



# HOTEL ROYAL LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 196800298G)

## 1 UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2010

The Directors of Hotel Royal Limited (the “Company”) are pleased to announce the following unaudited results of the Group for the fourth quarter and financial year ended 31 December 2010.

### 1(a) GROUP PROFIT AND LOSS STATEMENT for the fourth quarter and financial year ended 31 December

	Notes	<u>Group</u>					
		<u>Fourth Quarter Ended 31 Dec</u>			<u>Financial Year Ended 31 Dec</u>		
		<u>2010</u>	<u>2009</u>	<u>+ / (-)</u>	<u>2010</u>	<u>2009</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Revenue	1	12,258	8,922	37.4	39,951	35,507	12.5
Cost of sales	2	(5,407)	(4,051)	33.5	(18,847)	(16,983)	11.0
Gross profit		6,851	4,871	40.6	21,104	18,524	13.9
Other income							
- Exceptional gain	3	4,109	-	n.m.	4,109	-	n.m.
- Miscellaneous	3	259	903	(71.3)	790	1,715	(53.9)
Distribution costs		(132)	(201)	(34.3)	(311)	(323)	(3.7)
Administrative expenses		(2,603)	(2,950)	(11.8)	(8,118)	(8,156)	(0.5)
Other expenses	4	(3,569)	(133)	n.m.	(4,579)	(450)	917.6
Finance cost	5	(601)	(38)	n.m.	(1,528)	(1,252)	22.0
Profit before income tax	6	4,314	2,452	75.9	11,467	10,058	14.0
Income tax (expense) credit	7	(215)	2,326	(109.2)	(6,419)	558	n.m.
Profit for the year attributable to equity holders of the Company		4,099	4,778	(14.2)	5,048	10,616	(52.4)

**STATEMENTS OF COMPREHENSIVE INCOME  
for the fourth quarter and financial year ended 31 December**

	<u>Group</u>			
	<u>Fourth Quarter Ended 31</u>		<u>Financial Year Ended 31 Dec</u>	
	<u>Dec</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Profit for the period	4,099	4,778	5,048	10,616
Net fair value changes on available-for sale financial assets	447	324	439	2,374
*Revaluation increase of freehold land-hotels	18,900	-	18,900	-
Exchange differences arising on consolidation	551	536	(1,269)	7,575
Other comprehensive income for the period	19,898	860	18,070	9,949
Total comprehensive income for the year attributable to owners of the Company	<u>23,997</u>	<u>5,638</u>	<u>23,118</u>	<u>20,565</u>

\* This pertains to surplus on revaluation in respect of freehold land for the Company amounting to S\$7.9 million and S\$11 million for Hotel Royal @ Queens based on desktop valuation done by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 31 December 2010.

**Notes**

**1. Revenue**

Revenue comprises the following:

	<u>Group</u>					
	<u>Fourth Quarter Ended 31 Dec</u>			<u>Financial Year Ended 31 Dec</u>		
	<u>2010</u>	<u>2009</u>	<u>+ / (-)</u>	<u>2010</u>	<u>2009</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Room revenue	7,958	5,183	53.5	24,827	19,645	26.4
Food and beverage revenue	1,729	1,179	46.6	6,090	4,470	36.2
Rental income from:						
Investment properties	1,380	1,314	5.0	4,367	6,753	(35.3)
Other properties	731	764	(4.3)	2,951	3,018	(2.2)
Car park revenue	320	308	3.9	1,220	1,169	4.4
Interest income from outside parties	19	68	(72.1)	97	154	(37.0)
Dividend income from:						
Quoted equity investments (gross)	30	30	n.m.	166	149	11.4
Unquoted	14	12	16.7	14	12	16.7
Others	77	64	20.3	219	137	59.9
<b>Total</b>	<b><u>12,258</u></b>	<b><u>8,922</u></b>	<b><u>37.4</u></b>	<b><u>39,951</u></b>	<b><u>35,507</u></b>	<b><u>12.5</u></b>

### ***Room revenue***

Total room revenue for fourth quarter and year ended 31 December 2010 increased significantly by 53.5% and 26.4% respectively mainly due to improved room occupancy, average room rate and additional contribution from the newly acquired The Coronade Hotel Kuala Lumpur from October 2010.

### ***Food and beverage revenue***

The increase in food and beverage revenue for fourth quarter and year ended 31 December 2010 as compared to the corresponding periods in 2009 were mainly due to higher breakfast sales contributed by one of the subsidiaries and additional contribution from the newly acquired The Coronade Hotel Kuala Lumpur.

### ***Rental income from investment properties***

The decrease in rental income from investment properties for year ended 31 December 2010 was mainly due to expiry of the tenancy agreement of a major tenant in Grand Complex in New Zealand in September 2009. However, with the commencement of a new major tenancy in Grand Complex in New Zealand on 1 September 2010, the rental income in fourth quarter 2010 has increased by 5% as compared to the corresponding period in 2009.

## **2. Cost of sales**

The increase in cost of sales incurred in fourth quarter 2010 as compared to the same period last year was mainly due to the expenses (including depreciation) from newly acquired The Coronade Hotel Kuala Lumpur in October 2010. The total amount of cost of sales incurred in the 2010 was relatively consistent as compared to that in 2009.

## **3. Other income - Exceptional gain**

This pertains to the bargain purchase gain arising from acquisition of The Coronade Hotel Kuala Lumpur and its business and represents the excess of fair value of net identifiable assets acquired over cost of acquisition.

### **Other income - Miscellaneous**

Other miscellaneous income in current year comprises mainly fair value gains on held-for-trading investments, gain on disposal of available-for-sale investments and write-back of allowance for doubtful debts.

The decrease in other income for fourth quarter and year ended 31 December 2010 were mainly due to smaller fair value gain adjustment on held-for-trading investments and write-back of allowance for doubtful debts in 2010 as compared to higher fair value gain adjustment on held-for-trading investment and write-back of allowance for doubtful debts in 2009. The decrease has been offset by higher gain on disposal of available-for-sale investment in 2010 as compared to the corresponding period in 2009.

