unit which looks after the welfare of such employees. Three thousand UCCW members who met the income criteria received S$80 worth of FairPrice vouchers each, thus helping them stretch their grocery dollar amid high food inflation.



22 April 2008

FairPrice Tops Surveys On Brand Trust And Customer Satisfaction

At the Readers' Digest Trusted Brand Awards ceremony, FairPrice won the Platinum Trusted Brand Award for supermarket chains in Singapore, while the FairPrice range of cooking oils was a winner of the Gold Trusted Brand Award for cooking oil.

In the inaugural Customer Satisfaction Index of Singapore, FairPrice achieved the highest score for the supermarket chain category, scoring 68.9 against the industry average of 67.1.

28 April 2008

FairPrice Extends Five Percent Discount

To help consumers fight inflation, FairPrice extended its 5 percent discount on 500 FairPrice housebrand items till July 2008. Due to popular demand, the scheme was further extended in July and October 2008. The discount was first introduced in December 2007 as part of the "Stretch the Dollar" programme.

30 May 2008

S$1.5 Million Vouchers Given To Employees To Fight Inflation

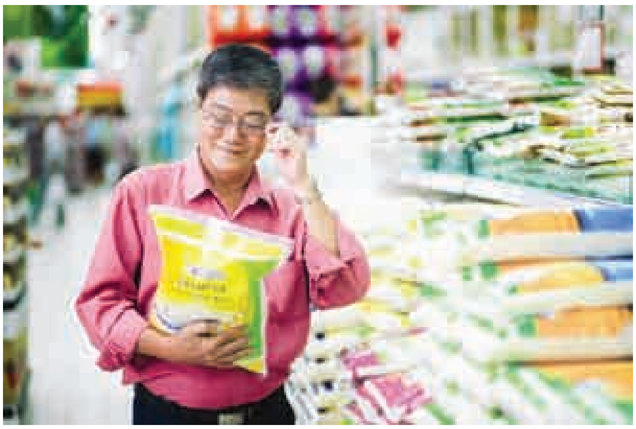
FairPrice gave out S$1.5 million worth of food vouchers to help employees cope with the rising cost of living. About 6,000 FairPrice employees received amounts ranging from S$100 to S$350 each. This initiative supported the National Wage Council's (NWC) call for local employers to help lower-income workers cope with the impact of higher inflation.

2 June 2008

Plastic Bag Usage At FairPrice Reduced By 12 Percent

FairPrice recorded a reduction of over 12 percent in the number of plastic bags used and has sold over 250,000 reusable bags since the launch of the nationwide "Bring Your Own Bag Day (BYOBD)" campaign in April 2007. FairPrice went one step further by launching the "FairPrice Green Rewards" initiative in July 2007, encouraging customers to bring their own bag every time they shop at FairPrice. Under this initiative, customers get an instant 10-cents rebate with a minimum purchase of S$10 when they bring their own bag to pack their purchases instead of using plastic carrier bags.

Highlights for Financial Year 2008/2009



19 June 2008

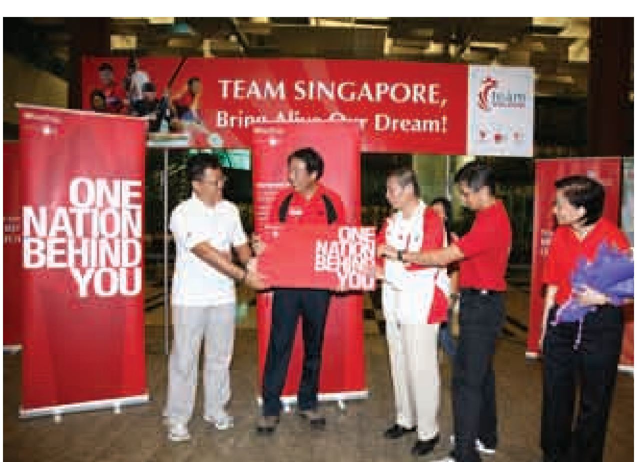
FairPrice Delivers Its Promise To Drop Rice Prices

In a period when global rice prices escalated to record highs, FairPrice reduced prices for eight types of housebrand rice in June, becoming the first retailer to drop rice prices. Prices were reduced by 5 to 12 percent, with lower grades of rice receiving higher price reductions to ensure essential food items remained accessible to the community. On top of the price reduction, consumers continued to enjoy 5 percent discount on FairPrice housebrand rice.

20 July 2008

FairPrice Foundation Contributes S$1.5 Million Worth Of Vouchers To Help Needy Families Cope With Rising Cost Of Living

To help needy families cope with the impact of rising cost of living, FairPrice Foundation donated S$1.5 million worth of FairPrice vouchers to the community under the FairPrice Million Dollar Food Voucher Scheme. At the Racial Harmony Fiesta@Jalan Kayu, Chairman of NTUC FairPrice and FairPrice Foundation Mr Ng Ser Miang presented a cheque representing S$1.5 million worth of NTUC FairPrice vouchers to Guest-of-Honour Prime Minister Lee Hsien Loong, who received it on behalf of all the Grassroots Organisations. The vouchers were then distributed to needy families via advisors of the GROs.



23 July 2008

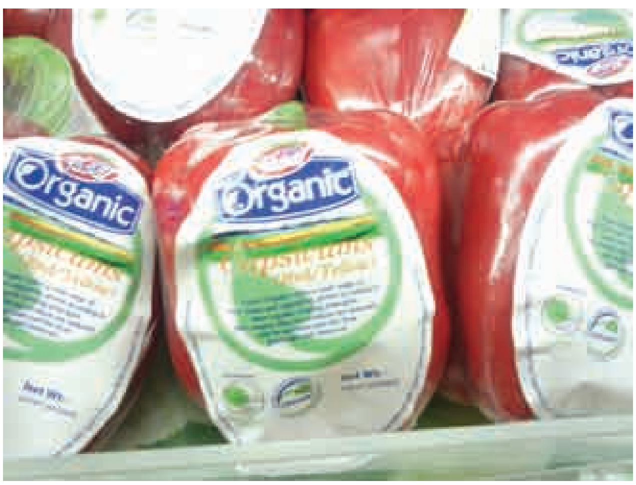
FairPrice Rallies Nation Behind Beijing Olympics Contingent With Giant Book Of Well Wishes

FairPrice encouraged Singaporeans to pen their support for the Team Singapore contingent with a giant book of well wishes. Titled “One Nation Behind You”, the book symbolised the collective support of Singaporeans for the nation’s top athletes heading to the Beijing Olympics. The book was presented to the Team Singapore contingent at the official send-off at Changi Airport on August 2.

29 July 2008

FairPrice And Business Partners Raise S$380,000 For Community Chest

With the support from its business partners, FairPrice donated S$380,000 to the Community Chest. The direct beneficiaries of the donation were Bukit Ho Swee Family Service Centre, Tampines Family Service Centre and Trans Centre (Bedok).



31 July 2008

FairPrice Launches New Housebrand Pasar Organic

The official opening of FairPrice Finest Thomson Plaza, FairPrice's second Finest store, saw the launch of its new housebrand range of organic produce, Pasar Organic. To cater to consumers' demand for authentic organic produce, FairPrice developed the NTUC FairPrice Organic Assurance Programme (NOAP), the first quality assurance programme in Singapore that assures the organic integrity of produce along its entire supply chain. FairPrice also engaged Agrifood Technologies as an independent third-party auditor to ensure Pasar Organic produce meet with NOAP standards.

29 August 2008

FairPrice Renews Its Social Commitment With New Logo

Guest-of-Honour Minister Mentor Lee Kuan Yew unveiled FairPrice's new logo at its first supermarket store at Toa Payoh Lorong 4. The launch was reminiscent of the opening of FairPrice's first store by Minister Mentor Lee 30 years ago. The branch was then known as NTUC Welcome. A symbol of FairPrice's renewed commitment to moderate the cost of living in Singapore, the new logo also reflects the revamped brand image of NTUC. To reinforce FairPrice's commitment to the Labour Movement, NTUC FairPrice Foundation donated S$3.5 million to NTUC in aid of low-wage workers.

Highlights for Financial Year 2008/2009

30 August 2008

FairPrice Celebrates The Nation's Achievement At The Beijing Olympics

FairPrice celebrated with the nation by arranging for the fans to meet Singapore's very own Olympic stars - Li Jiawei, Feng Tianwei, Wang Yuegu and Sun Bei Bei – at FairPrice Xtra AMK Hub. Tokens of appreciation were given to the Olympians, including Singapore's very first Olympic medalist Mr Tan Howe Liang.

9 October 2008

FairPrice And FairPrice Foundation Bag ComChest's Corporate Platinum Awards

In recognition of their significant contributions to the Community Chest, NTUC FairPrice and NTUC FairPrice Foundation each received the Corporate Platinum award at the Community Chest Awards ceremony. The Corporate Platinum awards represent the highest tier given to organisations that have made significant outright donations to the Community Chest, with contributions of at least S$300,000 in a financial year. NTUC FairPrice and NTUC FairPrice Foundation contributed about S$600,000 to the Community Chest from April 2007 to March 2008.

17 October 2008

FairPrice Foundation Donates S$300,000 To The Community Chest

NTUC FairPrice Foundation donated S$300,000 to the Community Chest at the official opening ceremony of ComChest Green Park at Labrador Nature Reserve on 17 October. At the event, Senior Minister Goh Chok Tong received the cheque on behalf of the Community Chest from NTUC FairPrice Group CEO and Director of FairPrice Foundation, Mr Tan Kian Chew. Care Corner Family Service Centre (Queenstown) was the direct beneficiary of the donation.

2 November 2008

FairPrice Sponsors The New Paper Big Walk

The New Paper Big Walk saw tens of thousands of participants walk to the new Marina Barrage. Walkers enjoyed the views on the majestic dam and visited the exhibits. As a presenting sponsor of the event, FairPrice aimed to promote family and community bonding.

