FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS (Q1,Q2,Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	The Group		
	Year ended 31 July		% Increase/ (Decrease)
	2009 S$'000	2008 S$'000	
Revenue	**31,419**	39,229	-20%
Other gains (net)			
- Miscellaneous	**1,197**	3,547	-66%
Expenses			
- Inventories and consumables used	**(7,343)**	(9,868)	-26%
- Advertising, media and entertainment	**(4,600)**	(5,326)	-14%
- Employee benefits	**(10,170)**	(14,297)	-29%
- Amortisation, depreciation and impairment	**(4,587)**	(4,741)	-3%
- Finance	**(79)**	(297)	-73%
- Rental on operating leases	**(4,337)**	(4,714)	-8%
- Transportation	**(91)**	(115)	-21%
- Legal and professional fees	**(912)**	(1,419)	-36%
- Contract services	**(577)**	(1,240)	-53%
- Licence and permits	**(456)**	(1,334)	-66%
- Property, plant & equipment written off	**(5,229)**	(1,629)	221%
- Other operating expenses	**(5,119)**	(5,455)	-6%
Changes in inventories of finished goods	**(237)**	(106)	124%
Total expenses	**(43,737)**	(50,541)	-13%
Loss before income tax	**(11,121)**	(7,765)	43%
- Income tax credit/(expenses)	**114**	(5)	-2370%
Loss from operations	**(11,007)**	(7,770)	42%
Loss attributable to minority interest	**-**	(380)	-100%
Loss from operations attributable to equity holders of the Company	**(11,007)**	(7,390)	49%

Notes to Income Statement

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

	The Group	
	Year ended 31 July	
	2009 S$'000	2008 S$'000
a) Depreciation on property, plant and equipment	**4,542**	4,493
b) Amortisation of intangible assets	**45**	248
c) Allowance for doubtful debts and bad debts written off	**412**	590
d) Inventories written-down	**6**	11
e) Prepayment written off	**792**	383
f) Intangible asset written off	**632**	186
g) Interest expenses	**58**	269
h) Foreign exchange (gain)/loss	**(118)**	80
i) Interest income	**(29)**	(167)
j) Service charge surplus	**(998)**	(3,330)
k) Other income	**(52)**	(130)

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

Balance Sheets

	The Group		The Company	
	31/7/2009	31/7/2008	31/7/2009	31/7/2008
ASSETS	S$'000	S$'000	S$'000	S$'000
Current Assets				
Cash and cash equivalents	**2,583**	12,184	**1,357**	9,855
Trade and other receivables	**1,060**	2,349	**3,146**	15,663
Other current assets	**981**	600	**462**	139
Inventories at cost	**449**	686	**-**	-
	5,073	15,819	**4,965**	25,657
Non-Current Assets				
Property, plant and equipment	**6,789**	13,283	**2**	11
Intangible assets	**13**	690	**-**	-
Investments in subsidiaries	**-**	-	**1,000**	3,200
Intercompany long term loan	**-**	-	**1,000**	1,000
Deferred tax asset	**-**	70	**-**	-
	6,802	14,043	**2,002**	4,211
Total Assets	**11,875**	29,862	**6,967**	29,868
LIABILITIES				
Current Liabilities				
Trade and other payables	**7,282**	7,056	**2,872**	2,570
Borrowings	**191**	2,545	**191**	2,545
Current income tax liabilities	**4**	4	**4**	4
	7,477	9,605	**3,067**	5,119
Non-current Liabilities				
Deferred tax liabilities	**109**	294	**-**	-
Borrowings	**-**	4,667	**-**	4,667
	109	4,961	**-**	4,667
Total Liabilities	**7,586**	14,566	**3,067**	9,786
Net Assets	**4,289**	15,296	**3,900**	20,082
SHAREHOLDERS' EQUITY				
Share capital and share premium	**42,021**	42,021	**42,021**	42,021
Accumulated losses	**(37,732)**	(26,725)	**(38,121)**	(21,939)
	4,289	15,296	**3,900**	20,082
Minority interest	**-**	-	**-**	-
Total equity	**4,289**	15,296	**3,900**	20,082