#### 4. Other expenses

Other expenses comprise mainly impairment loss on available-for-sale investments, impairment loss on investment properties, allowance for doubtful debts, and expenses relating to the acquisition of The Coronade Hotel Kuala Lumpur and its business.

The increase in other expenses for fourth quarter and year ended 31 December 2010 as compared with 2009 were mainly due to expenses relating to the acquisition of The Coronade Hotel Kuala Lumpur and its business such as legal, consultancy and other professional fees amounting to \$2.19 million (RM5.171 million), impairment loss on an investment property amounting to S\$1.116 million and increase allowance for doubtful debts of \$0.347 million incurred in 2010 as compared to 2009. The increase has been offset by the lower impairment loss on available-for-sale investments in 2010 as compared to higher impairment loss on available-for-sale investments in 2009.

#### 5. Finance cost

The increase in finance cost incurred in fourth quarter and year ended 31 December 2010 were mainly due to drawdown of a 7 year term loan of S\$25.02 million (RM60 million) in September 2010 by the Malaysian subsidiary to part finance the acquisition of The Coronade Hotel Kuala Lumpur and its business .

#### 6. Profit before income tax

Profit before income tax is arrived at after charging / (crediting):

	<u>Group</u>					
	<u>Fourth Quarter Ended 31 Dec</u>			<u>Financial Year Ended 31 Dec</u>		
	<u>2010</u>	<u>2009</u>	<u>+ / (-)</u>	<u>2010</u>	<u>2009</u>	<u>+ / (-)</u>
<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Bargain purchase gain arising from acquisition of business	4,109	-	n/m	4,109	-	n.m
Expenses relating to acquisition of The Coronade Hotel Kuala Lumpur and its business	1,342	-	n.m	2,190	-	n.m
Depreciation	958	716	33.8	3,453	3,183	8.5
Allowance for doubtful debts	350	9	n.m	363	16	n.m.
Write-back of allowance for doubtful debts	(24)	(110)	(78.2)	(24)	(110)	(78.2)
Fair value gain on held-for-trading investments	(165)	(76)	117.1	(275)	(918)	(70.0)
Net foreign exchange adjustment loss	755	124	508.9	883	336	162.8
Gain on disposal of available-for-sale investments	(13)	(2)	550	(322)	(13)	n.m.
Impairment reversal (loss) on available-for-sale investments	-	(213)	n.m.	19	91	(79.1)
Impairment loss on an investment property	1,116	-	n.m	1,116	-	n.m
Loss (gain) on disposal of property, plant and equipment	-	149	n.m.	(41)	155	(126.5)

n.m.: not meaningful

#### *Depreciation*

The increase in depreciation expense was mainly due to The Coronade Hotel Kuala Lumpur acquired by the Group in October 2010.

*Fair value gain on held-for-trading investments*

The Group made a fair value gain on held-for-trading investments for fourth quarter 2010 and year ended 31 December 2010 due to the strengthening of the various stock markets that the Group invested in.

*Net foreign exchange adjustment loss*

The weakening of NZ\$ against S\$ resulted in foreign exchange loss in fourth quarter and year ended 31 December 2010.

*Gain on disposal of available-for-sale investments*

The Group made a disposal gain on available-for-sale investments for fourth quarter and year ended 31 December 2010 due to improved stock market conditions.

*Impairment loss for available-for-sale investments*

The Group made a smaller impairment loss on available-for-sale investments due to improvement in the various stock markets that the Group invested in.

*Impairment loss on an investment property*

This pertains to recognition of impairment loss on an investment property held in New Zealand.

**7. Income tax (expense) credit**

From year of assessment 2012, the Group's New Zealand subsidiary can no longer claim tax deduction for the remaining depreciation for the estimated useful life of the building (i.e., Grand Complex). This has resulted in a material increase of \$5.075 million (NZ\$5.192 million) in deferred tax liability of the Group's New Zealand subsidiary. As a result of the significant increase in deferred tax liability, the Group's income tax expense for the fourth quarter and year ended 31 December 2010 have increased. The deferred tax liability, while forming part of the income tax expense, does not result in any additional income tax payable to the New Zealand's Inland Revenue for the current financial year.

## 1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Notes</u>	<u>The Group</u>		<u>The Company</u>	
		<u>31 Dec 10</u>	<u>31 Dec 09</u>	<u>31 Dec 10</u>	<u>31 Dec 09</u>
		<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and bank balances	8	25,841	13,241	9,997	2,244
Held-for-trading investments		4,956	5,114	397	318
Available-for-sale investments	9	2,771	3,471	374	359
Trade receivables	10	4,307	3,451	1,444	1,779
Other receivables, deposits and prepaid expenses		1,112	1,370	80	212
Inventories		272	196	72	74
<b>Total current assets</b>		<b>39,259</b>	<b>26,843</b>	<b>12,364</b>	<b>4,986</b>
<b>Non-current assets</b>					
Subsidiaries	11	-	-	78,727	51,592
Available-for-sale investments	9	4,397	3,851	1,778	1,633
Property, plant and equipment	12	279,144	217,861	121,901	114,664
Investment properties	13	84,377	75,824	17,522	15,080
<b>Total non-current assets</b>		<b>367,918</b>	<b>297,536</b>	<b>219,928</b>	<b>182,969</b>
<b>Total assets</b>		<b>407,177</b>	<b>324,379</b>	<b>232,292</b>	<b>187,955</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Bank loans	14	11,081	18,746	9,350	18,049
Trade payables		3,333	3,301	2,277	2,040
Other payables		2,208	1,544	5,069	32
Hire purchase payables		7	-	-	-
Income tax payable	15	1,716	1,475	1,000	1,017
<b>Total current liabilities</b>		<b>18,345</b>	<b>25,066</b>	<b>17,696</b>	<b>21,138</b>
<b>Non-current liabilities</b>					
Retirement benefit obligations		548	523	-	-
Long-term bank loans	16	67,279	39,525	-	-
Deferred income tax	17	13,595	7,874	442	450
Hire purchase payables		32	-	-	-
<b>Total non-current liabilities</b>		<b>81,454</b>	<b>47,922</b>	<b>442</b>	<b>450</b>
<b>Capital and reserves</b>					
Share capital	18	100,438	64,569	100,438	64,569
Asset revaluation reserve	19	132,077	113,177	96,008	88,108
Fair value reserve		3,025	2,586	658	483
Translation reserve	20	(1,210)	59	-	-
Retained earnings		73,048	71,000	17,050	13,207
<b>Total equity</b>		<b>307,378</b>	<b>251,391</b>	<b>214,154</b>	<b>166,367</b>
<b>Total liabilities and equity</b>		<b>407,177</b>	<b>324,379</b>	<b>232,292</b>	<b>187,955</b>