28 November 2008

FairPrice Supports Boys' Brigade Sharity Gift Box For The Eighth Year

In support for the Boys' Brigade Sharity Gift Box (BBSGB), FairPrice made a donation of S$30,000 and offered 14 selected outlets across Singapore for the public to make donations. At the launch of BBSGB 2008 in November, FairPrice donated 14 trolley loads of gifts containing basic necessities to the BBSGB project. For the first time, FairPrice offered its online shopping portal to make it more convenient for shoppers to donate via the FairPrice Online website. Close to S$1 million worth of donations were collected through FairPrice stores and FairPrice Online. More than 28,000 beneficiaries received their Christmas gifts.

6 December 2008

Needy Students Given A Hand With FairPrice Used Textbooks Project And Study Grants

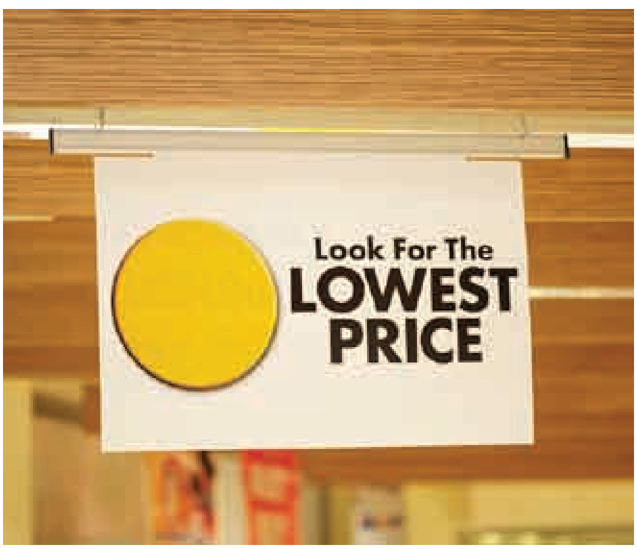
It was a record year for FairPrice Used Textbooks Project 2008, with 150,000 used textbooks collected from the public and 11,500 students saved on textbook expenses as a result. For the first time, four schools came on board as the project's Community Partners. The schools served as collection venues and their students helped out with the sorting and distribution of the textbooks. Besides helping needy students to reduce textbook expenses, FairPrice also gave out S$480,000 worth of study grants to more than 600 needy children of staff and members.

Highlights for Financial Year 2008/2009

18 December 2008

FairPrice Calls For A More Balanced And Nutritional Diet For Needy Children

FairPrice donated 36,000 packets of full-cream milk to needy students as part of the NTUC FairPrice-North West CLN "I Love MILK" project. Aimed at providing a more balanced and nutritional diet for children from needy families, 6,000 packets of 1-litre full-cream milk per month were distributed for six months, starting from January 2009.



13 January 2009

FairPrice Unveils S$15 Million Plan To Support Stakeholders

FairPrice committed to a package worth S$15 million to support its stakeholders during the downturn. The package includes the extension of 5 percent discount on 500 housebrand items till December 2009 and a range of yellow dot items that would help customers look out for lowest priced items. FairPrice would continue to build staff loyalty and support them through financial assistance, job assurance and skills development. Assistance would be rendered to SME suppliers through the FairPrice SME Assistance Programme. The programme includes early payment terms, discount on listing fees and advertisements, and joint promotions on made-in-Singapore products. FairPrice Foundation would also contribute at least 20 percent more to help needy families and workers tide through the downturn.

19 January 2009

FairPrice Supports Food From The Heart To Bring Festive Cheer To The Needy

FairPrice donated S$40,000 worth of goodie bags containing essential items and red packets to 1,000 needy families in Singapore as part of a food distribution programme by Food From The Heart. As part of the programme, FairPrice staff, including members of its executive management team, joined hands with volunteers from Food From The Heart to deliver goodies to needy families in Redhill Close.

16 February 2009

An Emotional Farewell To Historical Branch At Serangoon Gardens

More than 200 guests, including ex-FairPrice staff and loyal customers, bade an emotional farewell to FairPrice branch at Portchester Avenue as it winds down its operations after 35 years of serving the community in Serangoon Gardens.

4 March 2009

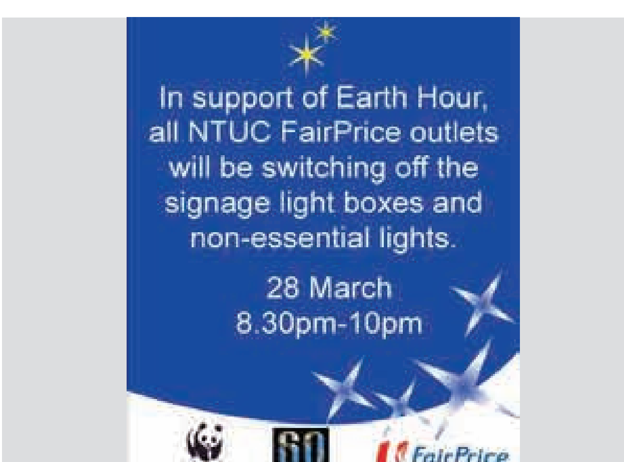
FairPrice Allocates S$30 Million To Accelerate Payment To Suppliers

In an effort to help ease cash flow of 500 local Small and Medium Enterprises (SMEs) identified under the FairPrice SME Assistance Programme, FairPrice set aside S$30 million to accelerate payment to its suppliers by reducing payment terms by 30 days. The programme, which expires end December 2009, includes early payment terms, discount on listing fees and advertisements, and assistance in promoting made-in-Singapore products. This is part of a holistic package initiated by FairPrice to help all its stakeholders cope with the downturn.

16 March 2009

FairPrice Opens Third Hypermarket At Jurong Point

FairPrice opens its third FairPrice Xtra store at Jurong Point. Spanning over 68,000 square feet at the third storey of Jurong Point's new extension, this is FairPrice's first 24-hour hypermarket. At the launch, Chairman of NTUC FairPrice, Mr Ng Ser Miang announced that FairPrice would invest S$40 million in 2009 to expand its business network and upgrade its systems so as to serve its customers better. Guest-of-Honour, Mr Lim Boon Heng, Minister for Prime Minister's Office, received a cheque of S$100,000 from FairPrice Foundation in aid of Loving Heart Multi-Service Centre (Jurong Central)'s Pupil Breakfast Programme.



28 March 2009

Lights Off At FairPrice To Save The Earth

It was lights off at its stores, corporate office and warehousing facilities from 8pm to 10pm as FairPrice switched off all non-essential lightings in support of Earth Hour, a global initiative to save our planet for future generations. FairPrice has been a supporter of green initiatives and as a co-operative, makes it its mission to ensure that it serve the community and environment it operates in.

Founder & Institutional Members

31 March 2009

	No. of Shares of $ 1 each
Founder Member	
National Trades Union Congress	8,578,149
Institutional Members	
Air-Transport Executive Staff Union	72,702
Amalgamated Union of Public Employees	202,301
Amalgamated Union of Statutory Board Employees	22,853
Building Construction & Timber Industries Employees' Union	1,946,593
Ceylon-Tamils' Multi-Purpose Co-operative Limited	16,570
Changi International Airport Services Employees' Union	328,416
Chemical Industries Employees' Union	1,635,426
Citiport Credit Co-operative Limited	55,236
Customs Credit Co-operative Society (S) Limited	127,591
Development Bank of Singapore Staff Union	129,772
ExxonMobil Singapore Employees' Union	162,740
Food, Drinks & Allied Workers Union	1,417,706
Healthcare Services Employees Union	59,895
Housing & Development Board Staff Union	170,244
Keppel Employees Union	27,617
Keppel FELS Employees' Union	622,836
Metal Industries Workers Union	2,457,627
National Transport Workers Union	6,814,716
National University of Singapore Multi-Purpose Co-operative Society Ltd	25,100
NatSteel Employees' Union	570,991
NTUC Childcare Co-operative Ltd	1,252,456
NTUC Healthcare Co-operative Limited	219,615
NTUC INCOME Insurance Co-operative Ltd	1,762,695
NTUC Media Co-operative Limited	159,720
Port Officers Union	17,980
Public Utilities Board Employees' Union	236,163
Race Course General Employees' Union	5,523
SATU Multi-Purpose Co-operative Society Ltd	226,270
Sembawang Shipyard Employees' Union	13,808
Shipbuilding & Marine Engineering Employees' Union	5,054,504
Singapore Airlines Staff Union	180,350
Singapore Airport Terminal Services Workers Union	256,217
Singapore Association of the Visually Handicapped	5,523
Singapore Bank Officers' Association	129,258
Singapore Government Shorthand Writers Association	7,320

	No. of Shares of $ 1 each
Institutional Members	
Singapore Industrial & Services Employees' Union	2,791,993
Singapore Insurance Employees' Union	5,523
Singapore Interpreters and Translators Union	17,303
Singapore Labour Foundation	10,648,000
Singapore Malay Teachers Union	12,456
Singapore Maritime Officers' Union	2,435,468
Singapore Mercantile Co-operative Society Ltd	199,543
Singapore National Union of Journalists	11,047
Singapore Organisation of Seamen	5,523
Singapore Polytechnic Co-operative Ltd	108,010
Singapore Port Workers Union	374,410
Singapore Press Holdings Employees' Union	65,784
Singapore Shell Employees' Union	278,620
Singapore Shell Employees' Union Co-operative Ltd	304,766
Singapore Statutory Boards Employees' Co-operative Thrift & Loan Society Ltd	19,586
Singapore Stevedores Union	55,236
Singapore Teachers Union	27,617
Singapore Union of Broadcasting Employees	95,166
Singapore Urban Redevelopment Authority Workers' Union	117,550
SSE Multi-Purpose Co-operative Society Ltd	22,199
Staff Union of NTUC-ARU	24,915
Tailors Association (Singapore)	31,944
Telecoms Credit Co-operative Limited	88,511
The Singapore Bank Employees' Union	217,165
The Singapore Co-operative Housing & Agencies Society Ltd	20,262
The Singapore Government Staff Credit Co-operative Society Ltd	74,242
The Singapore Manual & Mercantile Workers' Union	248,366
The Singapore Teachers Co-operative Society Ltd	55,236
Union of ITE Training Staff	79,964
Union of Power and Gas Employees' Union	270,428
Union of Security Employees' Union	31,944
Union of Telecoms Employees of Singapore	284,834
United Workers of Electronic & Electrical Industries	6,816,401
United Workers of Petroleum Industry	410,886
Grand Total	**61,223,381**

FINANCIAL STATEMENTS

Contents

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Group and of the Co-operative for the financial year ended March 31, 2009.

