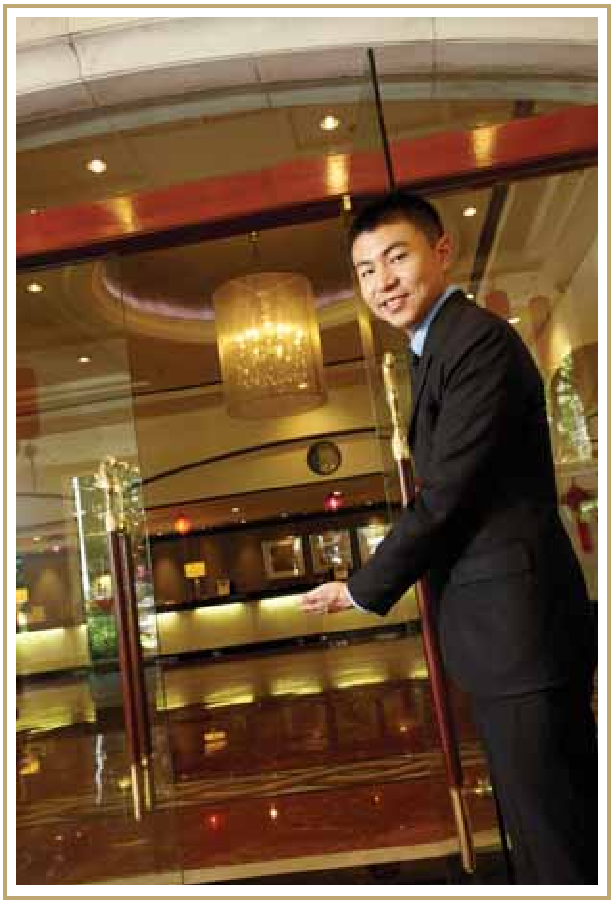
Fostering Growth



Orchard Parade Holdings Limited

Annual Report 2010

Fostering Growth

The global marketplace is evolving every day. Customers’ demands are ever-changing due to the rapid pace of the world economies. Progress in such an environment requires a focus on fostering continuous growth to reach new heights of excellence.

At Orchard Parade Holdings Limited (OPHL), we believe in engaging a forward-thinking mindset. Our commitment to service excellence, with unrivalled attention to details and customers’ needs, spurs our brand experience to the next level.

By championing growth, we constantly seek new opportunities to deliver value for the organisation and its shareholders.

Contents

Corporate Profile

Orchard Parade Holdings Limited has over 40 years of heritage and experience in the business of hospitality, property investment and property development. Incorporated as Ming Court Limited in 1967, the company has been brought under Far East Organization since 1987.

The company's hospitality portfolio includes the 388-room Orchard Parade Hotel of Mediterranean charms, 210-room Peranakan-inspired Albert Court Village Hotel and the Central Square Village Residences with 127 serviced apartments. With these hospitality offerings, Orchard Parade Holdings Limited offers a local experience infused with Singapore's unique culture to suit every traveller's needs.

The launch of the *Floridian*, a joint development with Wing Tai Holdings Ltd Singapore, has brought notable success to the company's property development division. The company's residential front also includes The Nexus, Glendale Park, Regent Grove, Seasons View and Seasons Park condominiums, as well as landed properties such as Kew Green, Kew Residencia, and The Manor Houses.

With commercial and office assets here in Singapore and in Kuala Lumpur, the company's property investment portfolio continues to stay strong. These include Orchard Parade Hotel, Albert Court Village Hotel and Central Square.

Orchard Parade Holdings Limited is also a major shareholder of the food and beverage group, Yeo Hiap Seng Limited.

Chairman's Statement

> "Riding on the momentum of the residential property market in Singapore, revenue for our Property Development Division improved from $42.3 million in 2009 to $135.8 million in 2010. Operating profit improved from $10.6 million in 2009 to $53.0 million in 2010."

Dear Shareholders,

Financial Highlights

The Group achieved a heartening 115% increase in turnover from $91.3 million in 2009 to $196.2 million for the financial year ended 31 December 2010. The higher revenue was contributed by increased sales contribution and progressive recognition from the Company's residential development project, "The Floridian", and higher occupancy and average room rates from our Hospitality Division.

In tandem with the increased revenue, the Group achieved a net profit after tax of $82.5 million compared to $13.2 million in the previous year. The improved Group's results were partly lifted by the recognition of its share of profits from associated companies, from a loss of $12.3 million in 2009 to a positive $13.5 million in 2010.

Hospitality

Revenue for the Hospitality Division improved from $37.6 million in 2009 to $48.8 million in 2010. In tandem with the improved revenue, operating profit improved from $18.0 million in 2009 to $27.7 million in 2010.

The Group's Hospitality Division benefited from the high visitor arrivals in Singapore arising from the opening of the two integrated resorts, as well as the rejuvenation of Orchard Road and the hosting of Youth Olympics and Formula One races.

Our flagship Orchard Parade Hotel located in the premier tourist shopping belt continues to enjoy healthy occupancy rate above 87% and improved average room rates. Albert Court Village Hotel and Central Square Village Residences are reaping the benefits of its branding and refurbishment programmes aimed at making our hotels more appealing to our discerning guests. Serviced apartments at Central Square Village Residences registered significant improvement with average occupancy rate above 94%.

Property Development

Riding on the momentum of the residential property market in Singapore, revenue for our Property Development Division improved from $42.3 million in 2009 to $135.8 million in

2010. Operating profit improved from $10.6 million in 2009 to $53.0 million in 2010.

In September 2010, the Company's subsidiary, OPH Marymount Limited, together with Tuas Technology Park Pte Ltd, a company of the Far East Organization Group, successfully tendered for the land parcels at Pastoral View and 11 Bassein Road. It was also successful in the tender for Land Parcel 780 at Jalan Eunos. Plans are underway to develop these two sites with a total area of 46,036 square metres into residential developments. The Company has a 30% and 20% equity interest respectively in each of the proposed developments.

Property Investment

For 2010, the Investment Property Division registered marginal increase in revenue from $10.5 million in 2009 to $11.1 million in 2010. However, operating profit fell from $8.0 million in 2009 to $7.7 million in 2010 due to lower rental rates.

The Plaza Atrium, our freehold office building in Kuala Lumpur, Malaysia is being redeveloped into serviced residences. The Group hopes to generate better yield upon completion of this redevelopment.

Outlook For 2011

Following the sharp rebound in 2010, the Singapore economy is expected to grow moderately in 2011, and the buying sentiment in the Singapore residential property market is expected to be less buoyant in the wake of anti-speculative measures announced by the Government recently.

Overall, the Group is cautiously optimistic that business conditions will remain positive in 2011. Barring any significant deterioration in the economic condition, the Group's performance is expected to be satisfactory.

Dividends

The Board of Directors has recommended a first and final one-tier tax exempt dividend of 2 cents per ordinary share and a special one-tier tax exempt dividend of 4 cents per ordinary share for the financial year 2010. Shareholders have responded positively to the Scrip Dividend Scheme applied to our previous dividend payment for the previous financial year. For the financial year 2010, shareholders will again have the choice to opt for shares instead of cash.

Acknowledgement

Mr Hin Hoo Sing, who served the Board for more than 20 years, has indicated that he does not wish to seek for re-appointment at the Forty-third Annual General Meeting. We greatly appreciate his contributions during his tenure on the Board and wish him well.

I also take the opportunity to thank my fellow Directors, Management and Staff for their hard work and contributions to our good performance in 2010.

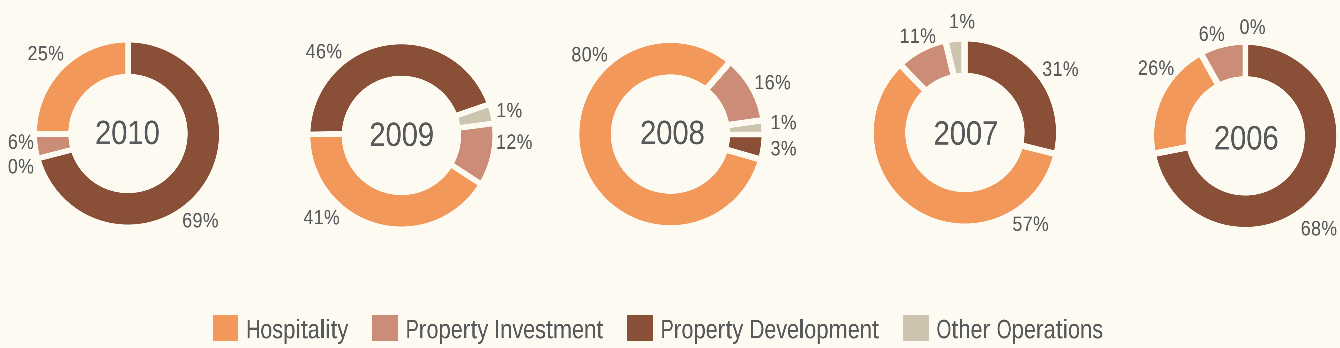
Finally, my heartfelt appreciation to our shareholders, valued customers and tenants for your unwavering support.