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	The Group			
	As at 31/7/2009		As at 31/7/2008	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amount repayable in one year or less or on demand	-	**191**	212	2,333
Amount repayable after one year	-	-	-	4,667
	-	**191**	212	7,000

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

	The Group Year ended 31 July 2009 S$'000	2008 S$'000
Cash flows from operating activities		
Loss before tax	**(11,121)**	(7,765)
Adjustments for:		
Depreciation on Property, Plant and Equipment	**4,542**	4,493
Amortisation on intangible assets	**45**	248
Allowance for doubtful debts and bad debts written off	**412**	341
Interest income	**(29)**	(167)
Interest expense	**58**	269
Property, plant & equipment written off	**5,229**	1,629
Intangible asset written off	**632**	186
Prepayment written off	**792**	383
Inventories written-down	**6**	11
Gain on disposal of Property, Plant and Equipment	**3**	(3)
Operating profit/(loss) before working capital changes	**569**	(375)
Changes in operating assets and liabilities, net of effects from		
Trade and other receivables	**181**	(830)
Other current assets	**(478)**	204
Inventories	**231**	94
Trade and other payables	**226**	(1,344)
Net cash from/(used in) operating activities	**729**	(2,251)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(3,280)**	(2,555)
Proceeds from sale of plant and equipment	**-**	2
Purchases of franchises and licenses	**-**	(244)
Interest received	**29**	167
Net cash used in investing activities	**(3,251)**	(2,630)
Cash flows from financing activities		
Proceeds from borrowings	**-**	7,000
Repayments of borrowings	**(7,021)**	(5,237)
Placement in bank deposits pledged as security	**-**	(533)
Interest expense paid	**(58)**	(269)
Net cash (used in)/from financing activities	**(7,079)**	961
Net decrease in cash and cash equivalents	**(9,601)**	(3,920)
Cash and cash equivalents at the beginning of the financial period	**12,184**	15,571
Cash and cash equivalents at end of the financial period	**2,583**	11,651

1(c)(i) Analysis of the balances of cash and cash equivalents

Cash and bank balances	**2,583**	11,651
Short-term deposits pledged as security	-	533
	2,583	12,184

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

(i) Consolidated statement of changes in equity for the period ended 31 July 2009 - Group

	Share Capital S$'000	Foreign Currency Translation Reserve S$'000	(Accumulated losses)/ Retained earnings S$'000	Minority Interest S$'000	Total S$'000
Balance at 1 August 2008	**42,021**	-	**(26,725)**	-	**15,296**
Net loss for the period	-	-	**(11,007)**	-	**(11,007)**
Balance at 31 July 2009	**42,021**	-	**(37,732)**	-	**4,289**
Balance at 1 August 2007	42,021	-	(19,335)	380	23,066
Net loss for the period	-	-	(7,390)	(380)	(7,770)
Balance as at 31 July 2008	42,021	-	(26,725)	-	15,296

(ii) Consolidated statement of changes in equity for the period ended 31 July 2009 - Company

	Share Capital S$'000	(Accumulated Losses)/ Retained Earnings S$'000	Total S$'000
Balance at 1 August 2008	**42,021**	**(21,939)**	**20,082**
Net loss for the period	**-**	**(16,182)**	**(16,182)**
Balance at 31 July 2009	**42,021**	**(38,121)**	**3,900**
Balance at 1 August 2007	42,021	(22,348)	19,673
Net profit for the period	-	409	409
Balance as at 31 July 2008	42,021	(21,939)	20,082

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

The company did not issue any shares during the curent period.

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

	Group	
	31/7/2009	31/7/2008
Total number of issued shares excluding treasury shares	**734,000,000**	734,000,000

1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

The figures have not been audited nor reviewed.