## Notes

### **8. Cash and bank balances**

The increase in cash and bank balances arose from net proceeds from rights issue completed in July 2010.

### **9. Available-for-sale investments**

The decrease in available-for-sale investments from funds (reported in current assets) was mainly due to the disposal of some of the available-for-sale investments. However, with improved stock markets that the Group invested in, the value of available-for-sale investments from quoted equities shares (reported in non-current assets) had increased.

### **10. Trade receivables**

The increase was mainly due to higher rental receivables from the New Zealand's subsidiary.

### **11. Subsidiaries**

The increase was mainly due to capitalisation of principal sum owing by subsidiary to the Company.

### **12. Property, plant and equipment**

The increase was mainly due to the addition of the land and building of The Coronade Hotel Kuala Lumpur at S\$44.086 million (RM104.075 million) and revaluation surplus of S\$7.9 million on the company's freehold land and S\$11 million on Hotel Royal Queens's freehold land, offset by the impairment loss amounting to S\$1.116 million (NZ\$1.123 million) on the investment property in New Zealand.

### **13. Investment properties**

The increase was mainly due to construction costs and other related expenses involved in the redevelopment of 1A Surrey Road, Singapore "Royal Residences", (previously known as Star Mansions). The new development will be held as a long term investment for recurring rental income by the Company.

In addition, the renovation costs incurred by its subsidiaries in Malaysia and New Zealand also contributed to the increase in investment properties.

### **14. Bank loans – current portion**

The Group's short-term bank loan was reduced due to repayment made by the Company using proceeds from rights issue.

The Company continued to rollover its existing revolving short term bank facilities on less than one year duration as the interest rates were more favourable for short term financing. Such rollover of short-term bank facilities on less than one year duration contributed to the negative working capital of the Company as at 31 December 2010. However, the Group has positive working capital as at 31 December 2010.

**15. Other payables**

The increase in other payables of the Company is mainly due to the recognition of financial guarantee liability granted by the Company for its subsidiaries' bank credit facilities.

**16. Long-term bank loans**

The increase in Group's long-term loans was mainly due to a new 7-year term loan facility of S\$25.02 million (RM60 million) taken by a Malaysian subsidiary to partially finance the purchase of The Coronade Hotel Kuala Lumpur and its business.

**17. Deferred income tax**

The increase in deferred income tax was mainly due to an additional deferred tax liability of S\$5.075 million (NZ\$5.192 million) being recognised by Grand Complex Properties Limited in New Zealand and additional deferred tax liability arising from acquisition of The Coronade Hotel Kuala Lumpur in October 2010. (Please refer to note 7 on page 5)

**18. Share capital**

The increase was mainly due to the issue of 24,000,000 new ordinary shares at S\$1.50 each pursuant to the rights issue completed in July 2010.

**19. Asset revaluation reserve**

The increase was mainly due to surplus on revaluation on freehold land-hotels for the Company of S\$7.9 million and S\$11 million for Hotel Royal @ Queens based on desktop valuation done by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 31 December 2010.

**20. Translation reserve**

The movement in translation reserve from S\$0.059 million as at 31 December 2009 to negative S\$1.210 million as at 31 December 2010 was mainly due to loss on translating the net assets of the New Zealand's subsidiary into S\$ as the NZ\$ has weakened against the S\$ as at 31 December 2010.

## 1(b)(ii) GROUP BORROWINGS AND DEBT SECURITIES

### Amount repayable in one year or less, or on demand (in S\$'000)

<u>As at 31 Dec 2010</u>		<u>As at 31 Dec 2009</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
11,081	-	18,746	-

### Amount repayable after one year (in S\$'000)

<u>As at 31 Dec 2010</u>		<u>As at 31 Dec 2009</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
67,279	-	39,525	-

### Details of collaterals

The bank borrowings are secured by mortgages of the Company's and subsidiaries' freehold land and buildings and a fixed floating charge on all the Company's and subsidiaries' assets, and on the investment properties (including assignment of rental proceeds of certain investment properties) of certain subsidiaries.