Philip Ng Chee Tat
Executive Chairman
23 March 2011

5-Year Financial Highlights

	2010 S$'000	%	2009 S$'000	%	2008 S$'000	%	2007 S$'000	%	2006 S$'000	%
Hospitality	48,823	25%	37,624	41%	55,305	80%	48,580	57%	35,707	26%
Property investment	11,118	6%	10,545	12%	10,844	16%	9,697	11%	8,629	6%
Property development	135,822	69%	42,262	46%	2,146	3%	25,987	31%	93,380	68%
Other operations	460	0%	844	1%	676	1%	996	1%	568	0%
Total Group Revenue	196,223	100%	91,275	100%	68,971	100%	85,260	100%	138,284	100%
Profit before income tax (S$'000)	95,633		14,197		31,335		39,036		8,103	
Profit attributable to shareholders (S$'000)	82,531		13,210		26,951		34,711		6,383	
Shareholders' equity (S$'000)	959,230		819,464		818,178		752,437		574,605	
Total assets (S$'000)	1,444,783		1,305,837		1,348,668		1,295,345		1,176,339	
Net assets per share (S$)	2.72		2.34		2.33		2.15		1.64	
Basic earnings per share (cents)	23.45		3.77		7.68		9.89		1.82	
Final dividend per share (cents)	2		1		0		2		0	
Special dividend per share (cents)	4		0		0		0		0	
Gearing ratio	0.42		0.52		0.58		0.65		0.98	

Group Revenue By Business Segment



Land Bank & Assets of the OPHL Group

	Tenure	Land Area (square feet)	Approximate Net Saleable (Unsold units)/Lettable Area / Gross Floor Area (square feet)	No. of Units / Rooms (Lettable and For Sale)
HOTELS				
Orchard Parade Hotel (OPH)	Freehold/99-Year[1]	87,653	285,865	388 rooms
Albert Court Village Hotel (ACVH)	99-Year	45,993	112,194	210 rooms
Sub Total		133,646	398,059	598 rooms
DEVELOPMENT PROPERTY-RESIDENTIAL				
Floridian	Freehold	230,797	173,481[2]	93
Land Parcel 780 at Jalan Eunos	Leasehold	444,136[3]	683,294	tbc[4]
Sub Total		674,933	856,775	93
MIXED DEVELOPMENT				
Central Square		67,147		
- Commercial	99-Year		47,173	100
- Residential	99-Year		94,860	127
Sub Total		67,147	142,033	227
INVESTMENT PROPERTIES				
Tanglin Shopping Centre	Freehold	N.A.	5,952	4
Plaza Atrium	Freehold	20,236	85,872	65
OPH Podium Block	Freehold	N.A.	64,757	74[5]
Albert Court Commercial Units	99-Year	N.A.	10,790	25
Sub Total		20,236	167,371	168
Total		895,962	1,564,238	

Notes
1) 11,509 square feet is leasehold
2) Net saleable area. The Group's effective interest in this property is 60%.
3) The Group's effective interest in this property is 20%.
4) To be confirmed as planning is in progress.
5) Exclude owner's occupied.

Unparalleled Distinction

Indulge in the lush comforts of nature's tranquility and contemporary pleasures of Miami-inspired resort living.

Floridian offers a luxurious pampering of the senses in the heart of Singapore's high-end residential district of Bukit Timah. A sterling development of choice, the *Floridian* is the home of your dreams.

Embracing Excellence

We value our customer's experience. That is why we stay true to our commitment of service excellence with a personal touch. We are honoured to have amongst our team, Ms Candice Ang from Orchard Parade Hotel - a recipient of the Service Gold from The National Courtesy Award. This recognition of her outstanding service underpins our institutional practice of providing our guests with a discerning and personable hospitality experience.

Board of Directors & Management

Mr Philip Ng Chee Tat, 52
Executive Chairman

- *Chairman of Board of Directors*
- *Member of Nominating Committee*

Mr Philip Ng Chee Tat was appointed to the Board of the Company as its Chairman on 25 June 1993. On 1 July 2008, Mr Ng was re-designated Executive Chairman. Mr Ng was last re-elected as a Director of the Company on 25 April 2008. At the Company's 43rd Annual General Meeting, Mr Ng will retire and be eligible for re-election under Article 96 of the Company's Articles of Association. As he is related to the substantial shareholder of the Company, he is considered by the Nominating Committee of the Company to be non-independent.

Currently, Mr Ng is the Chief Executive Officer of Far East Organization and a Director of Hong Kong-based Sino Group. He holds a number of positions on various community groups and statutory boards such as Lee Kuan Yew School of Public Policy Board of Governors and the Singapore-China Foundation Board of Governors. Mr Ng was the Chairman and Chief Executive Officer of Yeo Hiap Seng Limited and the Chairman of Yeo Hiap Seng (Malaysia) Berhad.

Mr Ng graduated from King's College, London University in 1983 with First Class Honours in Civil Engineering and holds Masters degrees in Technology & Policy and in City Planning from the Massachusetts Institute of Technology.

Mdm Ng Siok Keow, 64
Executive Director

- *Member of Board of Directors*

Mdm Ng Siok Keow was appointed Executive Director of the Company on 6 August 1987. She was last re-elected as a Director of the Company on 25 April 2008. At the Company's 43rd Annual General Meeting, Mdm Ng will retire and be eligible for re-election under Article 96 of the Company's Articles of Association. As she is related to the substantial shareholder of the Company, she is considered by the Nominating Committee of the Company to be non-independent.

Mdm Ng is also Executive Director of Far East Organization, the Chairman of the Management Committee of Cairnhill Community Club and holds directorship in Singapore Symphonia Company Ltd. She was awarded the Pingkat Bakti Masharakat (PBM) in 1995, the Orchid Award by the Singapore Girl Guides Association in 1996 and the Bintang Bakti Masharakat (BBM) in 2001.

Mdm Ng obtained her Bachelor of Science (Honours) degree in Chemistry from the University of Singapore.

Mdm Tan Siok Hwee, 60
Executive Director

- *Member of Board of Directors*

Mdm Tan Siok Hwee was appointed Executive Director of the Company on 6 August 1987 and is also an Executive Director of Far East Organization. She was last re-elected as a Director of the Company on 28 April 2010. As Mdm Tan is an employee of the substantial shareholder of the Company, she is considered by the Nominating Committee of the Company to be non-independent.

Mdm Tan obtained her Bachelor of Accountancy degree from the University of Singapore in 1973 and is a Certified Public Accountant. She has been a member of the Institute of Certified Public Accountants of Singapore since 1976.

Mr Tjong Yik Min, 58
Executive Director

- *Member of Board of Directors*

Mr Tjong Yik Min was appointed Executive Director of the Company on 1 August 2005. He was last re-elected as a Director of the Company on 29 April 2009. As Mr Tjong is an employee of the substantial shareholder of the Company, he is considered by the Nominating Committee of the Company to be non-independent.

Mr Tjong is currently the Group Chief Executive Officer of Yeo Hiap Seng Limited, the Chief Executive Officer of Yeo Hiap Seng (Malaysia) Berhad, the Chief Operating Officer and Executive Director of Far East Organization. He has extensive experience in both public and private sectors and has served as Executive Director and Group President of Singapore Press Holdings Limited, and Permanent Secretary, Ministry of Communications and Director of

Internal Security Department. In addition, he also sits on the Board of Genting Singapore PLC.

Mr Tjong obtained his Bachelor of Engineering, Industrial Engineering and Bachelor of Commerce (Economics) degrees from the University of Newcastle, Australia. In addition, he has a Master of Science, Industrial Engineering from the National University of Singapore.

Mr Eddie Yong Chee Hiong, 57
Executive Director

- *Member of Board of Directors*

Mr Eddie Yong Chee Hiong was appointed Executive Director of the Company on 10 July 2008. He was last re-elected as a Director of the Company on 29 April 2009. As Mr Yong is an employee of the substantial shareholder of the Company, he is considered by the Nominating Committee of the Company to be non-independent.

Currently Mr Yong is also an Executive Director and Chief Operating Officer of Corporate Real Estate Business Group in Far East Organization. Mr Yong is presently the Deputy Chairman of SCORE's Committees on Industry and Development. He was awarded the Pingkat Bakti Masharakat (PBM) in 2010.

Mr Yong graduated from the National University of Singapore with Master of Science (Property) and holds Bachelor of Science (Honours) in Urban Estates Management in Liverpool, United Kingdom. He has been a member of professional bodies in Singapore and the United Kingdom and is also a certified Property Manager by the USA Institute of Real Estate Management.