1 DIRECTORS

The directors of the Co-operative in office at the date of this report are:

Ng Ser Miang	(Chairman)
John Lim Kok Min	(Deputy Chairman)
Teo Yock Ngee	
Jennifer Lee (Dr)	
Eric Ang Teik Lim	
May Ng	
Willie Cheng Jue Hiang	
Adeline Sum	
Hee Theng Fong	
Tan Hwee Bin	
John De Payva	(Appointed on September 4, 2008)
Willy Shee Ping Yah	(Appointed on September 4, 2008)
Wong Heng Tew	(Appointed on September 4, 2008)
Ng Shin Ein	(Appointed on September 4, 2008)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Co-operative to acquire benefits by means of the acquisition of shares or debentures in the Co-operative or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Co-operative holding office at the end of the financial year had no interests in the share capital of the Co-operative and related corporations as recorded in the Register of Directors' Shareholdings kept by the Co-operative except as follows:

Name of directors and Co-operative/ companies in which interests are held	Shareholdings registered in the name of directors	
	At beginning of year or date of appointment, if later	At end of year
NTUC FairPrice Co-operative Limited		
Ng Ser Miang	20	20
John Lim Kok Min	5,000	5,000
Teo Yock Ngee	2,262	2,262
Eric Ang Teik Lim	26	26
Willie Cheng Jue Hiang	1,000	1,000
Adeline Sum	24	24
John De Payva	62	62
Willy Shee Ping Yah	1,259	1,259
Wong Heng Tew	26	26

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Co-operative or a related corporation with the director or with a firm of which he is a member, or with a Co-operative in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

(a) Options to take up unissued shares
During the financial year, no option to take up unissued shares of the Co-operative or any corporation in the Group was granted.

(b) Options exercised
During the financial year, there were no shares of the Co-operative or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option
At the end of the financial year, there were no unissued shares of the Co-operative or any corporation in the Group under option.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Ng Ser Miang **John Lim Kok Min**

August 5, 2009

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NTUC FAIRPRICE CO-OPERATIVE LIMITED

We have audited the accompanying financial statements of NTUC FairPrice Co-operative Limited (the "Co-operative") and its subsidiaries (the "Group") which comprise the balance sheets of the Group and the Co-operative as at March 31, 2009, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the profit and loss statement and the statement of changes in equity of the Co-operative for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 82.

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 Co-operative Societies Act, Cap. 62 (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.

Opinion

In respect of comparatives relating to the financial year ended March 31, 2008, we had issued a report dated July 21, 2008, qualifying our opinion on the basis that the Group and the Co-operative's expenses analysed by nature and cost of inventories sold were not disclosed as required by the Singapore Financial Reporting Standards no. 1 "Presentation of Financial Statements" and no. 2 "Inventories". However, disclosures in compliance with the above Financial Reporting Standards have been made in the current financial year and the comparatives relating to the financial year ended March 31, 2008.

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet, statement of changes in equity and the profit and loss statement of the Co-operative 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 the Co-operative as at March 31, 2009 and of the results, changes in equity and cash flows of the Group and results and changes in equity of the Co-operative for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

During the course of our audit, nothing has come to our attention to cause us to believe that the receipts, expenditure and investments of monies and acquisition and disposal of assets made by the Co-operative during the financial year ended March 31, 2009 have not been made in accordance with the By-laws of the Co-operative and the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
August 5, 2009

BALANCE SHEETS
MARCH 31, 2009

	Note	Group		Co-operative	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	6	248,382	290,311	233,322	270,417
Trade receivables	7	6,727	9,142	27,197	27,118
Inventories	8	127,559	103,085	122,277	97,798
Other receivables	9	39,620	28,512	37,126	27,138
Investments	13	119,394	128,898	119,394	128,898
Total current assets		541,682	559,948	539,316	551,369
Non-current assets					
Trade receivables	7	-	570	-	-
Subsidiaries	10	-	-	32,893	34,835
Associates	11	24,592	22,753	3,400	3,400
Jointly controlled entity	12	-	62	-	-
Investments	13	338,731	441,153	275,204	353,763
Property, plant and equipment	14	442,879	427,063	371,141	351,614
Total non-current assets		806,202	891,601	682,638	743,612
Total assets		1,347,884	1,451,549	1,221,954	1,294,981
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	15	326,291	307,188	310,953	289,330
Other payables	16	167,194	152,457	213,361	201,891
Share capital repayable on demand	17	179,395	179,266	179,395	179,266
Income tax payable		2,446	3,452	-	-
Total current liabilities		675,326	642,363	703,709	670,487
Non-current liabilities					
Provisions	18	16,787	12,794	16,080	12,107
Deferred tax liabilities	19	2,452	2,252	-	-
Total non-current liabilities		19,239	15,046	16,080	12,107
Capital and reserves					
Share capital	17	100	100	100	100
Accumulated profits		488,616	442,921	355,263	321,522
Other reserves	20	164,603	351,119	146,802	290,765
Total equity		653,319	794,140	502,165	612,387
Total liabilities and equity		1,347,884	1,451,549	1,221,954	1,294,981

See accompanying notes to financial statements.

PROFIT AND LOSS STATEMENTS
YEAR ENDED MARCH 31, 2009

	Note	Group 2009 $'000	Group 2008 $'000	Co-operative 2009 $'000	Co-operative 2008 $'000
Revenue	21,28	2,025,555	1,705,398	1,906,717	1,599,528
Inventories consumed		(1,615,288)	(1,356,972)	(1,549,727)	(1,296,609)
Other Income	22	149,527	166,059	124,515	142,833
Staff and related costs		(191,462)	(162,210)	(158,928)	(132,298)
Depreciation expense	14	(38,562)	(33,917)	(31,799)	(27,465)
Other operating expenses	23	(231,107)	(183,160)	(202,984)	(161,522)
Profit from operations before finance costs and rebates		98,663	135,198	87,794	124,467
Patronage rebates		(27,919)	(25,777)	(27,919)	(25,777)
Writeback of rebates		131	3,986	131	3,986
Finance costs	24	(8,781)	(13,964)	(8,781)	(13,964)
Share of profits (losses) of:					
- associates	11	1,952	3,440	-	-
- jointly controlled entity	12	(62)	(52)	-	-
Profit before income tax		63,984	102,831	51,225	88,712
Income tax expense	25	(805)	(1,832)	-	-
Profit before contributions		63,179	100,999	51,225	88,712
Contributions to:					
Central Co-operative Fund	16	(25)	(25)	(25)	(25)
Singapore Labour Foundation	16	(17,459)	(37,712)	(17,459)	(37,712)
Net profit after contributions		45,695	63,262	33,741	50,975

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2009

	Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Reserve fund $'000	Accumulated profits $'000	Total $'000
Group						
Balance at April 1, 2007	100	(276)	333,458	55,453	388,945	777,680
Changes in fair value of available-for-sale investments	-	-	(46,802)	-	-	(46,802)
Net gains recognised directly in equity	-	-	(46,802)	-	-	(46,802)
Net profit after contributions	-	-	-	-	63,262	63,262
Total recognised income and expense for the year	-	-	(46,802)	-	63,262	16,460
Transfer (Note 20(b))	-	-	-	9,286	(9,286)	-
Balance at March 31, 2008	100	(276)	286,656	64,739	442,921	794,140
Changes in fair value of available-for-sale investments	-	-	(186,516)	-	-	(186,516)
Net losses recognised directly in equity	-	-	(186,516)	-	-	(186,516)
Net profit after contributions	-	-	-	-	45,695	45,695
Total recognised income and expense for the year	-	-	(186,516)	-	45,695	(140,821)
Balance at March 31, 2009	100	(276)	100,140	64,739	488,616	653,319

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2009

	Share capital $'000	Fair value reserve $'000	Reserve fund $'000	Accumulated profits $'000	Total $'000
Co-operative					
Balance at April 1, 2007	100	264,975	55,453	279,833	600,361
Changes in fair value of available-for-sale investments	-	(38,949)	-	-	(38,949)
Net gains recognised directly in equity	-	(38,949)	-	-	(38,949)
Net profit after contributions	-	-	-	50,975	50,975
Total recognised income and expense for the year	-	(38,949)	-	50,975	12,026
Transfer (Note 20(b))	-	-	9,286	(9,286)	-
Balance at March 31, 2008	100	226,026	64,739	321,522	612,387
Changes in fair value of available-for-sale-investments	-	(143,963)	-	-	(143,963)
Net losses recognised directly in equity	-	(143,963)	-	-	(143,963)
Net profit after contributions	-	-	-	33,741	33,741
Total recognised income and expense for the year	-	(143,963)	-	33,741	(110,222)
Balance at March 31, 2009	100	82,063	64,739	355,263	502,165

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED MARCH 31, 2009

	Group	
	2009 $'000	2008 $'000
Operating activities		
Profit before income tax	63,984	102,831
Adjustments for:		
Allowance for doubtful receivables	1,027	709
Provision for reinstatement costs	279	183
Depreciation of property, plant and equipment	38,562	33,917
(Gain) / loss on sale of property, plant and equipment (net)	(131)	635
Property, plant and equipment written off	508	1,364
Loss (Profit) on sale of investments (net)	2,914	(22,846)
Impairment losses (reversed) made in respect of:		
- property, plant and equipment (net)	816	1,333
- investment in unquoted equity (net)	101	43
- investment in quoted unit trusts/bonds/equities (net)	20,436	(53)
Share of profit of associates	(1,839)	(3,440)
Share of loss of jointly controlled entity	62	52
Dividend income	(20,814)	(19,411)
Write-back of patronage rebates	(131)	(3,986)
Interest income	(2,332)	(4,757)
Operating cash flow before working capital changes	103,442	86,574
Inventories	(24,474)	(16,318)
Trade and other receivables	2,099	(11,541)
Trade and other payables	45,019	48,389
Cash generated from operations	126,086	107,104
Dividends to ordinary shares repayable on demand	8,781	13,964
Contribution to Central Co-operative Fund paid	(25)	(25)
Contribution to Singapore Labour Foundation paid	(24,793)	(16,981)
Directors' honoraria paid	-	(152)
Income tax paid	(1,611)	(2,095)
Net cash from operating activities	108,438	101,815