**1(c) CONSOLIDATED STATEMENT OF CASH FLOW  
for the fourth quarter and financial year ended 31 December**

	<u>Group</u>			
	<u>Fourth Quarter Ended</u>		<u>Financial Year Ended</u>	
	<u>31 Dec</u>		<u>31 Dec</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>
<b>Operating activities:</b>				
Profit before income tax	4,314	2,452	11,467	10,058
Adjustments for:				
Depreciation expense	958	716	3,453	3,183
Dividend income	(30)	(42)	(166)	(161)
Interest income	(19)	(68)	(97)	(154)
Interest expense	601	38	1,528	1,252
Gain on disposal of available-for-sale investments	(13)	(2)	(322)	(13)
Loss (gain) on disposal of property, plant and equipment	-	149	(41)	155
Fair value gain on held-for-trading investments	(165)	(76)	(275)	(918)
Allowance for doubtful debts	350	9	363	16
Write-back of allowance for doubtful debts	(24)	(110)	(24)	(110)
Bargain purchase gain arising from acquisition of business	(4,109)	-	(4,109)	-
Impairment loss on an investment property	1,116	-	1,116	-
Impairment loss on available-for sale investments	-	(213)	19	91
	<hr/>	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working capital	2,979	2,853	12,912	13,399
Available-for-sale investments (current assets)	80	107	940	3
Held-for-trading investments	(77)	458	433	1,098
Trade and other receivables	1,688	526	(936)	315
Inventories	(48)	42	(76)	49
Trade and other payables	151	(921)	721	(943)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash generated from operations	4,773	3,065	13,994	13,921
Interest paid	(601)	(38)	(1,528)	(1,252)
Interest received	19	68	97	154
Dividend received	30	42	166	161
Income tax paid – net of refund	(141)	(1,044)	(1,209)	(1,615)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash from operating activities	4,080	2,093	11,520	11,369
<b>Investing activities:</b>				
Purchase of available-for-sale investments (non-current assets)	(22)	(62)	(45)	(530)
Proceeds from disposal of property, plant & equipment	-	-	44	35
Purchase of property, plant and equipment	(181)	(222)	(1,112)	(1,085)
Additions to investment properties (Refer note 1)	(2,880)	(19)	(11,468)	(19)
Arising from acquisition of a business (Refer note 2)	-	-	(39,395)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(3,083)	(303)	(51,976)	(1,599)

1(c) **CONSOLIDATED STATEMENT OF CASH FLOW**  
for the fourth quarter and financial year ended 31 December (Continued)

	<u>Group</u>			
	<u>Fourth Quarter Ended</u>		<u>Financial Year Ended</u>	
	<u>31 Dec</u>		<u>31 Dec</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Financing activities:</b>				
Proceeds from bank loans	12,081	-	46,738	16,662
Net proceeds from rights issue	-	-	35,869	-
Repayment of bank loans	(15,805)	(1,233)	(27,540)	(19,589)
Repayment of hire purchase	(1)	-	(1)	-
Dividends paid	-	-	(3,000)	(3,000)
Net cash used in financing activities	<u>(3,725)</u>	<u>(1,233)</u>	<u>52,066</u>	<u>( 5,927)</u>
Net increase (decrease) in cash and cash equivalents	(2,728)	557	11,610	3,843
Cash and cash equivalents at beginning of period	27,134	11,344	13,241	9,183
Effect of currency exchange adjustment	1,435	1,340	990	215
<b>Cash and cash equivalents at end of period</b>	<u>25,841</u>	<u>13,241</u>	<u>25,841</u>	<u>13,241</u>

	<u>Group</u>	
	<u>31 Dec</u>	<u>31 Dec</u>
	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash and cash equivalents consist of:		
Cash on hand	126	120
Cash at bank	10,302	6,661
Fixed deposits	15,413	6,460
Total	<u>25,841</u>	<u>13,241</u>

Note 1

During the financial year, property, plant and equipment acquired were by the following means:

	<u>Fourth Quarter Ended 31</u>		<u>Financial Year Ended 31</u>	
	<u>Dec</u>		<u>Dec</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Cash payment	181	222	1,112	1,085
Amount financed under hire-purchase	40	-	40	-
	<u>221</u>	<u>222</u>	<u>1,152</u>	<u>1,085</u>

**1(c) CONSOLIDATED STATEMENT OF CASH FLOW**  
**for the fourth quarter and financial year ended 31 December** *(Continued)*

**Note 2**

**Acquisition of The Coronade Hotel Kuala Lumpur and its business**

On 1 October 2010, a wholly-owned subsidiary of the Group acquired The Coronade Hotel Kuala Lumpur and its business in Malaysia for a cash consideration of approximately S\$39.395 million (RM\$93 million). This transaction has been accounted for by the purchase method of accounting.

The net assets acquired in the transaction are as follows:

	<u>Carrying amount</u> <u>S\$'000</u>	<u>Fair value adjustments</u> <u>S\$'000</u>	<u>Fair value</u> <u>S\$'000</u>
Net identifiable assets acquired:			
Land	7,544	1,628	9,172
Building	31,607	3,307	34,914
Other assets	244	-	244
Deferred tax liabilities	-	(826)	(826)
	<hr/>	<hr/>	<hr/>
Total consideration	39,395	4,109	43,504
			<hr/>
Excess of fair value of acquiree's net identifiable assets over cost of combination			(4,109)
			<hr/>
Total consideration, satisfied by cash			39,395
			<hr/>
			<u>2010</u>
			S\$'000
			<hr/>
Total consideration, satisfied by cash			39,395
			<hr/>

## 1(d)(i) STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u> S\$'000	<u>Asset revaluation reserve</u> S\$'000	<u>Fair value reserve</u> S\$'000	<u>Translation reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total</u> S\$'000
<b>The Group</b>						
Balance at 1 January 2009	64,569	113,177	212	(7,516)	63,384	233,826
Dividend	-	-	-	-	(3,000)	(3,000)
Total comprehensive income for the period	-	-	2,050	7,039	5,838	14,927
<b>Balance at 30 September 2009</b>	<b>64,569</b>	<b>113,177</b>	<b>2,262</b>	<b>(477)</b>	<b>66,222</b>	<b>245,753</b>
Total comprehensive income for the period	-	-	324	536	4,778	5,638
<b>Balance at 31 December 2009</b>	<b>64,569</b>	<b>113,177</b>	<b>2,586</b>	<b>59</b>	<b>71,000</b>	<b>251,391</b>
Dividend	-	-	-	-	(3,000)	(3,000)
Total comprehensive income for the period	-	-	(8)	(1,820)	949	(879)
Net proceeds from rights issue (Refer note below)	35,869	-	-	-	-	35,869
<b>Balance at 30 September 2010</b>	<b>100,438</b>	<b>113,177</b>	<b>2,578</b>	<b>(1,761)</b>	<b>68,949</b>	<b>283,381</b>
Total comprehensive income for the period	-	18,900	447	551	4,099	23,997
<b>Balance at 31 December 2010</b>	<b>100,438</b>	<b>132,077</b>	<b>3,025</b>	<b>(1,210)</b>	<b>73,048</b>	<b>307,378</b>