Mr Cheng Hong Kok, 68
Non-executive Director

- *Member of Board of Directors*
- *Chairman of Audit Committee*
- *Member of Remuneration Committee*

Mr Cheng Hong Kok was appointed Non-executive Director of the Company on 30 May 1996. He was last re-elected as a Director on 29 April 2009. At the Company's 43rd Annual General Meeting, Mr Cheng will retire and be eligible for re-election under Article 96 of the Company's Articles of Association. The Nominating Committee of the Company considers Mr Cheng to be an independent director.

Mr Cheng is a Director of SP Corporation Ltd and is the Chairman of its Audit Committee. He also sits on the Board of Gul Technologies Singapore Ltd and is the Chairman of its Nominating and Remuneration Committees. Mr Cheng was a Director and an Executive Committee member of Singapore Petroleum Company Limited (SPC) from 1999 to 2009 and prior to that was the President and Chief Executive Officer of SPC from 1981 to 1996. Through SPC, he was involved in the Asean Council on Petroleum (ASCOPE) for many years. He was also a Board member of the Singapore Economic Development Board from 1987 to 1990 and a member of the Government Economic Planning Committee from 1989 to 1991. In 1961, Mr Cheng was awarded the Singapore State Scholarship, the Colonial Welfare and Development Scholarship and the University of Malaya Entrance Scholarship.

Mr Cheng graduated from the University of London in 1964 with First Class Honours in Chemical Engineering and in 1981 attended the Advanced Executive Management Program at the J.L. Kellogg Graduate School of Management, Northwestern University, USA. He was awarded the University of Cambridge Fellowship in 1964 and the Eisenhower Fellowship in 1979.

Mr Hin Hoo Sing, 70
Non-executive Director

- *Member of Board of Directors*
- *Chairman of Nominating Committee*
- *Member of Audit Committee*

Mr Hin Hoo Sing was appointed Non-executive Director of the Company on 6 August 1987. He was last re-elected as a Director of the Company on 28 April 2010. At the Company's 43rd Annual General Meeting, Mr Hin, being over the age of 70 years, will be re-appointed under Section 153(6) of the Companies Act, Chapter 50. Mr Hin has indicated that he does not wish to seek for re-appointment at the AGM. The Nominating Committee of the Company considers Mr Hin to be an independent director.

Mr Hin is an Advocate and Solicitor of the Supreme Court of Singapore and was called to the Singapore Bar in 1970. He

Board of Directors & Management

is a Barrister-at-Law from Lincoln's Inn, United Kingdom and also a Commissioner for Oaths and a Notary Public.

Mr Heng Chiang Meng, 65
Lead Independent Director & Non-executive Director

- *Member of Board of Directors*
- *Member of Audit Committee*
- *Chairman of Remuneration Committee*
- *Member of Nominating Committee*

Mr Heng Chiang Meng was appointed Non-executive Director of the Company on 19 June 1998. In 2008, Mr Heng was appointed as Lead Independent Director of the Company. He was last re-elected as a Director of the Company on 28 April 2010. The Nominating Committee of the Company considers Mr Heng to be an independent director.

Mr Heng holds directorships in the following listed companies: Keppel Land Ltd, Macquarie International Infrastructure Fund Ltd and Academies Australasia Group Ltd (formerly known as Garratt's Ltd), listed on the Australian Stock Exchange in Sydney.

Mr Heng has a Bachelor of Business Administration (Honours) degree from the University of Singapore.

Mr Lucas Chow Wing Keung, 57
Non-executive Director

- *Member of Board of Directors*
- *Member of Remuneration Committee*
- *Member of Audit Committee*

Mr Lucas Chow Wing Keung was appointed Non-executive Director of the Company on 1 June 2008. He was last re-elected as a Director of the Company on 29 April 2009. As Mr Chow will be joining Far East Organization, the Nominating Committee of the Company considers Mr Chow to be a non-independent director.

Mr Chow is currently the Chief Executive Officer of MediaCorp and also sits on its Board of Directors. In addition, he chairs the Singapore Health Promotion Board and also sits on various other boards of directors and advisory committees. He is a member of the National University of Singapore's Board of Trustees and chairs its Entrepreneurship Committee.

Mr Chow holds a Bachelor of Science (Honours) from the University of Aston, Birmingham, United Kingdom.

Mr Danny Peh Kok Kheng, 57
Chief Corporate Officer & Group Financial Controller

Mr Danny Peh Kok Kheng was appointed Chief Corporate Officer and Group Financial Controller of the Company on 1 June 2008. Responsible for all corporate and financial matters within the Group, he reports to the Chairman and Board of Directors. Since April 2009, Mr Peh has also been appointed Director in a number of the subsidiary companies within the Group.

Mr Peh is also a Director of Far East Organization (FEO), where he oversees FEO's accounts, income tax and corporate secretarial departments in the Financial Management Division. He also holds directorships in the following companies: Far East Capital Ltd, Far East Capital Nominees Pte. Ltd., FEO Business Services Pte. Ltd. He is also the alternate director in Face Plus By Yamano Asia Pacific Pte. Ltd. and OC Beauty Pte. Ltd.

Mr Peh is a fellow member of The Association of Chartered Certified Accountants, U.K. (FCCA) and obtained his professional degree from The Association of Chartered Certified Accountants, U.K. He is also a member of the Institute of Certified Public Accountants of Singapore (ICPAS).

Corporate Information

Board of Directors
Executive Chairman
Mr Philip Ng Chee Tat

Executive Directors
Mdm Ng Siok Keow
Mdm Tan Siok Hwee
Mr Tjong Yik Min
Mr Eddie Yong Chee Hiong

Non-executive Director
Mr Lucas Chow Wing Keung

Independent Directors
Mr Cheng Hong Kok
Mr Heng Chiang Meng
Mr Hin Hoo Sing

Chief Corporate Officer & Group Financial Controller
Mr Danny Peh Kok Kheng

Secretaries
Ms Chloe Kho Kim Suan
Ms Madelyn Kwang Yeit Lam

Independent Auditor
PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424

Partner-in-charge
Mr Chua Kim Chiu
Appointment : 2010

Main Bankers
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd

Audit Committee
Chairman
Mr Cheng Hong Kok

Members
Mr Heng Chiang Meng
Mr Hin Hoo Sing
Mr Lucas Chow Wing Keung

Nominating Committee
Chairman
Mr Hin Hoo Sing

Members
Mr Philip Ng Chee Tat
Mr Heng Chiang Meng

Remuneration Committee
Chairman
Mr Heng Chiang Meng

Members
Mr Cheng Hong Kok
Mr Lucas Chow Wing Keung

Registered Office
14 Scotts Road #06-01
Far East Plaza
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Telephone : (65) 6235 2411
Facsimile : (65) 6235 3316
Website : www.fareast.com.sg

Corporate Office
1 Tanglin Road #05-01
Orchard Parade Hotel
Singapore 247905
Telephone : (65) 6833 6688
Facsimile : (65) 6738 8085

Share Registrar
Boardroom Corporate
& Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : (65) 6536 5355
Facsimile : (65) 6536 1360

Cultural Gems

Village Hotels & Residences stay true to our distinctive brand values of providing a local, and friendly service with a memorable, cultural experience.

Local

Enriching our guest's experience with the rich local culture, heritage and flavour of our diverse ethnic enclaves. Guests can look forward to local touches and cuisines that are refreshingly different while retaining the spirit of the neighbourhood.

Friendly

Consistently striving to offer our guests a warm, friendly and attentive service by listening, anticipating and understanding their needs. Our guests are our priority.

Experience

Endeavouring to bring the best hospitality experience to our guests at all times. Armed with diverse cultural discoveries, our guests will have a truly memorable Village stay.