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED MARCH 31, 2009

	Group	
	2009 $'000	2008 $'000
Investing activities		
Purchase of property, plant and equipment	(58,371)	(41,486)
Proceeds from sale of property, plant and equipment	2,800	89
Dividend received (Note A)	20,814	20,011
Interest received	1,083	4,757
Loan to related party	(10,000)	-
Purchases of quoted/unquoted investments	(154,970)	(69,355)
Proceeds from sale of quoted/unquoted investments	56,929	61,814
Disposal of investment in associates	-	1,470
Net cash used in investing activities	(141,715)	(22,700)
Financing activities		
Proceeds from issue of shares	1,353	1,662
Payment made for withdrawal of share capital	(1,224)	(746)
Dividends paid to ordinary shares repayable on demand	(8,781)	(13,964)
Net cash used in financing activities	(8,652)	(13,048)
Net (decrease) increase in cash and cash equivalents	(41,929)	66,067
Cash and cash equivalents at beginning of year	290,311	224,244
Cash and cash equivalents at end of year (Note 6)	248,382	290,311

Note A:
In the previous financial year, the dividend received from an associate amounting to $50,250,000 has been offset against amount due to associate amounting to $49,650,000. The remaining amount of $600,000 was settled in cash by the said associate.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

1 GENERAL

The Co-operative (Unique Entity Number : S83C0191L) is incorporated in Singapore with its principal place of business and registered office at 680, Upper Thomson Road, Singapore 787103. The financial statements are expressed in Singapore dollars.

The principal activities of the Co-operative are those relating to supermarket, department store and convenience store retailing and investment holding.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The consolidated financial statements of the Group and balance sheet, profit and loss statement and statement of changes in equity of the Co-operative for the year ended March 31, 2009 were authorised for issue by the Board of Directors on August 5, 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Co-operative Societies Act Cap 62, and Singapore Financial Reporting Standards ("FRS"), except as disclosed in the following paragraph.

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Co-operative and the Group have adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2008. The adoption of these new/revised FRSs and INT FRSs has no material effect on the amounts reported for the current and prior years except as disclosed below.

FRS 107 – Financial Instruments: Disclosures and amendments to FRS 1 Presentation of Financial Statements relating to capital disclosures.

The Co-operative and the Group have adopted FRS 107 with effect from April 1, 2008. The new Standard has resulted in an expansion of the disclosures in these financial statements regarding the Co-operative and the Group's financial instruments. The Co-operative and the Group have also presented information regarding its objectives, policies and processes for managing capital (see Note 4) as required by the amendments to FRS 1 which are effective from annual periods beginning on or after April 1, 2008.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS which are relevant to the Co-operative and the Group, were issued but not effective:

FRS 1	- Presentation of Financial Statements (Revised)
FRS 23	- Borrowing Costs (Revised)
FRS 27	- Consolidated and Separate Financial Statements (Revised)
FRS 103	- Business Combinations (Revised)
INT FRS 113	- Customer Loyalty Programmes

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of above FRSs and INT FRSs in future periods will not have a material impact on the financial statements of the Co-operative and of the Group in their initial adoption except for the following:

FRS 1 – PRESENTATION OF FINANCIAL STATEMENTS (REVISED)
FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

FRS 23 – BORROWING COSTS (REVISED)
FRS 23 (Revised) will be effective for annual periods beginning on or after January 1, 2009 and eliminates the option available under the previous version of FRS 23 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As the change in accounting policy is to be applied prospectively, there will be no impact on amounts reported for the financial year ended March 31, 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

ADOPTION OF NEW AND REVISED STANDARDS (Cont'd)

FRS 27 – CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (REVISED); AND FRS 103 – BUSINESS COMBINATIONS (REVISED)
FRS 27 (Revised) will be effective for annual periods beginning on or after July 1, 2009. FRS 103 (Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after July 1, 2009.

Apart from matters of presentation, the principal amendments to FRS 27 that will impact the Group concern the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

Similarly, FRS 103 is concerned with accounting for business combination transactions. The changes to the Standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

INT FRS 113 – CUSTOMER LOYALTY PROGRAMMES
INT FRS 113 will be effective for annual periods beginning on or after July 1, 2008. The Interpretation requires the entity that grants the awards to account for the sales transaction that gives rise to the award credits as a "multiple element revenue transaction" and allocate the fair value of the consideration received or receivable between the award credits granted and the other components of the sale. The consideration allocated to the award credits is measured by reference to their fair value, i.e. the amount for which the award credits could be sold separately, and recognised as deferred revenue. Revenue will be recognised only when the entity has fulfilled its obligation to provide the free or discounted goods or services (in relation to the award credits) to customers who redeem the award credits. As the change in accounting policy is to be applied prospectively, there will be no impact on amounts reported for the financial year ended March 31, 2009.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Co-operative and entities controlled by the Co-operative (its subsidiaries). Control is achieved when the Co-operative has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Co-operative's financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations,* which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the 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 recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated profit or loss.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the Co-operative's and Group's balance sheets when the Co-operative and the Group becomes a party to the contractual provisions of the instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENT (Cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Certain securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised directly in the fair value reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is included in profit or loss for the period. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Available-for-sale unquoted equity investments are initially recognised at fair value plus directly attributable acquisition costs. They are subsequently measured at cost less impairment loss as fair values cannot be reliably measured.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENT (Cont'd)

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations.* Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group accounts for its interests in associates using either the most recently available audited financial statements or the unaudited financial statements of the associates. Any difference between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted in the following financial year.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated profit and loss.

Where a Group entity transacts with an associate of the Co-operative, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INTERESTS IN JOINT VENTURES - A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group and the Co-operative reports its interests in jointly controlled entities on an equity accounted basis, from the date that joint control commences until the date that joint control ceases. Joint venture arrangements that do not involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled assets. The Group and the Co-operative reports its interests in jointly controlled assets using proportionate consolidation. The Group's and the Co-operative's share of the assets, liabilities, income and expenses of jointly controlled assets are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

The Group and the Co-operative account for their interests in the jointly controlled entity using the most recently available audited financial statements or the unaudited financial statements of the jointly controlled entity. Any difference between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted in the following financial year.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

GOODWILL - Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described in the "Associates" note.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASES (Cont'd)

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT - Freehold land and capital work-in-progress are stated at cost less impairment losses. Other items of property, plant and equipment are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	- 20 to 42 years
Leasehold land and buildings	- 16 to 50 years
Furniture, fittings and renovations	- 5 to 15 years
Plant and machinery	- 3 to 10 years
Equipment and motor vehicles	- 2 to 7 years
Computers	- 1 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

Fully depreciated assets still in use are retained in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF ASSETS EXCLUDING GOODWILL - At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, discounts and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:
- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION (Cont'd)

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease as set out in the paragraph "Leases".

Concessionary, commission and other service income

Concessionary, commission and other service income are recognised when the services are rendered.

PATRONAGE REBATES - Patronage rebates distributed to the members of the Co-operative/NTUC Union cardholders ("members") are recognised as a liability in the Co-operative's and the Group's financial statements in the period in which the patronage rebates are approved by the members at the annual general meeting. Patronage rebates which are not claimed within 3 years from the date of payment by members are written back in accordance with By-Law 13.4.2 and the rules of NTUC Union Card Scheme.

BORROWING COSTS - All borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INCOME TAX (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet of the Co-operative are presented in Singapore dollars, which is the functional currency of the Co-operative.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies
In the process of applying the Group's accounting policies, which are described in Note 2, management did not make any material judgements that have a material effect on the amounts recognised in the financial statements.

Key sources of estimation of 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:

Useful lives of property, plant and equipment

As described in Note 2, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year, the management determined that the useful lives of property, plant and equipment are appropriate and no revision is required.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with their accounting policy. Where there is indication of impairment, the recoverable amounts of property, plant and equipment would be determined based on the higher of fair value less costs to sell and value-in-use calculations. These value-in-use calculations require the use of judgements and estimates.

Please refer to Note 14 for the carrying amount of the Group's and the Co-operative's property, plant and equipment at the balance sheet date.

Allowances for doubtful trade and other receivables

The policy for allowances for doubtful trade and other receivables of the Group is based on the evaluation of collectibility and on management's judgement. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. If the identification is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. Please refer to Notes 7 and 9 for carrying amounts of trade and other receivables respectively.

Provision for reinstatement cost

The Group is required to estimate and recognise the cost to be incurred in returning the leased premises to their original condition upon vacating the premises on expiry of the lease. Management has provided for such cost based on the likely amount to be incurred and the period over which it should be amortised. The carrying value of reinstatement cost is set out in Note 18 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation of uncertainty (Cont'd)

Impairment of investment in, loan to and receivable from subsidiaries in the Co-operative's financial statements

Investments in subsidiaries, loan to and receivable from subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been determined based on value-in-use calculations. These calculations require the use of estimates.

Key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the investment. Estimates of growth rates are based on economic growth forecasts for the countries in which the subsidiaries operate. Changes in cash flow take into consideration the business plan and expectations of future changes in the market.

The carrying amounts of investment in and receivables from subsidiaries are disclosed in Note 10 to the Co-operative's financial statements.

Allowance for inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, management identifies inventories that are slow moving or obsolete, considers their physical conditions, market conditions and market price for similar items.

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial Assets				
Loans and receivables				
(including cash and cash equivalents)	291,748	326,255	312,079	341,180
Available-for-sale financial assets	458,125	570,051	394,598	482,661
Financial Liabilities				
Amortised costs				
(including share capital repayable on demand)	642,477	601,174	673,306	632,750

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT (Cont'd)

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, particularly market risk, credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimize potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("the Board").