<u>Note</u>	
Proceeds from rights issue	<u>S\$'000</u>
24 million shares at S\$1.50 each	36,000
Less : Expenses	131
	<u>35,869</u>

**1(d)(i) STATEMENT OF CHANGES IN EQUITY** (Continued)

	<u>Share capital</u>	Asset revaluation <u>reserve</u>	Fair value <u>reserve</u>	Retained <u>earnings</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>The Company</b>					
Balance at 1 January 2009	64,569	88,108	39	9,981	162,697
Dividend	-	-	-	(3,000)	(3,000)
Total comprehensive income for the period	-	-	331	3,860	4,191
<b>Balance at 30 September 2009</b>	<b>64,569</b>	<b>88,108</b>	<b>370</b>	<b>10,841</b>	<b>163,888</b>
Total comprehensive income for the period	-	-	113	2,366	2,479
<b>Balance at 31 December 2009</b>	<b>64,569</b>	<b>88,108</b>	<b>483</b>	<b>13,207</b>	<b>166,367</b>
Dividend	-	-	-	(3,000)	(3,000)
Total comprehensive income for the period	-	-	99	4,257	4,356
Net proceeds from rights issue (Refer note below)	35,869	-	-	-	35,869
<b>Balance at 30 September 2010</b>	<b>100,438</b>	<b>88,108</b>	<b>582</b>	<b>14,464</b>	<b>203,592</b>
Total comprehensive income for the period	-	7,900	76	2,586	10,562
<b>Balance at 31 December 2010</b>	<b>100,438</b>	<b>96,008</b>	<b>658</b>	<b>17,050</b>	<b>214,154</b>

Note

Proceeds from rights issue	<u>S\$'000</u>
24 million shares at S\$1.50 each	36,000
Less : Expenses	131
	<u>35,869</u>

**1(d)(ii) SHARE CAPITAL**

	<u>The Group and the Company</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>Number of ordinary shares</u>		<u>\$'000</u>	<u>\$'000</u>
	<u>'000</u>			
<b>Issued and paid-up capital:</b>				
Balance as at 1 January	60,000	60,000	64,569	64,569
Arising from rights issue	24,000	-	35,869	-
Balance as at 31 December	<u>84,000</u>	<u>60,000</u>	<u>100,438</u>	<u>64,569</u>

The Company successfully completed a renounceable non-underwritten rights issue of 24,000,000 new ordinary shares at an issue price of S\$1.50 for each rights share on the basis of two rights shares for every five existing ordinary shares. The rights issue was completed in July 2010 and a total of S\$35.869 million excluding expenses was raised. The proceeds of rights issue had been utilised as follows :

	<u>S\$'000</u>	<u>S\$'000</u>
Proceeds from rights issue		35,869
Repayment of bank loans	14,100	
Part finance renovation work in Penang Plaza	1,209	
Part finance acquisition of The Coronade Hotel Kuala Lumpur	10,215	
Working capital	2,419	(27,943)
Net balance		<u>7,926</u>

The net balance of S\$7.926 million was placed in fixed deposit.

**1(d)(iii) TREASURY SHARES**

There are no treasury shares.

**2 AUDIT**

The financial statements have not been audited or reviewed by the Company's auditors.

**3 AUDITORS' REPORT**

Not applicable.

#### 4 ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recently audited annual financial statements as at 31 December 2009.

The Group 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 1 January 2010. The Group has adopted the revised FRS 103 Business Combination effective from current year to account for the acquisition of The Coronade Hotel Kuala Lumpur. This revised standard is adopted prospectively and has no material effect on the amounts reported in current or prior periods. The adoption of other new/revised FRS and INT FRS does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior periods.

#### 5 CHANGES IN ACCOUNTING POLICIES

Other than the changes in accounting policies applicable to business combination, there were no changes in accounting policy.

#### 6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Group</u>			
	<u>Fourth Quarter Ended 31 Dec</u>		<u>Financial Year Ended 31 Dec</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
EPS (based on consolidated profit after taxation)				
- on weighted average number of shares	5.46 cents	7.14 cents	6.72 cents	15.86 cents
- on a fully diluted basis	5.46 cents	7.14 cents	6.72 cents	15.86 cents

Basic earnings per share for the fourth quarter and year ended 31 December 2010 are calculated on the Group profit after taxation of S\$4.099 million and S\$5.048 million respectively (2009: S\$4.778 million and S\$10.616 million respectively) divided by weighted average number of ordinary shares of 75,108,932 (2009: 66,919,791), which has been adjusted to reflect the effects of rights issue in July 2010.

Diluted earnings per ordinary share is the same as basic earnings per ordinary shares as there are no dilutive potential ordinary shares.

#### 7 NET ASSET VALUE (NAV)

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2010</u>	<u>31 Dec 2009</u>	<u>31 Dec 2010</u>	<u>31 Dec 2009</u>
NAV per share based on issued number of shares as at the end of the respective period	S\$3.66	S\$4.19	S\$2.55	S\$2.77

The NAV per share as at 31 December 2010 and 31 December 2009 were calculated based on the number of shares in issue of 84 million ordinary shares (2009:60 million).

## 8 REVIEW OF GROUP PERFORMANCE

### Fourth quarter 2010 vs Fourth quarter 2009

The Group's revenue for the fourth quarter increased by 37.4% or S\$3.336 million from S\$8.922 million in 2009 to S\$12.258 million in 2010 due to increased revenue from room, food and beverages sales from the hotel segment and increased rental from Grand Complex in New Zealand and additional contribution from a newly acquired hotel in October 2010.