Business Structure

as at 23 March 2011

HOSPITALITY

- 100% Orchard Parade Hotel (owned by Orchard Parade Holdings Limited)
- 100% Albert Court Village Hotel (owned by First Choice Properties Pte Ltd)
- 100% Central Square Village Residences (owned by OPH Riverside Pte Ltd)

PROPERTY DEVELOPMENT

- 100% Tannery Holdings Pte Ltd
- 100% Westview Properties Pte Ltd
  - 100% OPH Orion Limited
    - 60% Orwin Development Limited
- 100% Jadevine Limited
  - 100% OPH Zenith Pte Ltd
    - 50% Seasons Park Limited
- 100% OPH Westcove Pte Ltd
  - 100% OPH Property Limited
    - 50% Hill Grove Realty Limited
- 100% Pearlvine Pte Ltd
- 80% Seasons Green Limited
- 100% OPH Marymount Limited
  - 20% Jalan Eunos JV
  - 30% Bassein Road JV

PROPERTY INVESTMENT

- 100% Office & Commercial Units at Orchard Parade Hotel (owned by Orchard Parade Holdings Limited)
- 100% Commercial Units at Albert Court Village Hotel (owned by First Choice Properties Pte Ltd)
- 100% Office & Commercial Units at Central Square (owned by OPH Riverside Pte Ltd)
- 100% Office Units at Tanglin Shopping Centre (owned by Orchard Parade Holdings Limited)
- 100% Pinehigh Development Sdn Bhd
- 100% Stable Properties Pte Ltd

INVESTMENT HOLDINGS

- 100% Jelco Properties Pte Ltd
  - 49.53% Yeo Hiap Seng Limited*
- 100% OPH Investment Trading Pte Ltd
- 100% OPH Investments Pte Ltd
  - 25% Minard Investment Limited
  - 15.37% SQL View Pte Ltd
  - 26.57% Universal Gateway International Pte Ltd

** Listed Company*

Corporate Governance Report

as at 23 March 2011

In July 2005, the Singapore Council on Corporate Disclosure and Governance issued a revised Code of Corporate Governance (the "2005 Code") that superseded and replaced the Code of Corporate Governance that was issued in March 2001.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2010, with specific reference to the principles and guidelines of the 2005 Code, as well as the Listing Manual of the Singapore Exchange Securities Trading Limited and the Singapore Companies Act, where applicable.

PRINCIPLE 1

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board has responsibility to provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives. The functions of the Board include reviewing and approving the annual budget of the Company, ensuring that there is a sound system of internal controls to safeguard shareholders' investments and the Company's assets, reviewing monthly management accounts, reviewing the business performance of the Company, approving the release of the quarterly and year-end accounts, and endorsing the framework of remuneration for the Board and key executives.

As at 23 March 2011, the Board comprises the following members:

Name of Director	Board Membership
Philip Ng Chee Tat	Executive and Non-independent
Ng Siok Keow	Executive and Non-independent
Tan Siok Hwee	Executive and Non-independent
Tjong Yik Min	Executive and Non-independent
Eddie Yong Chee Hiong	Executive and Non-independent
Cheng Hong Kok	Non-executive and Independent
Heng Chiang Meng	Non-executive and Independent
Hin Hoo Sing	Non-executive and Independent
Lucas Chow Wing Keung	Non-executive and Non-independent

The Board meets regularly and whenever particular circumstances require. The Company's Articles of Association allow Board meetings to be conducted by way of telephonic and video conferencing. In 2010, the Board met on five occasions. The attendance of Board members at those meetings, as well as meetings of the Audit Committee, Nominating Committee and Remuneration Committee established by the Board are as follows:

Name of Director	Board A	Board B	Audit Committee A	Audit Committee B	Nominating Committee A	Nominating Committee B	Remuneration Committee A	Remuneration Committee B
Philip Ng Chee Tat	5	5			1	1		
Ng Siok Keow	5	4						
Tan Siok Hwee	5	5						
Tjong Yik Min	5	4						
Eddie Yong Chee Hiong	5	5						
Cheng Hong Kok	5	5	5	5			1	1
Heng Chiang Meng	5	5	5	5	1	1	1	1
Hin Hoo Sing	5	5	5	5	1	1		
Lucas Chow Wing Keung	5	5	5	5			1	1

Note:
A - Number of meetings held during the financial year/period from 1 January 2010 (or date of appointment, where applicable) to 31 December 2010
B - Number of meetings attended during the financial year/period from 1 January 2010 (or date of appointment, where applicable) to 31 December 2010

The Company has adopted internal guidelines regarding matters that require Board approval. The type of material transactions, which require Board approval, include:

i) transactions in the ordinary course of business with gross value per transaction exceeding a specified amount;
ii) major transactions not in the ordinary course of business;
iii) borrowings and/or provisions of corporate guarantees or other securities;
iv) acquisition or disposal of fixed assets exceeding a specified value;
v) equity or contractual joint ventures;
vi) diversification into new businesses; and
vii) interested person transactions.

The Company intends that any other incoming director will be briefed by Management on the Company's businesses and governance practices. In addition, the Company's directors are encouraged to keep themselves apprised of changes in laws and regulations.

PRINCIPLE 2

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board presently comprises nine members, of whom three, or one-third, are independent directors. The independent directors are Mr Cheng Hong Kok, Mr Heng Chiang Meng and Mr Hin Hoo Sing.

The Board is of the view that its present size is appropriate and facilitates effective decision making, taking into account the scope and nature of the Company's operations. The Board comprises respected members of the business community who have long and extensive experience in various fields, ranging from engineering to law, accounting, banking and finance. A profile of each member of the Board is provided in this annual report.

PRINCIPLE 3

There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The four Executive Directors have been designated by the Board to lead Management in the day-to-day operations of the Group. The Executive Directors will be guided by the Chairman of the Board, Mr Philip Ng Chee Tat on strategic direction and issues. The roles and responsibilities of the Chairman and Executive Directors are distinct and separate.

The Chairman's responsibilities include scheduling meetings to allow the Board to perform its duties responsibly, preparing the meeting agenda in consultation with the Executive Directors and the Company Secretary, managing the Board, and ensuring compliance with the Company's policies on corporate governance.

In addition, Mr Heng Chiang Meng acts as the lead independent director. Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman or other management personnel has failed to provide satisfactory resolution, or when such contact is inappropriate.

PRINCIPLE 4

There should be a formal and transparent process for the appointment of new directors to the Board.

The Nominating Committee was established on 25 March 2002. It comprises three directors, of whom two are independent. Mr Hin Hoo Sing, an independent director, chairs the Committee. The other members are Mr Philip Ng Chee Tat and Mr Heng Chiang Meng. Mr Heng is also an independent director.

The Nominating Committee will make recommendations to the Board on all board committee appointments, assess the effectiveness of the Board as a whole and review and recommend the appointment of key executives. The Committee also determines annually the independence of each director of the Board and decides whether directors who hold multiple directorships are able to adequately carry out his or her duties as a director of the Company. After due consideration, the Nominating Committee decided not to impose guidelines on competing time commitments as it was felt that this would be too inflexible. Instead, the Committee would make assessments based on directors' declarations made annually and from time to time.

The Company's Articles of Association require one-third, or the number nearest one-third, of the directors, including the person holding the office of Managing Director (or any equivalent appointment however described), which is presently vacant, to retire from office. The directors to retire every year are those who have been longest in office since their last election or appointment. In addition, a newly appointed director will hold office only until the next annual general meeting at which he/she will be eligible for re-election.

Key information regarding the Directors, including their academic and professional qualifications, is listed in the section under Board of Directors and Management in this annual report.

PRINCIPLE 5

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The responsibilities of the Nominating Committee also include assessing annually the independence of directors and evaluating the performance of the Board and the Chairman of the Board based on a set of criteria. The assessment criteria include the Board's performance against established performance objectives, contribution to ensuring effective risk management, response to problems and crisis, and adequacy of Board and committees' meetings held to enable proper consideration of issues.

The Committee is of the opinion that the Company's share price and some other financial indicators listed in the Code may not always be truly reflective of the directors' or the Company's performances. Thus the Committee prefers to assess the Board and its members on broader bases.

PRINCIPLE 6

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

The Board has separate and independent access to the Company's senior management, who keeps the Board apprised of the Company's operations and performance by providing monthly management reports.

The Company's directors also have separate and independent access to the Company Secretaries. The role of the Company Secretaries, one of whom is always in attendance at Board meetings, is set out in the Company's Corporate Governance Policies Manual and includes preparing the agenda and papers for meetings of the Board and its various committees, writing and circulating minutes of meetings, sending Board members information relating to the Company as needed and ensuring that board procedures are followed and that applicable rules and regulations are complied with.

Directors, either individually or collectively, may, if necessary and with the approval of the Board, take independent professional advice at the Company's expense.

PRINCIPLE 7

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Company's Remuneration Committee was established on 25 March 2002 and comprises three directors, all of whom are non-executive. Mr Heng Chiang Meng, an independent director, chairs this Committee. The other members are Mr Lucas Chow Wing Keung and Mr Cheng Hong Kok. Some of the members of the Committee are experienced in compensation matters, but in any case, the Committee has access to both internal and external human resource advisors.

The Remuneration Committee had, in consultation with the Chairman of the Board, recommended a framework of remuneration for the Board members and for key executives of the Company. In making their recommendation, the Committee took into consideration the guidelines proposed by the Singapore Institute of Directors.

Corporate Governance Report

PRINCIPLE 8

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

All of the directors, whether executive or non-executive, receive the same amount of directors' fees. Members of the various committees receive additional fees for serving on their respective committees. The Chairman of each of these committees is normally being paid more additional fees than the members. The aggregate of all these fees is approved for payment by the Company's shareholders at the Annual General Meeting of the Company.

Currently, three Executive Directors receive only a nominal salary from the Company. The Executive Directors have separate employment contracts with the related parties of the substantial shareholder.