The Board is regularly updated on the Group's financial investments and hedging activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Financial risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including the United States dollar, Malaysian ringgit, Australian dollars and Hong Kong dollars and therefore is exposed to foreign exchange risk.

The currency risk of the Group arises mainly from its operational purchases of goods for sales, consumables and capital expenditure denominated in currencies other than the functional currency. In addition, currency risk also arises from the Group's foreign currency denominated investments.

Where appropriate, the Group enters into foreign exchange forward contracts to hedge against its currency risk resulting from anticipated transactions in foreign currencies and its foreign currency denominated investments.

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group and Co-operative			
	Assets		Liabilities	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
US dollars	6,397	7,109	2,918	3,486
Malaysian ringgit	44	1,479	15	-
Australian dollars	33	29	611	611
Hong Kong dollars	-	907	-	-

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT (Cont'd)

(b) Financial risk management policies and objectives (Cont'd)

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit or loss and net equity will increase (decrease) by:

	Group and Co-operative	
	2009 $'000	2008 $'000
Foreign currency impact		
US dollars	348	362
Malaysian ringgit	3	148
Australian dollars	(58)	(63)
Hong Kong dollars	-	91

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, the impact will be reversed.

This is mainly attributable to the exposure outstanding on receivables and payables at year end in the Group.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

(ii) Liquidity risk management
The Group adopts prudent liquidity risk management by maintaining sufficient cash and marketable securities to finance their activities. The Group finances its operations through internally generated cash flows.

(iii) Interest rate risk management
The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use derivative financial instrument to hedge against such risk exposure. The related interest rates for fixed deposits and bonds are as disclosed in Note 6 and 13 respectively.

Liquidity and interest risk analyses

Non-derivative financial assets
The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Co-operative anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the balance sheet.

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT (Cont'd)

(b) Financial risk management policies and objectives (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Group					
2009					
Non-interest bearing	-	445,240	-	-	445,240
Fixed interest rate instruments	2.19%	304,757	-	(124)	304,633
		749,997	-	(124)	749,873
2008					
Non-interest bearing	-	664,690	570	-	665,260
Fixed interest rate instruments	2.24%	236,186	-	(5,140)	231,046
		900,876	570	(5,140)	896,306

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Co-operative					
2009					
Non-interest bearing	-	384,787	-	-	384,787
Fixed interest rate instruments	1.16%	305,331	18,232	(1,673)	321,890
		690,118	18,232	(1,673)	706,677
2008					
Non-interest bearing	-	573,595	-	-	573,595
Fixed interest rate instruments	1.38%	236,954	21,504	(8,212)	250,246
		810,549	21,504	(8,212)	823,841

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT (Cont'd)

(b) Financial risk management policies and objectives (Cont'd)

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Co-operative can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Total $'000
Group			
2009			
Non-interest bearing	-	463,082	463,082
Fixed interest rate instruments	5%	179,395	179,395
		642,477	642,477
2008			
Non-interest bearing	-	421,908	421,908
Fixed interest rate instruments	5%	179,266	179,266
		601,174	601,174

	Weighted average effective interest rate %	On demand or within 1 year $'000	Total $'000
Co-operative			
2009			
Non-interest bearing	-	493,911	493,911
Fixed interest rate instruments	5%	179,395	179,395
		673,306	673,306
2008			
Non-interest bearing	-	453,484	453,484
Fixed interest rate instruments	5%	179,266	179,266
		632,750	632,750

No sensitivity analysis is prepared as the Group and Co-Operative do not have variable rate financial instruments at the balance sheet date.

(iv) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes.

Further details of these equity investments can be found in Note 13 to the financial statements.

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT (Cont'd)

(b) Financial risk management policies and objectives (Cont'd)

Equity price sensitivity

Group

If prices for quoted investments increase by 10% (2008 : 10%) with all other variables held constant, the Group's impairment on investments would have been lower by $1,940,000 (2008 : $Nil) and the Group's fair value reserves would increase by $36,317,000 (2008 : $49,425,000).

If prices for quoted investments decrease by 10% (2008 : 10%) with all other variables held constant, the Group's impairment on investments would have been higher by $16,625,000 (2008 : $Nil) and the Group's fair value reserves would decrease by $21,630,000 (2008 : $49,425,000).

Co-operative

If prices for quoted investments increase by 10% (2008 : 10%) with all other variables held constant, the Co-operative's impairment on investments would have been lower by $1,940,000 (2008 : $Nil) and the Group's fair value reserves would increase by $29,964,000 (2008 : $40,686,000).

If prices for quoted investments decrease by 10% (2008 : 10%) with all other variables held constant, the Group's impairment on investments would have been higher by $16,625,000 (2008 : $Nil) and the Group's fair value reserves would decrease by $15,277,000 (2008 : $40,686,000).

(v) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/ insurance guarantees from its customers, and imposes cash terms and/or advance payment from customers of lower credit standing.

Trade receivables consist of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Although the Group's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single customer or group of customers.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Note 7 and Note 9.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of other financial assets and liabilities are determined as follows:

a) the fair value of financial assets and financial liabilities traded on liquid markets are determined with reference to quoted market prices;

b) the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

At the end of the financial year, except as disclosed in Note 26(d), the Group and Co-operative have no significant exposure to unrecognised financial instruments. The fair value of the outstanding forward foreign exchange market rates at the balance sheet date is insignificant.

4 FINANCIAL INSTRUMENTS, RISKS AND MANAGEMENT (Cont'd)

(c) Capital risk management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises only share capital, statutory reserves, fair value reserves and accumulated profits. The Group's overall strategy remains unchanged from 2008.

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Co-operative's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, Group entities entered into the following transactions with related parties:

	Group and Co-operative	
	2009 $'000	2008 $'000
Donations to NTUC Fairprice Foundation Limited	7,500	8,000
Loan to NTUC Choice Homes (including interest accrued)	10,264	-
Sales of goods to associates	(323)	-
Rental income from jointly controlled entity	(170)	(154)
Concession income from associates	-	(112)
Rental income from associates	(1,785)	(1,535)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group and Co-operative	
	2009 $'000	2008 $'000
Salaries, short-term benefits and post-employment benefits:		
- directors	311	192
- officers	5,530	5,350

6 CASH AND CASH EQUIVALENTS

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash on hand	9,638	2,816	9,634	2,809
Cash at bank	51,540	90,881	36,484	70,994
Fixed deposits	187,204	196,614	187,204	196,614
Total	248,382	290,311	233,322	270,417

Fixed deposits of the Group and the Co-operative bear interest at average rates ranging from 0.02% to 2.7% (2008 : 1.96% to 4.16%) per annum. The fixed deposits are for an average tenure of approximately 7 days (2008 : 7 days).

6 CASH AND CASH EQUIVALENTS (Cont'd)

The Group's and the Co-operative's cash and cash equivalents which are not denominated in its functional currency are as follows:

	Group and Co-operative	
	2009 $'000	2008 $'000
Denominated in:		
United States dollars	3,307	2,824
Malaysian ringgit	44	188
Australian dollars	33	29

7 TRADE RECEIVABLES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current portion:				
Outside parties	7,739	9,656	6,554	8,247
Less: Allowance for doubtful receivables	(1,240)	(770)	(310)	(291)
	6,499	8,886	6,244	7,956
Subsidiaries (Note 10)	-	-	20,725	18,906
Jointly controlled entity (Note 12)	30	40	30	40
Associates (Note 11)	198	216	198	216
Total current portion	6,727	9,142	27,197	27,118
Non-current portion:				
Outside parties	-	570	-	-
Total	6,727	9,712	27,197	27,118

Except for the non current portion of the trade receivables balances which the Group has separate repayment arrangement with the customers, the average credit period on sale of goods is 30 days (2008 : 30 days).

An allowance has been made for the estimated irrecoverable amounts from the sale of goods to third parties of $1,240,000 (2008 : $770,000). This allowance has been determined by reference to past default experience.

The fair value of non-current trade receivables, determined based on discounted cash flow using a current lending rate for similar type of financing arrangement, approximated its carrying value.

The Group and Co-operative has trade receivables amounting to $1,482,000 (2008 : $2,100,000) and $15,306,000 (2008: $12,956,000) respectively that were past due at the balance sheet date for which the Group and Co-operative has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. These receivables are unsecured and the analysis of their aging at the balance sheet date is disclosed in Note (i) below.

The Group's and Co-operative's trade receivables that are impaired at the balance sheet date and the allowance accounts used to record the impairment are disclosed in Note (ii) below. Trade receivables that are individually assessed to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

7 TRADE RECEIVABLES (Cont'd)

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Not past due and not impaired	5,106	7,515	11,754	14,137
Past due but not impaired (i)	1,482	2,100	15,306	12,956
	6,588	9,615	27,060	27,093
Impaired receivables – individually assessed (ii)				
- Customer placed under liquidation	931	108	-	108
- Past due more than 36 months and no response to repayment demands	448	759	447	208
Less: Allowance for doubtful receivables	(1,240)	(770)	(310)	(291)
	139	97	137	25
Total trade receivables, net	6,727	9,712	27,197	27,118

Notes:

(i) Aging of receivables that are past due but not impaired

0 to 30 days	51	121	51	120
30 to 60 days	85	760	85	3,309
> 60 days	1,346	1,219	15,170	9,527
	1,482	2,100	15,306	12,956

(ii) These amounts are stated before the allowance for doubtful receivables.

The following is an analysis of allowance for doubtful receivables:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At beginning of the year	770	189	291	186
Allowance made during the year	1,027	709	186	233
Amount written off during the year	(520)	(17)	(130)	(17)
Allowance written back during the year	(37)	(111)	(37)	(111)
At end of the year	1,240	770	310	291

8 INVENTORIES

Inventories consist principally of goods for resale which are stated at cost.