The Group made a profit after tax of S\$4.099 million in fourth quarter 2010 as compared to S\$4.778 million in 2009. Adjusting for the bargain purchase gain of S\$4.109 arising from acquisition of The Coronade Hotel Kuala Lumpur and its business in 2010, expenses relating to the acquisition of The Coronade Hotel Kuala Lumpur and its business which cannot be capitalised of S\$1.342 million, deferred tax expenses for Grand Complex Properties Limited of S\$0.374 million and impairment loss on an investment property of S\$1.116 million, there was an decrease in adjusted profit after income tax for the fourth quarter 2010 of S\$1.956 million from S\$4.778 million to S\$2.822 million as follows:

	<u>2010</u> <u>S\$'000</u>	<u>2009</u> <u>S\$'000</u>	<u>(Decrease)/Increase</u> <u>S\$'000</u>
Profit after income tax	4,099	4,778	(679)
Adjusted for :			
Bargain purchase gain arising from acquisition of The Coronade Hotel Kuala Lumpur and its business	(4,109)	-	(4,109)
Expenses relating to the acquisition of The Coronade Hotel Kuala Lumpur and its business	1,342	-	1,342
Deferred tax expenses for Grand Complex Properties Limited	374	-	374
Impairment loss on an investment property	1,116	-	1,116
Adjusted profit after income tax	<u>2,822</u>	<u>4,778</u>	<u>(1,956)</u>

The decrease in adjusted profit after income tax for the fourth quarter 2010 as compared to 2009 was mainly due to increase in allowance for doubtful debts and lower rental from Grand Complex in New Zealand. Lower rental from Penang Plaza in Malaysia due to renovation works being carried out also contributed to the decrease.

## 8 REVIEW OF GROUP PERFORMANCE (Continued)

### Financial year ended 31 December 2010 vs Financial year ended 31 December 2009

The Group's revenue for the year ended 2010 increased by 12.5% or S\$4.444 million from S\$35.507 million in 2009 to S\$39.951 million in 2010 mainly due to improved room rates and higher occupancy and additional contribution from the newly acquired The Coronade Hotel Kuala Lumpur.

The Group made a profit after tax of S\$5.048 million as compared to S\$10.616 million in 2009. Adjusting for the bargain purchase gain of S\$4.109 arising from acquisition of The Coronade Hotel Kuala Lumpur and its business in 2010, expenses relating to the acquisition of The Coronade Hotel Kuala Lumpur and its business which cannot be capitalised of S\$2.190 million, deferred tax expenses for Grand Complex Properties Limited of S\$5.075 million and impairment loss on an investment property of S\$1.116 million, adjusted profit after income tax for the year ended 2010 decreased by S\$1.296 million from S\$10.616 million to S\$9.320 million as follows:

	<u>2010</u> <u>S\$'000</u>	<u>2009</u> <u>S\$'000</u>	<u>(Decrease)/Increase</u> <u>S\$'000</u>
Profit after income tax	5,048	10,616	(5,568)
Adjusted for:			
Bargain purchase gain arising from acquisition of The Coronade Hotel Kuala Lumpur and its business	(4,109)	-	(4,109)
Expenses relating to the acquisition of The Coronade Hotel Kuala Lumpur and its business	2,190	-	2,190
Deferred tax expenses for Grand Complex Properties Limited	5,075	-	5,075
Impairment loss on an investment property	1,116	-	1,116
Adjusted profit after income tax	<u>9,320</u>	<u>10,616</u>	<u>(1,296)</u>

The decrease in adjusted profit after income tax for the year ended 2010 as compared to 2009 was mainly due to lower rental from Grand Complex in New Zealand. Lower rental from Penang Plaza in Malaysia due to renovation works being carried out also contributed to the decrease.

In the opinion of the Directors, no transaction has arisen between 31 December 2010 and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

## 8 REVIEW OF GROUP PERFORMANCE (Continued)

### 1 Update of legal suits as disclosed in our 2009 annual report

- a) Civil suit initiated by the former hotel operator of Faber Kompleks Sdn. Bhd.

In January 2009, Faber Kompleks Sdn. Bhd. was served with a notice of civil suit by the former hotel operator of Hotel Royal Penang for alleged wrongly termination of its services. The former hotel operator is seeking to claim injunctive relief, specific performance and general damages. Faber Kompleks Sdn. Bhd. had maintained that there was no valid claim on the grounds that the former hotel operator had previously operated solely on an interim arrangement which has ceased on 31 December 2008. No formal management contract had been entered between Faber Kompleks Sdn. Bhd. and the former hotel operator.

In January 2010, the former hotel operator obtained an interlocutory order from the High Court of Malaya at Penang to restrain Faber Kompleks Sdn. Bhd. from interfering with his operation and management of the hotel. Faber Kompleks Sdn. Bhd. had filed an appeal to the Appeals Court of Malaysia against this order and the High Court of Malaya at Penang had granted Faber Kompleks Sdn. Bhd. a stay of execution in February 2010.

On 12 October 2010, the Company disclosed that the Appeals Courts of Malaysia has allowed the appeal of the Company's wholly owned subsidiary, Faber Kompleks Sdn. Bhd. against the decision of the High Court in granting the Injunction against Faber Kompleks Sdn. Bhd.

On 15 November 2010, the Company disclosed that Dorsett Regency (M) Sdn. Bhd. filed an appeal to the Federal Court of Malaysia against the Appeals Court of Malaysia's decision in not granting the injunction against Faber Kompleks Sdn. Bhd.

Subsequent to year ended 31 December 2010, the application by Dorsett Regency (M) Sdn. Bhd. was dismissed by the Federal Court of Malaysia in favour of Faber Kompleks Sdn. Bhd. on 27 January 2011.

Further announcements will be made on any material developments in relation to the above, as and when appropriate.