The Remuneration Committee is of the view that the non-executive directors are not over-compensated to the extent that their independence may be compromised.

The Company does not have any long-term incentive schemes or employee share option scheme.

PRINCIPLE 9

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The annual remuneration report below sets out the names of the Directors and top five key executives for the last financial year earning remuneration, which falls within the band of S$250,000. There is a breakdown (in percentage terms) of each Director's remuneration earned through fees, fixed salary, variable or performance-related income or bonuses, and benefits in kind. There are no employees in the Company who are the immediate family members of any of the directors and whose remuneration exceeds S$150,000 during the last financial year.

The following table shows the composition (in percentage terms) of each director's remuneration:

Name of Director	Fee* (%)	Base Salary (%)	Performance-based Bonus (%)	Benefits in kind (%)
Below S$250,000				
Philip Ng Chee Tat	100	-	-	-
Ng Siok Keow	100	-	-	-
Tan Siok Hwee	100	-	-	-
Tjong Yik Min	100	-	-	-
Eddie Yong Chee Hiong	19.56	78.81	-	1.63
Heng Chiang Meng	100	-	-	-
Cheng Hong Kok	100	-	-	-
Hin Hoo Sing	100	-	-	-
Lucas Chow Wing Keung	100	-	-	-

** The fee shown is on a paid basis and not on accrued basis.*

The following table shows the remuneration of top 5 key executives (who are not Directors) of the Company in the remuneration band of S$250,000:

Top 5 Key Executives	Designation	Remuneration Band
Danny Peh Kok Kheng	Chief Corporate Officer & Group Financial Controller	Below S$250,000
Raphael Saw Kheng Hwa	Director of Hospitality Division	Below S$250,000
Peter Russell Willis	Resident Manager	Below S$250,000
Tan Sze Chuan	Manager	Below S$250,000
Lee Wei Bin Daryl*	Deputy Director, Hotel Operations	Below S$250,000

** Lee Wei Bin Daryl resigned on 21 September 2010.*

PRINCIPLE 10

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Shareholders are provided with information on the Company's financial performance, position and prospects through SGXNET announcements on a quarterly basis. This is in addition to other announcements required by the Listing Manual to be made.

Management provides members of the Board with monthly management accounts and other information in connection with certain matters or transactions, which would require Board's approval. In this way, the Board is kept abreast of the operations, financial performance, position and prospects of the Company.

PRINCIPLE 11

The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The Company's Audit Committee comprises four directors, all of whom are non-executive directors and majority of whom, including the Chairman, are independent. Mr Cheng Hong Kok is the Chairman of the Audit Committee. The other members are Mr Heng Chiang Meng, Mr Hin Hoo Sing and Mr Lucas Chow Wing Keung. At least two members of the Audit Committee have experience in accounting or related financial management.

The Audit Committee has explicit authority to investigate any matter within its terms of reference, which include: assessing the appropriateness of mechanisms created to identify, prevent and minimise business risks; ensuring that a review of the effectiveness of the Company's material internal controls is conducted at least annually; reviewing the independent auditor's proposed audit scope and final audit report; reviewing the performance and considering the independence of the independent auditor and meeting with them annually; and reviewing all interested persons transactions.

The Audit Committee has full access to and the co-operation of the Company's Management and in addition, has absolute discretion to invite any director or executive officer of the Company to attend its meetings, as it deems necessary. The Audit Committee has nominated PricewaterhouseCoopers LLP for re-appointment as the independent auditor of the Company at the forthcoming Annual General Meeting. The Audit Committee has conducted an annual review of non-audit services provided by the independent auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity provided by the independent auditor before confirming their re-nomination.

Corporate Governance Report

In the last financial year, the Audit Committee held five meetings. In those meetings, the Committee reviewed, *inter alia*, the internal auditor's report on interested party transactions and reports on other areas of the Group's business, the internal auditor's audit plan and cost for the current financial year, the independent auditor's final audit report, the year-end and quarterly announcements on financial statements, the Group's year-end and quarterly performances, and also discussed corporate governance matters.

PRINCIPLE 12

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Company places importance on the maintenance of a sound system of internal controls in order to safeguard shareholders' interests and the Company's assets. The Audit Committee ensures that the internal auditors conduct reviews of the Company's material internal controls, including financial, operational and compliance controls. Risk management and financial management are also assessed.

The Audit Committee reviews the effectiveness of the Company's internal controls on behalf of the Board. In their review, the Committee considers the nature of the risks facing the Company and the extent to which these risks are acceptable to bear, the likelihood of risks materialising and the Company's ability to reduce their incidence and impact on the business, and the cost versus the benefit of managing the risks. Having reviewed the various areas of potential risks facing the Company and the control measures employed to manage these risks, the Audit Committee is satisfied that the internal controls in the Company are adequate.

PRINCIPLE 13

The company should establish an internal audit function that is independent of the activities it audits.

The Company outsources its internal audit function to the Group Internal Audit Department ("GIA") of Far East Organization, the Company's holding company. GIA reports directly to the Audit Committee and also reports administratively to the Chairman of the Board.

Having regard to the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, and having reviewed the functions and organisational structure of GIA, the Audit Committee is satisfied that GIA meets the requisite standards, is adequately resourced, and has appropriate standing within the Company.

The Audit Committee ensures the adequacy of the internal audit function by examining the scope of GIA's work, the quality of their reports, their qualifications and training, their relationship with the independent auditor and their independence of the areas reviewed.

PRINCIPLE 14

Companies should engage in regular, effective and fair communication with shareholders.

The Company strives to disclose information to its shareholders in a timely manner and typically makes announcements through SGXNET. It also responds to queries from investors, fund managers and analysts but without making selective disclosure.

PRINCIPLE 15

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company's Articles of Association allow shareholders to vote in person or by proxy or by attorney, or in the case of a corporation by a representative. A shareholder may appoint up to two proxies to attend and vote in his stead at a general meeting. The Company has not amended its Articles of Association to provide for other methods of voting in absentia as these would require a costly system of authentication to ensure the integrity of information and the identity of shareholders in telephonic and electronic media.

At a general meeting, each distinct issue is the subject of a separate resolution. The chairmen of the various Board Committees are usually available at the Company's general meetings to address questions raised. The Company's auditors are also present at annual general meetings of the Company to address shareholders' queries on the conduct of audit and the preparation and content of the auditor's report.

RISK MANAGEMENT

Operation Risks

The operational risks facing the Group include changes in external market conditions such as government policies, rules and regulations relating to the property and financial markets, increase in interest rates, oversupply of properties, price-cutting by competitors and drop in visitor arrivals due to political instability, terrorism and health warnings. Other risks include increase in operating costs and the necessity for capital expenditure from time to time.

Management undertakes periodic reviews of the Group's past performances, identifies and assesses current and future operational and financial risks facing the Group and controls and manages these risks without limits and strategies approved by the Board.

Financial Risks

The Group's activities are affected by various financial risks, including interest rate risk, foreign currency risk and liquidity risk, the details of each are set out in Note 33 to the financial statements of this annual report.

DEALINGS IN SECURITIES

The Company has issued an internal guideline on dealings by the Group's employees in the Company's shares. Directors and employees are prohibited from trading in the Company's shares two weeks before the announcement of the financial results of the Company for each of the first three quarters of its financial year, or one month prior to the announcement of the financial results of the Company for the full financial year up to and including the date of the announcement. In addition, all Directors and employees are required to observe insider trading laws at all times and are prohibited from trading whilst in possession of price-sensitive information.

Corporate Governance Report

MATERIAL CONTRACTS

No material contract involving the interests of any director or controlling shareholder of the Company has been entered into by the Company or any of its subsidiaries since the end of the financial year and no such contract subsisted at the end of the financial year.

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Name of interested person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)**	
	S$'000	
	2010	**2009**
Far East Organization Centre Pte Ltd		
Rental income	665	637
Far East Hospitality Services Pte Ltd		
Rental income	452	521
Management service fees	(2,255)	(2,255)
Far East Management (Private) Limited		
Rental income	644	639
Computer maintenance support fees	(260)	(260)
Management service fees	(1,055)	(1,052)
Property development, project management and sales & marketing service fees	(1,382)	(765)

Pursuant to Rule 906 of the Listing Manual, the Company does not have interested person transactions that require shareholders' mandate.

Financial Report

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DIRECTORS' REPORT

For the financial year ended 31 December 2010

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2010 and the balance sheet of the Company as at 31 December 2010.