9 OTHER RECEIVABLES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deposits	16,832	21,218	14,910	19,542
Prepayments	2,368	2,118	2,226	1,948
Staff loans (a)	62	6	62	6
Income tax recoverable	613	162	598	745
Receivables from members (d)	1,500	1,500	1,500	1,500
Interest receivables	1,346	361	1,346	361
Other receivables	4,218	2,135	3,815	2,036
	26,939	27,500	24,457	26,138
Amount due from NTUC Fairprice Foundation Ltd [Note 10 and (b)]	2,405	1,000	2,405	1,000
Loan to a related party (c)	10,264	-	10,264	-
Loan to associates [Note 11 and (d)]	7,382	7,382	-	-
Less: Allowance for doubtful receivables	(7,370)	(7,370)	-	-
	12	12	-	-
Total	39,620	28,512	37,126	27,138

(a) Staff loans are repayable in equal monthly instalments over a period of up to 8 years. Interest is charged at a rate of 5% (2008 : 5%) per annum, calculated on a monthly rest basis.

(b) The amounts due from NTUC Fairprice Foundation Ltd are unsecured, non-interest bearing and repayable on demand.

(c) This loan balance to a related party includes interest accrued and is repayable by July 2009. Related parties are entities with common direct or indirect shareholders and/or directors. Interest is charged at a rate of 3.75% per annum, calculated on a monthly rest basis.

(d) The loans to associates and receivables from members are unsecured, interest-free and repayable on demand.

10 SUBSIDIARIES

	Co-operative 2009 $'000	Co-operative 2008 $'000
Unquoted equity shares, at cost	30,171	30,171
Less: Impairment loss	(14,536)	(14,536)
	15,635	15,635
Loan to subsidiary	17,200	19,200
Receivables from subsidiaries	46,146	44,828
Less: Allowance for doubtful receivables	(46,088)	(44,828)
	58	-
Total	32,893	34,835

Loan to subsidiary is unsecured, interest-bearing and is due to be repaid by March 31, 2012. The effective interest rate of the loan is approximately 3% (2008 : 4%) per annum, which approximates the market interest rate.

The investment in certain subsidiaries is stated after allowance for impairment loss as the cost of investment in these subsidiaries have been impaired in view of losses incurred by these subsidiaries in the past. An allowance has been made for estimate irrecoverable receivables from these subsidiaries amounting to $46,088,000 (2008 : $44,828,000).

The following is an analysis of allowance for impairment loss:

	Co-operative 2009 $'000	Co-operative 2008 $'000
At beginning of the year	14,536	15,536
Investment written off	-	(1,000)
At end of the year	14,536	14,536

The amount receivable from subsidiaries are unsecured, interest bearing and not expected to be repaid within 12 months from the end of the current financial year. The weighted average effective interest rate of the loans is approximately 3% (2008 : 3%) per annum.

The following is an analysis of allowance for doubtful receivables:

At beginning of the year	44,828	42,815
Allowance made during the year	1,260	2,013
At end of the year	46,088	44,828

10 SUBSIDIARIES (Cont'd)

Details of the Co-operative's subsidiaries as at March 31, 2009 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
Grocery Logistics of Singapore Pte Ltd (1)	Singapore	100	100	Warehousing and distribution
Interstates Market Pte Ltd (1)	Singapore	100	100	Trading and investment holding
AlphaPlus Investments Pte Ltd (1)	Singapore	100	100	Investment holding
NewFront Investments Pte Ltd (1)	Singapore	100	100	Investment holding
Cheers Holdings (2004) Pte Ltd (1)	Singapore	100	100	Convenience store operator
Fairprice Training Services Pte Ltd (1)	Singapore	100	100	Dormant
Fairprice Management Services Pte Ltd (1)	Singapore	100	100	Dormant
Office 1 Pte Ltd (2)	Singapore	-	100	Dormant
Interstates Market (2007) Pte Ltd (3)	Singapore	100	100	Dormant
Subsidiaries of AlphaPlus Investments Pte Ltd				
Thomson Plaza Investments Pte Ltd (1)	Singapore	100	100	Property owner
NTUC Fairprice Foundation Ltd (1)	Singapore	*	*	Charitable organisation

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Company liquidated on December 23, 2008.

(3) Company was incorporated in August 3, 2007.

* The result and net assets of NTUC Fairprice Foundation Ltd ("Foundation") have not been consolidated as the Memorandum of Association of the Foundation provides that it cannot pay, or transfer directly or indirectly from its income and property to the member in the form of dividend, bonus, or by way of profit, except for payments made in good faith for the return of goods and services. Furthermore, the Memorandum provides that in the event of winding up of the Foundation, the remains after the satisfaction of all its debts and liabilities shall not be paid to or distributed to the member of the Foundation. Approval from the Commissioner of Charities is required if the member were to amend the clauses in the Memorandum of Association. Consequently, the Group does not have control over the assets and reserve of the Foundation.

11 ASSOCIATES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Unquoted equity shares, at cost	41,757	41,757	5,029	5,029
Share of post-acquisition accumulated losses, net of dividend received	(17,165)	(19,004)	-	-
Less: Impairment losses	-	-	(1,629)	(1,629)
	24,592	22,753	3,400	3,400

Details of the associates as at March 31, 2009 are as follows:

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
NTUC Link Pte Ltd (1)	Singapore	30	30	Operator of loyalty program
NTUC Media Co-operative Ltd (3)	Singapore	26	26	Radio station operator
Edo Sushi Pte Ltd (2)	Singapore	28.7	28.7	Food retailing
One Marina Property Services Pte Ltd (2)	Singapore	20	20	Provision of facility management, project management, marketing and leasing services
NTUC Foodfare Co-operative Ltd (2)	Singapore	50	50	Managing of food outlets
Subsidiary of NTUC Foodfare Co-operative Ltd				
Foodfare Catering Pte Ltd (2)	Singapore	35	35	Provision of cooked food to army camp
Associate of AlphaPlus Investments Pte Ltd				
TMall Limited (4)	Singapore	25	25	Property investment and development

11 ASSOCIATES (Cont'd)

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
Associates of NewFront Investments Pte Ltd				
NTUC Co-operatives Suzhou Investments Pte Ltd (2)	Singapore	26.6	26.6	Investment holding
Nextmall (Cayman Islands) Holdings Corporation (5)	Singapore	33.7	33.7	Hypermarket retailing
Quayline Fairprice Sdn Bhd (4)	Malaysia	40.0	40.0	Supermarket retailing
Myanmar Fairprice Pte Ltd (4)	Singapore	50.0	50.0	Supermarket retailing

(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Audited by KPMG LLP, Singapore.
(3) Audited by Pricewaterhousecoopers LLP, Singapore.
(4) Company is under members' voluntary liquidation.
(5) Liquidated subsequent to March 31, 2009.

Summarised financial information in respect of the Group's associates are as follows:

	2009 $'000	2008 $'000
Total assets	126,361	132,053
Total liabilities	(46,290)	(50,403)
Net assets	80,071	81,650
Group's share of associates' net assets	24,592	22,753
Revenue	52,672	47,448
Profits for the year	5,666	9,402
Group's share of associates' profits for the year	1,952	3,440

The Group's share of results of certain associates has been recognised to the extent of the carrying amount of the investments as there is no obligation to contribute to any losses in excess of the amount of investment. The accumulated unrecognised share of losses amounted to approximately $960,000 (2008 : $2,605,000).

12 JOINTLY CONTROLLED ENTITY

(a) Jointly controlled entity

	Group 2009 $'000	Group 2008 $'000
Unquoted equity shares at cost	600	600
Share of post-acquisition accumulated losses	(600)	(538)
	-	62

Details of the jointly controlled entity as at March 31, 2009 are as follows:

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
Jointly controlled entity of NewFront Investments Pte Ltd				
FairVision Pte Ltd [1]	Singapore	30	30	Media advertising

[1] Audited by Pricewaterhousecoopers LLP, Singapore.

Summarised financial information in respect of the Group's jointly controlled entity is as follows:

	2009 $'000	2008 $'000
Total assets	249	572
Total liabilities	(344)	(366)
Net assets	(95)	206
Group's share of jointly controlled entity's net assets	-	62
Revenue	1,386	1,649
Loss for the year	(206)	(174)
Group's share of jointly controlled entity's loss for the year	(62)	(52)

(b) Jointly controlled asset

The Group and the Co-operative has a 30% interest in a jointly controlled asset, AMK Hub, which is constituted by a joint venture agreement dated August 24, 2004 between NTUC Income Insurance Co-operative Limited (NTUC Income), the Co-operative and SLF AMK Pte Ltd (SLF AMK). AMK Hub is not a separately incorporated legal entity.

Under the above joint venture agreement, NTUC Income, the Co-operative and SLF AMK acquired a leasehold interest of 99 years less one day (the Leasehold Interest) on August 24, 2004 on a site in Ang Mo Kio and hold as tenants in common with 35%, 30% and 35% share in the Leasehold Interest respectively.

12 JOINTLY CONTROLLED ENTITY (Cont'd)

The following amounts are included in the Co-operative's and Group's financial statements as a result of the proportionate consolidation of AMK Hub.

	2009 $'000	2008 $'000
Current assets	4,800	7,513
Non-current assets	86,774	87,968
Current liabilities	(5,976)	(6,432)
Co-operative's share of jointly controlled asset's net assets	85,598	89,049
Income	14,161	13,454
Expenses	(6,414)	(7,936)
Co-operative's share of jointly controlled asset's profit for the year	7,747	5,518

13 INVESTMENTS

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current portion:				
Quoted unit trust available for sale	1,240	5,051	1,240	5,051
Quoted equity available for sale	10,989	68,645	10,989	68,645
Quoted bonds available for sale	107,165	34,432	107,165	34,432
Quoted hedge funds available for sale	-	12,867	-	12,867
Other available for sales investments	-	7,903	-	7,903
Total current portion	119,394	128,898	119,394	128,898
Non-current portion:				
Quoted unit trust available for sale	263,166	365,355	199,639	277,966
Unquoted equity available for sale	75,565	75,798	75,565	75,797
Total non-current portion	338,731	441,153	275,204	353,763
Total investments	458,125	570,051	394,598	482,661

The quoted investments are stated at fair value based on available market price. The unquoted equity available for sale are measured at cost less impairment loss.