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

Not Applicable.

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

The adoption of the new and revised accounting standards that became applicable from 1 July 2008 did not result in substantial changes to the Group accounting policies, which are consistent with those used in the audited financial statements as at 31 July 2008.

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

The Group has applied the same accounting policies in the preparation of the financial statements for the current reporting period as as compared to the audited financial statements as at 31 July 2008.

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

	The Group	
	Year ended 31 July	
	2009	**2008**
Loss per share ("EPS") for the period attributable to the equity holders of the Company :		
Based on the weighted average number of ordinary shares - from continuing operations - Basic (cents)	**(1.50)**	(1.01)
	(1.50)	(1.01)

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	The Group		The Company	
	Year ended 31 July		Year ended 31 July	
	2009	2008	2009	2008
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	**0.59**	2.08	**0.53**	2.74

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

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

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

<u>Income Statement</u>

Revenue

The last financial year was characterised by change for the Group. The Group's portfolio of brands underwent significant revamp. Aurum and Barfly ended successful outings in August 2008. This was followed closely by the closure of Ministry of Sound in October. Most recently, Balcony Bar closed in July 2009 following the expiry of its lease, following Fashion Bar which closed a month later. A host of new entertainment venues were launched. Asian fusion bar YUE Lounge opened in September 2008 and in November, party-goers celebrated the launch of three distinctive concepts - Zirca, Yello Jello and Rebel which took over the premises that formerly housed the Ministry of Sound. Finally, Irish concept bar, Mulligan's Irish Bar & Borgata Trattoria Osteria will soon add to the Group's growing portfolio of branded entertainment venues.

The Group's latest additions, Zirca, Yello Jello and Rebel have been recording encouraging performances, just as Lunar continues to do so. Beach concept bar, Café del Mar also recorded a reasonable performance considering the occasional inclement weather.

Against the backdrop of a recessionary economy that is only now starting to show signs of recovery, Group revenue declined 20% from S$39.2 million to S$31.5 million, impacted by the overall economic downturn and two months' closure of the Ministry of Sound premises prior to its revamp to make way for Zirca, Yello Jello and Rebel. These three concepts also occupy a smaller area, which also accounts for a smaller revenue contribution.

Revenue from service charge surplus (recorded as a miscellaneous item) declined by 70% to S$1 million due to the abolition of service charges at several venues.

Costs and Expenses

The drop in revenue is offset by a similar decrease of 13% in total expenses incurred, from S$50.5 million to S$43.7 million. Cost of goods sold has remained relatively constant while gross margins have increased slightly to 75.87% in FY2009 compared with 74.57% in FY2008. All major expense items have continued to decrease, including employee benefits, rental on operating leases, advertising, media and entertainment, legal and professional fees, licence and permits.

Expenses from employee benefits fell 29% from S$14.3 million to S$10.2 million due to ongoing restructuring measures. Rental from operating leases fell 8% from S$4.7 million to S$4.3 million as rates were pegged to turnover and also thanks to rebates by landlords. Expenses from licences and permits continued to decrease significantly, falling 66% from S$1.3 million to S$456,000 as the Group no longer had to pay royalties for the Ministry of Sound brand since October 2008. Similarly, legal and professional fees decreased by 36% from S$1.4 million to S$912,000 following the settlement of the lawsuits with Ministry of Sound International Ltd. Finance costs showed the largest proportionate decline of 73% from S$297,000 to S$79,000 as the Group repaid most of its borrowings.

Due to closure of Ministry of Sound in October 2008 and Fashion Bar prior to the last financial year-end, in compliance with directive 36 on Impairment of Assets under the Singapore Financial Reporting Standard ("FRS"), the Group recorded a $5.2 million write-off in property, plant and equipment in relation to the closures of Barfly, Bice, Fashion Bar and Ministry of Sound.