Directors

The directors of the Company in office at the date of this report are as follows:

Mr Philip Ng Chee Tat
Mdm Ng Siok Keow
Mdm Tan Siok Hwee
Mr Tjong Yik Min
Mr Hin Hoo Sing
Mr Cheng Hong Kok
Mr Heng Chiang Meng
Mr Lucas Chow Wing Keung
Mr Eddie Yong Chee Hiong

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		**Holdings in which director is deemed to have an interest**	
	At 31.12.2010	At 1.1.2010	**At 31.12.2010**	At 1.1.2010
Company				
(Number of ordinary shares)				
Mdm Ng Siok Keow	14,469	14,469	72,346	72,346
Mr Eddie Yong Chee Hiong	5,048	5,000	-	-

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2011 were the same as those as at 31 December 2010.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have employment relationships with related corporations of the ultimate holding company and have received remuneration in those capacities.

DIRECTORS' REPORT

For the financial year ended 31 December 2010

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Cheng Hong Kok (Chairman)
Mr Hin Hoo Sing
Mr Heng Chiang Meng
Mr Lucas Chow Wing Keung

All members of the Audit Committee were non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, the Listing Manual and the Singapore Code of Corporate Governance.

The Audit Committee meets periodically with management, the internal auditors and the external auditor of the Company to discuss the scope and results of the internal and statutory audits, financial and operating results, internal controls, accounting policies and other significant matters, including the financial statements that accompany this report.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the independent auditor to satisfy itself that the nature and extent of such services will not prejudice their independence and objectivity before confirming their re-nomination.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

TJONG YIK MIN
Director

TAN SIOK HWEE
Director

23 March 2011

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2010

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 32 to 83 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

TJONG YIK MIN
Director

TAN SIOK HWEE
Director

23 March 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of Orchard Parade Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Orchard Parade Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 32 to 83, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 about 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 controls relevant to the entity's preparation of financial statements that give a true and fair view 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 controls. 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 our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 23 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2010

	Note	**2010** **$'000**	2009 $'000
Sales	4	**196,223**	91,275
Cost of sales		**(101,573)**	(49,552)
Gross profit		**94,650**	41,723
Other income	4	**6,255**	5,954
Other gains/(losses) - net			
- Fair value gains/(losses) on investment properties	4	**7,600**	(3,468)
- Other	4	**(399)**	8,394
Expenses			
- Distribution and marketing		**(4,999)**	(4,309)
- Administrative		**(5,788)**	(5,171)
- Finance	6	**(11,492)**	(13,204)
- Other		**(3,701)**	(3,434)
Share of profit/(loss) of associated companies	17	**13,507**	(12,288)
Profit before income tax		**95,633**	14,197
Income tax expense	9	**(13,102)**	(987)
Net profit attributable to equity holders of the Company		**82,531**	13,210
Other comprehensive income/(loss):			
Revaluation surplus/(deficit) on property, plant and equipment	29	**34,386**	(40,013)
Adjustment for movement in deferred tax liability on revaluation surplus/deficit	27	**(589)**	706
Change in tax rate	27	**-**	1,408
Currency translation differences arising from consolidation	29	**75**	(64)
Share of associated company's fair value gain on available-for-sale financial assets	17	**26,445**	26,311
Share of associated company's revaluation deficit	17	**(824)**	-
Share of associated company's currency translation reserve	17	**(1,074)**	(272)
Other comprehensive income/(loss) for the financial year, net of tax		**58,419**	(11,924)
Total comprehensive income attributable to equity holders of the Company		**140,950**	1,286
Earnings per share for net profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted	10	**23.45**	3.77

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2010

	Note	Group 2010 $'000	Group 2009 (restated) $'000	Company 2010 $'000	Company 2009 $'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**37,293**	11,845	**5,934**	1,562
Trade receivables	12	**56,436**	6,085	**2,338**	1,429
Inventories	13	**82**	67	**57**	53
Development properties	14	**154,647**	150,685	**-**	-
Financial assets, at fair value through profit or loss	15	**-**	18,534	**-**	-
Other current assets	16	**4,003**	397	**199**	291
		252,461	187,613	**8,528**	3,335
Non-current assets					
Investments in associated companies	17(a)	**337,537**	299,483	**-**	-
Investments in subsidiaries	19(a)	**-**	-	**483,536**	491,825
Advances to subsidiaries	19(b)	**-**	-	**172,812**	160,525
Other non-current assets	20	**111**	111	**111**	111
Investment properties	21	**173,243**	165,493	**113,959**	109,867
Property, plant and equipment	22	**681,431**	653,137	**432,681**	415,315
		1,192,322	1,118,224	**1,203,099**	1,177,643
Total assets		**1,444,783**	1,305,837	**1,211,627**	1,180,978
LIABILITIES					
Current liabilities					
Trade payables	23	**17,941**	17,167	**1,970**	1,173
Other current payables	24	**11,590**	9,950	**7,508**	5,987
Income tax payable	9(b)	**8,824**	3,600	**5,702**	954
Advances from subsidiaries	19(c)	**-**	-	-	15,443
Borrowings	25(a)	**131,570**	13,992	**1,200**	-
		169,925	44,709	**16,380**	23,557
Non-current liabilities					
Borrowings	25(a)	**274,057**	409,129	**247,132**	244,653
Advances from subsidiaries	19(c)	**-**	-	**122,464**	123,391
Other non-current liabilities	26	**4,016**	4,417	**723**	936
Deferred income tax liabilities	27	**37,555**	28,118	**5,309**	7,540
		315,628	441,664	**375,628**	376,520
Total liabilities		**485,553**	486,373	**392,008**	400,077
NET ASSETS		**959,230**	819,464	**819,619**	780,901
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	28	**356,713**	354,391	**356,713**	354,391
Revaluation and other reserves	29	**525,968**	474,610	**400,541**	378,768
Retained profits/(Accumulated losses)	30	**76,549**	(9,537)	**62,365**	47,742
TOTAL EQUITY		**959,230**	819,464	**819,619**	780,901

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2010

	Note	Share capital $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Retained profits/ (Accumulated losses) $'000	Total equity $'000
2010							
Beginning of financial year							
As previously reported		354,391	472,324	(14,641)	6,563	827	819,464
Share of associated company's prior years' adjustment	29	-	-	10,364	-	(10,364)	-
As restated		354,391	472,324	(4,277)	6,563	(9,537)	819,464
Shares issued in-lieu of dividends		2,322	-	-	-	(2,322)	-
Dividends paid to shareholders in cash		-	-	-	-	(1,184)	(1,184)
Share of associated company's transfer from revaluation and other reserves		-	(7,063)	2	-	7,061	-
Total comprehensive income for the year		-	32,973	(999)	26,445	82,531	140,950
End of financial year		**356,713**	**498,234**	**(5,274)**	**33,008**	**76,549**	**959,230**
2009							
Beginning of financial year							
As previously reported		354,391	513,096	(14,305)	(19,748)	(15,256)	818,178
Share of associated company's prior years' adjustment	29	-	-	10,364	-	(10,364)	-
As restated		354,391	513,096	(3,941)	(19,748)	(25,620)	818,178
Share of associated company's transfer from revaluation and other reserves		-	(2,873)	-	-	2,873	-
Total comprehensive income for the year		-	(37,899)	(336)	26,311	13,210	1,286
End of financial year		354,391	472,324	(4,277)	6,563	(9,537)	819,464

An analysis of the movements in each category within "Revaluation and other reserves" is presented in Note 29.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2010

	Note	2010 $'000	2009 $'000
Cash flows from operating activities			
Net profit		**82,531**	13,210
Adjustments for:			
Income tax		**13,102**	987
Depreciation of property, plant and equipment		**7,122**	7,349
Dividend income		**(460)**	(844)
Interest income		**(7)**	(10)
Interest expense		**11,533**	13,243
Loss on disposal of property, plant and equipment		**-**	1
Fair value (gains)/losses on investment properties		**(7,600)**	3,468
Share of (profit)/loss of associated companies		**(13,507)**	12,288
		92,714	49,692
Change in working capital:			
Trade receivables		**(50,351)**	(340)
Development properties		**(3,569)**	8,906
Inventories		**(15)**	1
Financial assets, at fair value through profit or loss		**552**	(8,628)
Other current assets		**(3,606)**	(47)
Trade payables		**774**	8,152
Other payables		**1,730**	890
Cash generated from operations		**38,229**	58,626
Income tax refund - net		**969**	2,377
Net cash provided by operating activities		**39,198**	61,003
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,034)**	(2,058)
Payments for investment properties		**(62)**	(70)
Proceeds from disposal of property, plant and equipment		**4**	14
Proceeds from sales of financial assets, at fair value through profit or loss		**18,433**	-
Dividend received from investee companies		**9**	420
Dividend paid to shareholders		**(1,184)**	-
Interest received		**7**	10
Net cash provided by/(used in) investing activities		**16,173**	(1,684)
Cash flows from financing activities			
Proceeds from borrowings		**44,938**	337,116
Repayment of borrowings		**(65,063)**	(390,446)
Interest paid		**(9,798)**	(14,450)
Net cash used in financing activities		**(29,923)**	(67,780)
Net increase/(decrease) in cash and cash equivalents		**25,448**	(8,461)
Cash and cash equivalents at beginning of financial year		**11,845**	20,306
Cash and cash equivalents at end of financial year	11	**37,293**	11,845

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Orchard Parade Holdings Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its principal place of business is 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905.