In view of the uncertainty over the current stock market and whether the market values of the quoted shares will rise to their original costs, an impairment loss of $20,436,000 (2008 : gain of $53,000) (Notes 22 and 23) has been recognised.

Investments in quoted bonds have effective interest rates at approximately 5.6% (2008 : 3.91%) per annum and have maturity dates ranging from May 2011 to June 2018 (2008 : April 2008 to May 2011).

The Group's and the Co-operative's investments that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
United States dollars	3,090	4,285	3,090	4,285
Hong Kong dollars	-	907	-	907
Malaysian ringgit	-	1,291	-	1,291

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Furniture fittings and renovation $'000	Plant and machinery $'000	Equipment and motor vehicles $'000	Computers $'000	Capital work-in progress $'000	Total $'000
Group									
Cost:									
At April 1, 2007	4,625	25,332	407,465	101,817	39,356	37,026	32,985	1,736	650,342
Additions	-	-	6,859	18,164	3,406	8,983	4,063	11	41,486
Disposals	-	-	-	(10,214)	(1,703)	(4,998)	(1,511)	(703)	(19,129)
Transfers	-	-	707	(7)	200	(1)	134	(1,033)	-
At March 31, 2008	4,625	25,332	415,031	109,760	41,259	41,010	35,671	11	672,699
Additions	-	-	4,900	28,689	5,821	10,056	7,500	1,405	58,371
Disposals	-	-	(2,302)	(8,410)	(1,572)	(4,130)	(6,468)	-	(22,882)
Transfers	-	-	-	237	1,084	36	12	(1,369)	-
At March 31, 2009	4,625	25,332	417,629	130,276	46,592	46,972	36,715	47	708,188
Accumulated depreciation:									
At April 1, 2007	-	9,262	78,192	64,630	18,804	27,012	27,471	-	225,371
Depreciation expense	-	695	8,968	12,576	4,388	4,615	2,675	-	33,917
Disposals	-	-	-	(9,854)	(1,678)	(4,928)	(581)	-	(17,041)
Transfers	-	-	-	(2)	-	(1)	3	-	-
At March 31, 2008	-	9,957	87,160	67,350	21,514	26,698	29,568	-	242,247
Depreciation expense	-	695	7,868	16,168	4,698	5,522	3,611	-	38,562
Disposals	-	-	(523)	(7,420)	(1,441)	(3,861)	(6,460)	-	(19,705)
Transfers	-	-	-	(2)	(1)	3	-	-	-
At March 31, 2009	-	10,652	94,505	76,096	24,770	28,362	26,719	-	261,104
Impairment:									
At April 1, 2007	-	-	836	774	103	192	151	-	2,056
Impairment loss	-	-	1,035	-	14	521	-	-	1,570
Reversal of impairment loss	-	-	-	(148)	-	-	(89)	-	(237)
At March 31, 2008	-	-	1,871	626	117	713	62	-	3,389
Reversal of impairment loss	-	-	-	-	-	(230)	-	-	(230)
Impairment loss	-	-	371	649	24	-	2	-	1,046
At March 31, 2009	-	-	2,242	1,275	141	483	64	-	4,205
Carrying amount:									
At March 31, 2009	4,625	14,680	320,882	52,905	21,681	18,127	9,932	47	442,879
At March 31, 2008	4,625	15,375	326,000	41,784	19,628	13,599	6,041	11	427,063

14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Furniture fittings and renovation $'000	Plant and machinery $'000	Equipment and motor vehicles $'000	Computers $'000	Total $'000
Co-operative								
Cost:								
At April 1, 2007	4,625	25,332	338,563	95,452	16,581	35,239	27,308	543,100
Additions	-	-	4,450	16,577	2,263	8,696	2,970	34,956
Disposals	-	-	-	(9,798)	(1,090)	(4,735)	(1,412)	(17,035)
Transfers	-	-	-	(7)	-	(1)	8	-
At March 31, 2008	4,625	25,332	343,013	102,224	17,754	39,199	28,874	561,021
Additions	-	-	4,900	27,939	4,764	9,910	7,190	54,703
Disposals	-	-	(2,302)	(7,884)	(1,491)	(4,082)	(6,423)	(22,182)
Transfers	-	-	-	(7)	-	(1)	8	-
At March 31, 2009	4,625	25,332	345,611	122,272	21,027	45,026	29,649	593,542
Accumulated depreciation:								
At April 1, 2007	-	9,262	61,738	62,124	11,904	26,011	23,935	194,974
Depreciation expense	-	695	7,582	11,289	1,850	4,341	1,708	27,465
Disposals	-	-	-	(9,593)	(1,084)	(4,715)	(490)	(15,882)
At March 31, 2008	-	9,957	69,320	63,820	12,670	25,637	25,153	206,557
Depreciation expense	-	695	6,476	14,837	1,975	5,258	2,558	31,799
Disposals	-	-	(525)	(7,048)	(1,363)	(3,824)	(6,417)	(19,177)
At March 31, 2009	-	10,652	75,271	71,609	13,282	27,071	21,294	219,179
Impairment:								
At April 1, 2007	-	-	836	316	38	144	15	1,349
Impairment loss	-	-	1,035	281	-	196	-	1,512
Reversal of impairment loss	-	-	-	-	(6)	-	(5)	(11)
At March 31, 2008	-	-	1,871	597	32	340	10	2,850
Impairment loss	-	-	82	21	108	120	41	372
At March 31, 2009	-	-	1,953	618	140	460	51	3,222
Carrying amount:								
At March 31, 2009	4,625	14,680	268,387	50,045	7,605	17,495	8,304	371,141
At March 31, 2008	4,625	15,375	271,822	37,807	5,052	13,222	3,711	351,614

As disclosed in Note 3, the Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with their accounting policy. Where there is indication of impairment, the recoverable amounts of property, plant and equipment would be determined based on the higher of fair value less costs to sell and value-in-use calculations. The assessment led to the recognition of a net impairment loss of $816,000 (2008 : $1,333,000) and $372,000 (2008 : $1,501,000) that has been recognised in profit or loss of the Group and Co-operative respectively (Note 22). The estimates of recoverable amount were based on value in use and determined using a discount rate of 10%.

15 TRADE PAYABLES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Outside parties	326,291	307,188	308,034	287,758
Subsidiaries (Note 10)	-	-	2,919	1,572
	326,291	307,188	310,953	289,330

The average credit period on purchase of goods is 45 days (2008 : 45 days). Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

Significant trade payables that are not denominated in functional currency of the Co-operative are as follows:

	2009 $'000	2008 $'000
United States dollar	2,918	3,486
Malaysian ringgit	15	-
Australian dollar	611	611

16 OTHER PAYABLES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Accrued operating expenses (a)	67,424	56,204	65,382	54,011
Deposits received	8,151	8,059	8,082	7,795
Subsidiaries [Note 10 and (b)]	-	-	59,580	62,338
Associates [Note 11 and (c)]	10,762	10,762	-	-
Patronage rebates and dividends payable	250	387	250	387
Salary payable	10,840	9,245	10,346	8,726
Gift vouchers payable	20,709	16,348	20,709	16,348
Other payables	18,655	13,715	18,609	14,549
Contributions to:				
- Central Co-operative Fund (d)	25	25	25	25
- Singapore Labour Foundation (e)	30,378	37,712	30,378	37,712
	167,194	152,457	213,361	201,891

(a) Included in the accrued operating expenses of the Group and the Co-operative is an amount of $7,500,000 (2008 : $8,000,000) which relates to the Co-operative's accrual for the amount to be donated to NTUC Fairprice Foundation Limited as part of the pledge made by the Co-operative to donate $50 million as disclosed in Note 26(e).

(b) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

(c) The amounts due to associates are unsecured, interest-free and repayable on demand.

(d) In accordance with Section 71(2)(a) of the Co-operative Societies Act, Chapter 62, the Co-operative contributes 5% of the first $500,000 of its surplus resulting from the operations of the Co-operative to the Central Co-operative Fund and this amount is due to be paid out in next financial year.

16 OTHER PAYABLES (Cont'd)

(e) In accordance with Section 71(2)(b) of the Co-operative Societies Act, Chapter 62, the Co-operative has opted to contribute 20% of the surplus in excess of $500,000 from the operations of the Co-operative to the Singapore Labour Foundation ("SLF") and this amount is due to paid out in next financial year.

Included in the balances above are the following:

	Group and Co-operative	
	2009 $'000	2008 $'000
Contributions to Singapore Labour Foundation:		
- Current year	17,459	24,793
- Prior years	12,919	12,919
	30,378	37,712

In the previous financial year, the Co-operative was informed by the Registrar of Co-operative Societies that the contribution to SLF should be computed based on the surplus resulting from the operations before the distribution of dividends and patronage rebates to members. Additional provisions were therefore made during the prior year in regard to contributions to SLF for the prior financial years.

17 SHARE CAPITAL

	Group and Co-operative			
	2009	2008	2009	2008
	Number of ordinary shares		$'000	$'000
Authorised:				
Ordinary shares	220,000,000	220,000,000	220,000	220,000
Issued and paid up:				
At beginning of the year	179,366,356	178,449,729	179,366	178,450
Issue of shares at par for cash	1,352,898	1,662,941	1,353	1,662
Withdrawal of shares	(1,224,122)	(746,314)	(1,224)	(746)
At end of the year	179,495,132	179,366,356	179,495	179,366
The share capital is represented by:				
Share capital repayable on demand as liabilities (a)	179,395,132	179,266,356	179,395	179,266
Share capital classified as equity (b)	100,000	100,000	100	100
	179,495,132	179,366,356	179,495	179,366

(a) This relates to the shares held by members where the Co-operative does not have the right of refusal to redeem the members' shares. Members include an individual person or institution or organisation duly admitted to the membership of the Co-operative in accordance with the By-Law of the Co-operative.

(b) This comprised only the portion that relates to founder member National Trade Union Congress.