- b) Legal claim by owner (Kendurina Sdn. Bhd.) of five shop units of the investment property owned by Faber Kompleks Sdn. Bhd.

The owner (Kendurina Sdn. Bhd.) of five shop units of Penang Plaza has initiated a claim against Faber Kompleks Sdn. Bhd. for specific performance, injunction and related damages and costs on the following grounds, that Faber Kompleks Sdn. Bhd. :

- i) has not applied for strata title for the property;
- ii) has not formed a management council for the property; and
- iii) is not entitled to mortgage the property for obtaining of bank loan.

Faber Kompleks Sdn. Bhd. has since taken action on the specific performance in relation to the strata title sub-division and management council.

On 23 August 2010, the Company announced that the High Court made the following orders in the Kendurina Sdn Bhd application:

- i) Kendurina Sdn Bhd's claim for damages was dismissed;
- ii) Faber Kompleks Sdn. Bhd. is to submit application for strata title within 60 days from the date of the approval of amalgamation and subdivision of the land. (Faber Kompleks Sdn Bhd has already applied for the amalgamation and subdivision of the land);
- iii) Current charge of the land is to remain. However, Faber Kompleks Sdn Bhd cannot create any further charge over the land; and

## **8 REVIEW OF GROUP PERFORMANCE (Continued)**

- iv) Faber Kompleks Sdn Bhd is to pay Kendurina Sdn Bhd's cost of RM0.007 million as against the cost of RM0.02 million claimed by Kendurina Sdn Bhd.

The management council for the property has already been formed.

Since the last announcement on 23 Aug 2010, no appeal was made by Kendurina Sdn Bhd on the judgment given by the High Court of Malaya at Penang within the stipulated period allowed. As there were no material developments in relation to the above, the directors are of the opinion that the case is closed.

In the opinion of the Directors, no transaction has arisen between 31 December 2010 and the date of this report which would materially affect the results of the Group and the Company for the quarter just ended.

### **SUBSEQUENT EVENT**

In January 2011, the Group's Malaysian subsidiaries have completed the acquisition of five office/residential units at Penang Plaza at a purchase consideration of RM2.23 million or S\$0.93 million. With this acquisition, the Group's share of the total rentable areas of Penang Plaza increased from 85% to 95%.

## **9 VARIANCE FROM A FORECAST OR PROSPECT STATEMENT**

Not applicable.

## **10 OUTLOOK**

Tourists' arrivals to Singapore are expected to remain strong in 2011 and our two Singapore hotels will tap into this enlarged pool of tourists. Hotel Royal Penang has improved its performance in 2010 and will build on its improved brand recognition in Penang. The Coronade Hotel Kuala Lumpur will continue to improve its product to meet the needs of its customers.

With the commencement of a major tenancy in September 2010, we expect an improvement in rental from Grand Complex in New Zealand.

In addition to the above, the performance of the NZ\$, US\$, and Malaysia Ringgit against the S\$, the changes in the value of our investment trading portfolio and investing income for our total investment portfolio will affect the Group's profitability for 2010.

## **11 DIVIDEND**

### **(a) Current Financial Period Reported On**

#### **First and Final Dividend**

The following dividend was declared for the financial year ended 31 December 2010:

Name of Dividend	First and final
Dividend Type	Cash
Dividend Rate	5 cents per ordinary share (one-tier tax exempt)
Tax Rate	Exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**First and Final Dividend**

The following dividend was declared for the financial year ended 31 December 2009:

Name of Dividend	First and final
Dividend Type	Cash
Dividend Rate	5 cents per ordinary share (one-tier tax exempt)
Tax Rate	Exempt

**(b) Date payable**

To be announced.

**(c) Books closure date**

To be announced.

## 12 OPERATING SEGMENT

The Group is primarily engaged in the following operations:

- Owning and operating hotels and providing ancillary services (“hotel operation”)
- Owning and letting out investment properties (“property investment”)
- Holding financial investments which comprise financial assets such as shares, bonds, funds and other financial products, to generate a stable stream of income through interest and dividends, and also for potential capital appreciation (“financial investment”)

### I. Revenue

	<b>External</b>		<b>Inter-segment</b>		<b>Total</b>	
	<b><u>2010</u></b> <b><u>S\$'000</u></b>	<b><u>2009</u></b> <b><u>S\$'000</u></b>	<b><u>2010</u></b> <b><u>S\$'000</u></b>	<b><u>2009</u></b> <b><u>S\$'000</u></b>	<b><u>2010</u></b> <b><u>S\$'000</u></b>	<b><u>2009</u></b> <b><u>S\$'000</u></b>
<b>Hotel operation</b>						
Singapore	28,585	24,223	-	-	28,585	24,223
Malaysia	6,027	3,563	-	-	6,027	3,563
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	34,612	27,786	-	-	34,612	27,786
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Property investment</b>						
Singapore	395	409	107	100	502	509
New Zealand	4,206	6,398	-	-	4,206	6,398
Malaysia	460	599	-	-	460	599
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,061	7,406	107	100	5,168	7,506
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial investment</b>	278	315	1,960	1,560	2,238	1,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	39,951	35,507	2,067	1,660	42,018	37,167
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## II. Net profit/ (loss)

	Before exceptional item		Exceptional item (Note 1)		Total	
	<u>2010</u> <u>S\$'000</u>	<u>2009</u> <u>S\$'000</u>	<u>2010</u> <u>S\$'000</u>	<u>2009</u> <u>S\$'000</u>	<u>2010</u> <u>S\$'000</u>	<u>2009</u> <u>S\$'000</u>
<b>Hotel operation</b>						
Singapore	11,004	7,977	-	-	11,004	7,977
Malaysia	(2,550)	(1,119)	4,109	-	1,559	(1,119)
	8,454	6,858	4,109	-	12,563	6,858
<b>Property investment</b>						
Singapore	(60)	192	-	-	(60)	192
New Zealand	(610)	2,854	-	-	(610)	2,854
Malaysia	(133)	(46)	-	-	(133)	(46)
	(803)	3,000	-	-	(803)	3,000
<b>Financial investment</b>	1,235	1,452	-	-	1,235	1,452
<b>Total</b>	8,886	11,310	4,109	-	12,995	11,310
Finance cost					(1,528)	(1,252)
<b>Profit before income tax</b>					11,467	10,058
<b>Income tax expense</b>					(6,419)	558
<b>Profit after income tax</b>					5,048	10,616

**Note 1** – This relates to the bargain purchase gain arising from the acquisition of The Coronade Hotel Kuala Lumpur completed on 1 October 2010.