The Group also wrote off S$792,000 in pre-operating expenses incurred for projects that did not eventually materialise. In addition, the Group provided for the S$632,000 towards the impairment of intangible assets from the closure of Fashion Bar and the termination of the Buddha Bar project in The Venetian Macau Resort Hotel.

Following the termination of the Cannery Club scheme, the Group has also made S$225,000 in allowance for doubtful debts from membership arrears. The remaining provided amount relates to miscellaneous receivables.

On an overall basis, although losses have widened from S$7.8 million to S$11 million in FY2009, but for the write-offs, losses would have in fact narrowed to approximately S$3.9 million. It should also be noted that the write-offs do not impact the Group's cash flow position.

<u>Balance Sheets and Cashflow</u>

Cash and cash equivalents dropped to S$2.6 million, as the Group continued to reduce its bank borrowings. As at the end of FY2009, the Group has reduced its total borrowings to just one unsecured current borrowing of S$191,000 from S$2.55 million in total current borrowings as at the end of FY2008. The Group's aggregate long-term borrowings of S$4.67 million have also been repaid in full.

Although the Group ended the financial year in a negative working capital position, the receipt of approximately S$5.1 million in net proceeds from a rights issue the following month in August 2009 meant the Group was back in a positive working capital position.

The Group's trade and other receivables decreased significantly due to S$412,000 in allowance for doubtful debts and S$792,000 in write-offs of pre-operating expenses as described above. The decrease in intangible assets is mainly due to the impairment of intangible assets amounting to S$632,000.

The increase in other current assets is mainly due to the prepayment of expenses related to the right issue which will be offset against the proceeds from the exercise.

Group's Property, Plant and Equipment decreased to S$6.8 million following S$4.5 million in depreciation and write-offs amounting to S$5.2 million. In the financial year, the Group also acquired new Property, Plant and Equipment for the launch of Zirca, Rebel and Yello Jello.

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

Not Applicable.

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

While the consensus appears to be that the recession is over, management is still maintaining a cautious outlook as there is no certainty as to whether the early signs of recovery will be sustained.

In the coming months, management is looking forward to the opening of the two integrated resorts to provide an important lift to the F&B and entertainment industry and its players in Singapore.

Moving forward, management will be looking at opportunities to expand which present more and exciting potential for the Group to bring its branded entertainment concepts to new markets.

On an ongoing basis, management will continue its programme of cost containment while looking at suitable opportunities to refresh its brand names and maintain its leadership position in Singapore's entertainment market.

11 **Dividend**

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Not applicable

(d) Books Closure date

Not applicable

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

No dividend has been declared/recommended for the year under review.

PART II ADDITIONAL INFORMATION REQUIRE FOR FULL YEAR ANNOUNCEMENT

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

The Group operates its businesses under a single business segment of lifestyle. The products that are sold under this strategic business unit are subjected to similar risks and returns. As the Group has a single business segment, no business segment analysis is presented. In FY2009, Singapore is the only country which its lifestyle business were operated in, and therefore, there is no geographical segment analysis needed.

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

For discussion on material changes, please refer to paragraph 8.

15 **A breakdown of sales**

	The Group		
Continuing Operations	**31/7/2009**	31/7/2008	**% Increase/ (Decrease)**
Revenue reported for the first half year	**16,733**	21,219	-21%
Operating loss after tax reported for the first half year	**2,093**	1,240	69%
Revenue reported for the second half year	**14,686**	18,010	-18%
Operating loss after tax reported for the second half year	**8,914**	6,530	37%

16 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Total Annual Dividend

(S$)	**Latest Full Year 31/7/2009**	**Previous Full Year** 31/7/2008
Ordinary	-	-
Preference	-	-
Total	-	-

ON BEHALF OF THE BOARD OF DIRECTORS

Lee Shieh-Peen Clement
Director

Bernard Lim Miang
Director

25 September 2009