17 SHARE CAPITAL (Cont'd)

(c) In accordance with By-laws 4.4.2, every member shall, unless otherwise disqualified under the Co-operative Societies Act, Chapter 62 or the By-laws, have the right to:

(i) avail himself of all services of the Society;

(ii) stand for election to office, subject to the provisions of the Act and the By-laws, where applicable;

(iii) be co-opted to hold office in the Society, where applicable;

(iv) participate and vote at general meetings; and

(v) enjoy all other rights, privileges or benefits provided under the By-laws.

(d) The Co-operative has 2 classes of ordinary shares which carry no right to fixed income.

18 PROVISIONS

This relates to the provision for reinstatement cost for the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment.

Movements in the provision are as follows:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At April 1	12,794	12,451	12,107	12,146
Utilisation of provision	(928)	(342)	(807)	(283)
Provisions made during the year	4,921	685	4,780	244
At March 31	16,787	12,794	16,080	12,107

A provision for reinstatement cost is recognised when the Group and the Co-operative have a legal and constructive obligation to rectify wear and tear to leased premises under property lease agreements with external parties. The unexpired lease terms range from 0.2 to 3.7 years (2008 : 0.2 to 4.5 years). The provision is based on the best estimate of the expenditure with reference to past experience. It is expected that these costs will be incurred after one year from the balance sheet date. The provision is discounted using a current rate of 5% (2008: 5%) that reflects the risks specific to the liability.

19 DEFERRED TAX LIABILITIES

Group

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation $'000	Provisions $'000	Total $'000
At April 1, 2007	1,972	(186)	1,786
Charge to profit or loss for the year	464	2	466
At March 31, 2008	2,436	(184)	2,252
Charge to profit or loss for the year (Note 25)	200	-	200
At March 31, 2009	2,636	(184)	2,452

Subject to the agreement by the tax authorities, at the balance sheet date, the Group has unutilised tax losses from its subsidiary of $1,054,000 (2008 : $1,570,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The carryforward of the unutilised tax losses and capital allowances is available for carryforward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

20 OTHER RESERVES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Fair value reserve	100,140	286,656	82,063	226,026
Foreign currency translation reserve (a)	(276)	(276)	-	-
Reserve fund (b)	64,739	64,739	64,739	64,739
	164,603	351,119	146,802	290,765

(a) Foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statement of foreign associates.

(b) In the previous year, pursuant to Section 70(3) of the Co-operative Societies Act, Chapter 62, the Co-operative shall pay into the Reserve Fund at least 20% of the profit before contributions and distributions arising from the operations of the Co-operative during the financial year, provided that when the Reserve Fund has reached an amount that is equal to 10% of its paid-up capital, such Co-operative shall transfer 5% of its profit before contributions and distributions to the Reserve Fund. In the previous financial year, as the balance in the Reserve Fund has exceeded 10% of the paid-up capital, the Co-operative has transferred 5% of the profit for the year before contributions and distributions to the Reserve Fund.

During the current financial year, pursuant to the Co-operative Societies (Amendment) Act 2008, Section 70 has been repealed. Management has decided not to make any transfer to this Reserve Fund.

21 REVENUE

Revenue of the Group and the Co-operative represents invoiced value of goods sold. Transactions within the Group have been excluded in arriving at the revenue of the Group.

22 OTHER INCOME

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Rental income	41,603	38,561	40,387	37,252
Dividends received	20,814	19,411	17,078	16,032
Impairment reversed on quoted investment	-	53	-	53
Interest income:-				
- financial institution	1,327	3,389	1,327	3,389
- subsidiaries	-	-	398	706
- bonds	1,005	1,368	1,005	1,368
Gain on disposal of investment	-	22,846	-	22,846
Advertising & promotion	4,638	5,932	3,286	5,097
Concessionary, commission & other service income	69,541	70,224	53,046	48,452
Discounts received	2,281	2,149	2,160	2,051
Commission earned	1,790	1,517	473	243
Bad debt written back	37	111	37	111
Others	6,491	498	5,318	5,233
	149,527	166,059	124,515	142,833

23 OTHER OPERATING EXPENSES

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Rental and conservancy charges	80,734	66,895	70,728	61,790
Utilities	32,774	27,095	27,887	22,710
Repair, maintenance and supplies	19,562	14,552	16,707	12,277
Impairment in plant & equipment	816	1,333	372	1,501
Allowance for doubtful debts	1,027	709	186	233
(Gain) / loss on disposal of plant and equipment	(131)	635	(264)	-
Packing and delivery expenses	12,772	10,744	12,769	10,544
Donation to Foundation (Note 26(e))	7,500	8,000	7,500	8,000
Marketing expenses	17,312	14,540	17,248	14,500
Impairment made on:-				
- quoted investments	20,436	-	20,436	-
- unquoted investments	101	43	101	43
- associates	-	-	-	1,413
Loss on disposal of investment	2,914	-	2,914	-
Allowance for doubtful receivable from subsidiary	-	-	1,260	2,013
Others	35,290	38,614	25,140	26,498
	231,107	183,160	202,984	161,522

24 FINANCE COSTS

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Distributions to members of the Co-operative (Note 17 (a))				
- first and final dividend	8,781	13,964	8,781	13,964

First and final dividend of 5% (2008: 5%) was paid out to the members of the Co-operative in current year.

25 INCOME TAX EXPENSE

	Group	
	2009	2008
Current income tax:		
Current year	1,857	1,388
Overprovision in prior years	(1,252)	(22)
Deferred taxation (Note 19):		
Current year	200	466
	805	1,832

Domestic income tax calculated at 17% (2008 : 18%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2009 $'000	2008 $'000
Profit before income tax	63,984	102,831
Tax at the domestic income tax rate of 17% (2008 : 18%)	10,877	18,509
Utilisation of deferred tax benefits previously not recognised	(243)	(288)
Over provision in prior years	(1,252)	(22)
Tax effect of:		
Non-deductible expenses	530	185
Exempt income [1]	(9,234)	(17,145)
Current year tax losses not eligible to be carried forward	133	350
Change in tax rate	(122)	-
Others	2	65
Share of tax from associates	114	178
	805	1,832

[1] Exempt income mainly pertains to the Co-operative's income. The income of any Co-operative Society registered under the Co-operative Societies Act, Cap 62 is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.

26 COMMITMENTS

As at the end of the financial year, the Group and the Co-operative have the following outstanding commitments which have not been provided in the financial statements:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
(a) Capital commitments:				
Purchase of property, plant and equipment approved by the directors				
- contracted	-	8,000	-	8,000
- not contracted	40,419	55,658	39,419	53,623
	40,419	63,658	39,419	61,623

Share of capital commitments of jointly controlled asset:

	Group and Co-operative	
	2009 $'000	2008 $'000
Contracted for construction of the retail mall	-	1,950

(b) Commitments under non-cancellable operating lease payables are as follows:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Within 1 year	70,144	56,252	60,539	49,224
After 1 year but within 5 years	86,688	91,549	69,769	82,833
After 5 years	20,629	18,913	-	-
	177,461	166,714	130,308	132,057

Operating lease payments represent rental payable by the Group and Co-operative for certain office and outlets premises. Leases are negotiated for an average term of 3 years and fixed for an average of 3 years.

(c) The Group rents out its leasehold properties in Singapore under operating leases. Property rental income earned during the year was $41,603,000 (2008 : $38,561,000). As at the balance sheet date, the Group and Co-operative have contracted with certain tenants under non-cancellable operating lease receivables as follows:

	Group		Co-operative	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Within 1 year	27,738	27,396	26,857	26,409
After 1 year but within 5 years	26,330	31,139	25,262	29,217
	54,068	58,535	52,119	55,626

26 COMMITMENTS (Cont'd)

Share of commitments under non-cancellable operating lease receivables of a jointly controlled asset is as follows:

	Group and Co-operative	
	2009 $'000	2008 $'000
Within 1 year	11,378	12,694
After 1 year but within 5 years	7,427	14,673
	18,805	27,367

(d) The notional value of outstanding forward foreign exchange contracts of the Group and the Co-operative amounted to $609,000 (2008 : $3,384,000).

(e) The Co-operative has pledged to donate $50 million to the Foundation in by 2018 as published in the local newspapers in March 2008. An amount of $7.5 million (2008 : $8 million) has been accrued by the Co-operative in the current financial year for contribution to Foundation [Note 16(a)].

27 PATRONAGE REBATES, DIRECTORS' HONORARIA AND DIVIDENDS

Subsequent to the balance sheet date, the directors proposed the following patronage rebates, directors' honoraria and dividends. The patronage rebates, directors' honararia and dividends have not been provided for, subject to approval in the Annual General Meeting.

	Group	
	2009 $'000	2008 $'000
Patronage rebates	31,952	28,324
Directors' honoraria	330	311
First and final dividend of 5% (2008 : 5%)	8,978	8,950
	41,260	37,585

The proposed patronage rebates represent 4% (2008 : 4%) of the eligible purchases.

28 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Rental, dividend, commission, concessionary and service income have been reclassified from "Revenue" to "Other income" to enhance comparability with current year's disclosure of the financial statements as required by Singapore Financial Reporting Standards No.1 "Presentation of Financial Statements".

The items were reclassified as follows:

	Group		Co-operative	
	Previously reported	After reclassification	Previously reported	After reclassification
	2008 $'000	2008 $'000	2008 $'000	2008 $'000
Income statement:				
Revenue	1,812,188	1,705,398	1,681,816	1,599,528
Other income*	-	106,790	-	82,288

* Other income was not disclosed in the previous financial year.

STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements of the Group and of the Co-operative set out on pages 41 to 82 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Co-operative as at March 31, 2009 and of the results, changes in equity and cash flows of the Group and results and changes in equity of the Co-operative for the year then ended and at the date of this statement there are reasonable grounds to believe that the Co-operative will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Ng Ser Miang **John Lim Kok Min**

August 5, 2009

This page is left blank intentionally.

NTUC FAIRPRICE CO-OPERATIVE LTD
680 Upper Thomson Road Singapore 787103 Tel: (65) 6456 0233 Fax: (65) 6458 8975 www.fairprice.com.sg