The principal activities of the Company are hospitality, investment holding and property investment. The principal activities of the subsidiaries are set out in Note 41 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2010

On 1 January 2010, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Hospitality revenue and other services rendered*

Revenue from the rental of hotel rooms, serviced residences and other facilities and from rendering of services is recognised when the services are rendered.

(b) *Sale of development properties*

Revenue from sale of development properties is recognised using the percentage of completion method. The stage of completion is determined by the proportion of construction costs incurred to date as certified by the architects or quantity surveyors, to the estimated total construction costs for the project.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies

2.2 Revenue recognition (continued)

(c) *Sale of financial assets, at fair value through profit or loss*

Revenue from the sale of financial assets, at fair value through profit or loss is recognised when the significant risks and rewards of ownership of the financial assets are transferred to the buyer and collectibility of the related receivables is reasonably assured.

(d) *Rental income*

Rental income from operating leases (net of any incentive given to the lessees) is recognised on a straight-line basis over the lease term.

(e) *Interest income*

Interest income is recognised using the effective interest method.

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisition of businesses*

The acquisition method of accounting is used to account for business combinations by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisition of businesses* (continued)

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Impairment of non-financial assets - Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposals of subsidiaries or businesses*

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies* (continued)

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

(d) *Joint ventures*

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of the joint ventures' income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(d) Joint ventures (continued)

The Group also has certain contractual arrangements with other participants to engage in joint activities that do not give rise to a jointly-controlled entity. These arrangements involve the joint ownership of assets and joint assumption of liabilities dedicated to the purposes of each venture but do not create a jointly-controlled entity as the venturers directly derive the benefits of operation of their jointly owned net assets, rather than deriving returns from an interest in a separate entity.

The financial statements of the Group include its share of the assets in such joint ventures, together with the liabilities, revenues and expenses arising jointly or otherwise from those operations. All such amounts are measured in accordance with the terms of each arrangement, which are usually in proportion to the Group's interest in the jointly controlled assets.

The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.4 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Leasehold land, and buildings on freehold and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in the asset revaluation reserve, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised against the asset revaluation reserve. All other decreases in carrying amounts are recognised as a loss in the statement of comprehensive income.

(ii) Other property, plant and equipment

Furniture and fittings, plant and equipment, motor vehicles and other assets (Note 2.19) are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2.7 on borrowing costs).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation

Freehold land and construction-in-progress are not depreciated. Depreciation on other items of other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	Over period of lease of 79 to 83 years
Buildings on freehold land and leasehold land	50 years
Plant, equipment, furniture and fittings	3 - 10 years
Motor vehicles	5 - 10 years
Other assets	5 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within 'Other gains/(losses) - net'. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2.5 Development properties

Development properties refer to completed properties held for sale and properties under development.

(a) Completed properties held for sale

Completed properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

(b) Unsold properties under development

Properties under development that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.5 Development properties (continued)

(c) *Sold properties under development*

Revenue and cost on properties under development that have been sold are recognised using the percentage of completion method. The stage of completion is determined by the proportion of construction costs incurred to date as certified by the architects or quantity surveyors, to the estimated total construction costs for the project. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

The costs incurred plus the profit or loss recognised in each property under development that has been sold are compared against progress billings up to the financial year-end. Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers, under "trade receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers, under "trade payables".

2.6 Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of the subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investments of these borrowings are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.8 Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value representing open market values determined annually by independent professional valuers. Changes in fair values are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.8 Investment properties (continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries and associated companies

Property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) *Property, plant and equipment*
Investments in subsidiaries and associated companies (continued)

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented within "trade receivables", "other current assets", "cash and cash equivalents" and "advances to subsidiaries" on the balance sheet.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised as profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets, at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets, at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Financial assets, at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss including the effects of currency translation, interest and dividend, are recognised in profit or loss when the changes arise.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.14 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.16 Operating leases

The Group leases investment properties under operating leases to non-related parties and related parties [Note 35(a)].

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.18 Income taxes (continued)

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Replacement assets

Replacement assets comprise linen, glassware and utensils. Items held in the stores are regarded as inventories and shown in the balance sheet as current assets at cost. Items in use are regarded as part of the necessary operating equipment of the hotel and are accounted for as "other assets" under property, plant and equipment (Note 2.4).

2.20 Provisions for other liabilities or charges

Provisions for other liabilities or charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.22 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

2.26 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values (if material) plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

2. Significant accounting policies (continued)

2.27 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Uncertain tax positions

The Group is subject to income taxes mainly in Singapore. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") in each tax jurisdiction.

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether the additional tax liabilities will be due.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current or deferred income tax provisions in the period in which such determination is made.

(b) Valuation of investment properties

The Group's investment properties, with a carrying amount of $173,243,000 (Note 21) as at 31 December 2010, are stated at their estimated fair values which are determined annually by independent professional valuers. These estimated fair values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions. Consequently, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant.

If the actual fair values of investment properties differ by 3% from the estimates used for these financial statements, the investment properties as at 31 December 2010 would be increased or reduced by $5,197,000 and the profit before income tax for the year then ended would be increased or reduced by the same amount.

(c) Sold properties under development

The Group uses the percentage of completion method to recognise revenue on sold properties under development. The stage of completion is determined by the proportion of construction costs incurred to date, as certified by the architects or quantity surveyors, to the estimated total construction costs for the project.

Significant assumptions are required to estimate the total construction costs that will affect the stage of completion. In making these estimates, management has relied on past experience and the work of specialists.

If the total construction costs to be incurred increased/decreased by 1% from management's estimates, the Group's gross profit and net profit before tax will decrease/increase by $790,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4. Sales, other income and other gains/(losses) - net

	Group	
	2010	2009
	$'000	$'000
Hospitality revenue	**48,823**	37,624
Rental income	**11,118**	10,545
Dividend income	**460**	844
Management fees charged to a joint venture	**636**	566
Sale of development properties	**135,186**	41,696
Total sales	**196,223**	91,275
Hotel service fees and other related income	**5,572**	4,773
Interest income - fixed deposits	**7**	10
Marketing, accounting and administrative fees	**50**	56
Government grant - Jobs credit scheme	**61**	274
Other miscellaneous income	**565**	841
Total other income	**6,255**	5,954
Other gains/(losses) - net		
- Fair value gains/(losses) on investment properties [Note 21(a)]	**7,600**	(3,468)
- Other		
Loss on disposal of property, plant and equipment	**-**	(1)
(Losses)/gains on financial assets, at fair value through profit or loss (Note 15)	**(552)**	7,791
Write back of cost on development properties	**153**	604
	(399)	8,394
Total other gains/(losses) - net	**7,201**	4,926

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The amount an employer can receive depends on the fulfilment of certain conditions under the scheme. The scheme ended with its last payment in June 2010.

5. Expenses by nature

	Group	
	2010	2009
	$'000	$'000
Advertising, promotion and marketing	**3,344**	2,595
Cost of development properties	**78,978**	29,321
Depreciation of property, plant and equipment (Note 22)	**7,122**	7,349
Directors' fees	**367**	376
Employee compensation (Note 8)	**5,732**	5,277
Hospitality supplies and services	**9,417**	7,561
Management service fees to a related party [Note 35(a)]	**4,952**	4,332
Other fees paid/payable to the auditors of the Group	**35**	9
Property tax and upkeep of properties	**3,664**	2,983
Other	**2,450**	2,663
Total cost of sales, distribution and marketing, administrative and other operating expenses	**116,061**	62,466

The cost of development properties recognised as an expense and included in “cost of sales” amounts to $78,978,000 (2009: $29,321,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

6. Finance expenses

	Group	
	2010	2009
	$'000	$'000
Interest expense:		
- Bank borrowings	**9,295**	11,774
- Transaction costs	**2,631**	2,375
	11,926	14,149
Currency translation gains - net	**(41)**	(39)
	11,885	14,110
Less: Interest expense capitalised in development properties [Note 14(e)]	**(393)**	(906)
Finance expenses recognised in profit or loss	**11,492**	13,204

7. Remuneration bands of directors of the Company

	2010	2009
Number of directors of the Company in remuneration bands:		
- $500,000 and above	**-**	-
- $250,000 to below $500,000	**-**	-
- below $250,000	**9**	9
Total	**9**	9

8. Employee compensation

	Group	
	2010	2009
	$'000	$'000
Wages and salaries	**5,034**	4,540
Employer's contribution to defined contribution plans including Central Provident Fund	**408**	394
Other benefits	**290**	343
	5,732	5,277