### III. Segment assets and liabilities

	Segment assets		Segment liabilities	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Hotel operation</b>				
Singapore	221,318	203,068	3,090	2,880
Malaysia	66,298	19,084	1,526	1,204
	<hr/>	<hr/>	<hr/>	<hr/>
	287,616	222,152	4,616	4,084
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Property investment</b>				
Singapore	24,770	19,248	173	164
New Zealand	53,144	50,685	194	484
Malaysia	13,438	11,311	925	468
	<hr/>	<hr/>	<hr/>	<hr/>
	91,352	81,244	1,292	1,116
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial investment</b>	12,797	14,523	181	169
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	391,765	317,919	6,089	5,369
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unallocated items</b>	15,412	6,460	93,710	67,619
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Consolidated total</b>	407,177	324,379	99,799	72,988
	<hr/>	<hr/>	<hr/>	<hr/>

#### IV. Other segment information

	<b>Depreciation</b>		<b>Impairment loss</b>		<b>Additions to non-current assets</b>	
	<b><u>2010</u></b> <b><u>S\$'000</u></b>	<b><u>2009</u></b> <b><u>S\$'000</u></b>	<b><u>2010</u></b> <b><u>S\$'000</u></b>	<b><u>2009</u></b> <b><u>S\$'000</u></b>	<b><u>2010</u></b> <b><u>S\$'000</u></b>	<b><u>2009</u></b> <b><u>S\$'000</u></b>
<b>Hotel operation</b>						
Singapore	2,085	2,120	-	-	3,323	1,009
Malaysia	615	425	-	-	39,548	76
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,700	2,545	-	-	42,871	1,085
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Property investment</b>						
Singapore	98	90	-	-	118	-
New Zealand	555	494	1,116	-	6,182	19
Malaysia	100	54	-	-	2,844	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	753	638	1,116	-	9,144	19
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial investment</b>	-	-	19	91	-	-
<b>Reconciling items</b>	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,453	3,183	1,135	91	52,015	1,104
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

#### V. Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial investments) by geographical location are detailed below:

	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	29,225	24,922	241,260	218,441
Malaysia	6,496	4,168	74,921	30,671
New Zealand	4,230	6,417	51,737	48,424
<b>Total</b>	<b><u>39,951</u></b>	<b><u>35,507</u></b>	<b><u>367,918</u></b>	<b><u>297,536</u></b>

## 13 REVIEW OF SEGMENT PERFORMANCE

The revenue for Singapore hotel segment increased by 18.0% from S\$24.223 million in 2009 to S\$28,585 million in 2010. This was mainly due to better room occupancy and average room rate, and higher food and beverages sales. Revenue from the hotel segment in Malaysia increased by 69.2% from S\$3.563 million in 2009 to S\$6.027 million in 2010 arising from better performance by Hotel Royal Penang and additional contribution from The Coronade Hotel Kuala Lumpur acquired in October 2010. Net profit after exceptional item for the hotel segment increased from S\$6.858 million in 2009 to S\$12.563 million in 2010.

The revenue from the Singapore property investment segment remained constant in 2010. The properties segment result from New Zealand decreased by 34.3% from S\$6.398 million in 2009 to S\$4.206 million in 2010 due to expiry of the tenancy agreement of a major tenant in Grand Complex in New Zealand in September 2009. The subsidiary in New Zealand secured a major tenant on 1 September 2010. The Malaysian segment decreased from S\$0.599 in 2009 to S\$0.460 million in 2010 due to lower rental resulting from renovation work in Penang Plaza. The property investment segment suffered a net loss of S\$0.803 million in 2010 as compared to a net profit of S\$3 million in 2009.

The net profit pertaining to financial investment for 2010 decreased by 14.9% from S\$1.452 million in 2009 to S\$1.235 million in 2010, mainly due to foreign exchange loss suffered on investment held in US\$ as the weakening of US\$ against S\$.

## 14 BREAKDOWN OF SALES

	<u>Group</u>		
	<u>2010</u>	<u>2009</u>	<u>Increase</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b><u>Revenue reported for:</u></b>			
1 <sup>st</sup> Quarter	8,300	8,472	(2.0)
2 <sup>nd</sup> Quarter	9,443	8,587	10.0
3 <sup>rd</sup> Quarter	9,950	9,526	4.5
4 <sup>th</sup> Quarter	12,258	8,922	37.4
Total	<u>39,951</u>	<u>35,507</u>	<u>12.5</u>
<b><u>Profit for the year attributable to equity holders of the Company:</u></b>			
1 <sup>st</sup> Quarter	1,631	1,727	(5.6)
2 <sup>nd</sup> Quarter	2,511	1,812	38.6
3 <sup>rd</sup> Quarter	(3,193)	2,299	(238.9)
4 <sup>th</sup> Quarter	4,099	4,778	(14.2)
Total	<u>5,048</u>	<u>10,616</u>	<u>(52.4)</u>

**15 TOTAL ANNUAL DIVIDEND**

	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Ordinary		
Interim	-	-
Final	3,000	3,000
	<hr/>	<hr/>
	3,000	3,000
	<hr/>	<hr/>

**BY ORDER OF THE BOARD**

Sharon Yeoh  
Secretary

25 February 2011