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

9. Income taxes

(a) Income tax expense

	Group	
	2010	2009
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Current income tax - Singapore	**6,591**	2,376
- Deferred income tax	**8,295**	1,935
	14,886	4,311
Over provisions in prior financial years:		
- Current income tax	**(2,337)**	(3,324)
- Deferred income tax	**553**	-
	(1,784)	(3,324)
	13,102	987

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2010	2009
	$'000	$'000
Profit before tax	**95,633**	14,197
Share of (profit)/loss of associated company, net of tax	**(13,507)**	12,288
Profit before tax and share of (profit)/loss of associated companies	**82,126**	26,485
Tax calculated at tax rate of 17% (2009: 17%)	**13,961**	4,502
Effects of:		
- Change in Singapore tax rate (Note 27)	**-**	(159)
- Different tax rates in other countries	**18**	(37)
- Statutory stepped income exemption	**(130)**	(130)
- Expenses not deductible for tax purposes	**2,993**	1,947
- Income not subject to tax	**(1,156)**	(1,275)
- Utilisation of previously unrecognised tax losses	**(828)**	(579)
- Deferred tax asset not recognised	**28**	42
Tax charge	**14,886**	4,311

In the previous financial year, the Singapore corporate tax rate was reduced from 18% to 17% for the year of assessment 2010 and onwards.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

9. Income taxes (continued)

(b) Movement in current income tax payable/(tax recoverable)

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Beginning of financial year				
Income tax payable	**3,601**	2,724	**954**	-
Tax recoverable	**-**	(553)	**-**	(470)
	3,601	2,171	**954**	(470)
Income tax refund - net	**969**	2,377	**2,185**	3,483
Tax expense	**6,591**	2,376	**3,672**	837
Over provisions in prior financial years	**(2,337)**	(3,324)	**(1,109)**	(2,896)
End of financial year	**8,824**	3,600	**5,702**	954
Comprising:				
Income tax payable	**8,824**	3,600	**5,702**	954

10. Earnings per share

(a) Basic earnings per share

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

	Group	
	2010	2009
	$'000	$'000
Net profit after tax attributable to equity holders of the Company ($'000)	**82,531**	13,210
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**351,912**	350,774
Basic earnings per share (cents per share)	**23.45**	3.77

(b) Diluted earnings per share

The basic earnings per share are the same as the diluted earnings per share as there is no dilutive potential ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

11. Cash and cash equivalents

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**6,469**	7,548	**2,434**	1,562
Short-term bank deposits	**30,824**	4,297	**3,500**	-
	37,293	11,845	**5,934**	1,562

Cash and cash equivalents of the Group include amounts totalling $28,454,000 (2009: $4,019,000), representing the Group's 60% attributable share of a joint venture's bank balances and fixed deposits, held under the Housing Developers (Project Account) (Amendment) Rule 1997 and the Housing Developers (Project Account) Rules 1990, withdrawals of which are restricted to payments for project expenditure incurred, until the completion of the project.

Short-term bank deposits at the balance sheet date have an average maturity of two months (2009: one month) from the end of the financial year with the following weighted average effective interest rates:

	Group		Company	
	2010	2009	**2010**	2009
Short-term bank deposits	**0.09%**	0.05%	**0.15%**	-

12. Trade receivables

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- related parties [Note 35(a)]	**699**	535	**144**	61
- non-related parties	**13,483**	6,318	**2,194**	1,368
Due from customers [Note 14(d)]	**43,086**	-	**-**	-
	57,268	6,853	**2,338**	1,429
Less: Allowance for impairment of receivables - non-related parties	**(832)**	(768)	**-**	-
	56,436	6,085	**2,338**	1,429

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

13. Inventories

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Food and beverage	**40**	34	**35**	30
Linen and utensils	**5**	2	**3**	2
Sundry supplies	**37**	31	**19**	21
	82	67	**57**	53

14. Development properties

(a) Composition:

	Group	
	2010	2009
	$'000	$'000
Properties under development [Note 14(c)]	**154,647**	150,685

(b) There are no completed properties held for sale as at 31 December 2010 and 2009. The movements in allowance for foreseeable losses are as follows:

	Group	
	2010	2009
	$'000	$'000
Beginning of financial year	**-**	5,983
Allowance utilised during the financial year	**-**	(5,983)
End of financial year	**-**	-

(c) Unsold properties under development

	Group	
	2010	2009
	$'000	$'000
Freehold land	**100,890**	74,352
Development costs	**53,757**	76,333
	154,647	150,685

Included in freehold land is an amount of $53,153,000 representing the Group's 20% share in a joint venture. This joint venture is a contractual arrangement without a jointly-controlled entity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

14. Development properties (continued)

(d) Sold properties under development

	Group	
	2010	2009
	$'000	$'000
Costs incurred plus profits recognised		
Freehold land	**31,499**	6,482
Development costs and attributable profits	**135,965**	24,621
	167,464	31,103
Less: Progress billings	**(124,378)**	(37,203)
	43,086	(6,100)
Due from/(to) customers (Notes 12 and 23)	**43,086**	(6,100)

(e) Interest capitalised during the year was $393,000 (2009: $906,000). The weighted average effective rate of interest capitalised was 1.51% (2009: 3.15%) per annum.

(f) As at 31 December 2010, development properties with net book value of $154,647,000 (2009: $150,685,000) were pledged as securities for banking facilities of the Group [Note 25(b)(i)].

(g) Details of the development properties of the Group as at 31 December 2010 are as follows:

Unsold gross floor area (Sq. metres)	Description and location	Purpose of development	Stage of completion	Group's effective interest in the property	Existing use
	Held by 60%-held joint venture company, Orwin Development Limited				
	Floridian:				
16,117	Freehold residential land at Bukit Timah Road, Singapore	Condominium housing development	60%-Structural work almost completed and architectural work in progress	60%	Property under development
	Held by wholly-owned subsidiary, OPH Marymount Limited				
63,480	Land Parcel 780 at Jalan Eunos, Singapore	Residential/ mixed housing development	Acquisition of land completed. Construction work has not yet commenced	20%	Property under development

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

15. Financial assets, at fair value through profit or loss

	Group	
	2010	2009
	$'000	$'000
Beginning of financial year	**18,534**	9,482
Additions	**451**	1,261
Fair value (losses)/gains (Note 4)	**(552)**	7,791
Disposals	**(18,433)**	-
End of financial year	**-**	18,534
Designated as:		
- fair value on initial recognition	**-**	18,534

Financial assets, at fair value through profit or loss comprise equity securities listed in Singapore.

16. Other current assets

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Deposits	**2,509**	93	**11**	18
Prepayments	**1,494**	304	**188**	273
	4,003	397	**199**	291

Included in other current assets is an amount of $3,514,000 representing the Group's 30% share in a joint venture. This joint venture is a contractual arrangement without a jointly-controlled entity.

17. Investments in associated companies

(a)

	Group	
	2010	2009
	$'000	$'000
Beginning of financial year	**299,483**	285,732
Share of net profit/(loss)	**13,507**	(12,288)
Share of revaluation deficit [Note 29(b)(i)]	**(824)**	-
Share of movement in currency translation reserve [Note 29(b)(ii)]	**(1,074)**	(272)
Share of fair value gains on available-for-sale financial assets [Note 29(b)(iii)]	**26,445**	26,311
End of financial year	**337,537**	299,483

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

17. Investments in associated companies (continued)

(a) (continued)

The summarised financial information of associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2010	2009
	$'000	$'000
- Assets	**640,309**	596,700
- Liabilities	**(126,567)**	(159,194)
- Revenue	**399,841**	402,217
- Net profit/(loss)	**27,299**	(26,008)

Goodwill amounting to $108,968,000 (2009: $108,968,000) relating to the Group's investment in an associated company, Yeo Hiap Seng Limited ("YHS"), a company listed on the Singapore Exchange, is included in the carrying amount of investments in associated companies.

(b) The Group's investments in associated companies includes investment in YHS, a company listed on the Singapore Exchange, with a carrying amount of $333,737,000 (2009: $295,896,000) for which the quoted market price is $454,787,000 (2009: $497,423,000) at the balance sheet date.

(c) As at 31 December 2010, quoted equity shares in YHS with a carrying amount of approximately $117,432,000 (2009: $104,117,000), were pledged as security for banking facilities of the Group [Note 25(b)(ii)].

(d) The associated companies, which all have financial year-ends that are co-terminous with the Group are as follows:

Name of companies	Country of business and incorporation	Equity holding	
		2010	2009
		%	%
Associates of:			
Jelco Properties Pte Ltd:			
Yeo Hiap Seng Limited(1)(3)	Singapore	**49.53**	49.53
OPH Property Limited:			
Hill Grove Realty Limited(2)(3)	Singapore	**50.00**	50.00
OPH Zenith Pte Ltd:			
Seasons Park Limited(2)(3)	Singapore	**50.00**	50.00
OPH Investments Pte Ltd:			
Minard Investment Limited(2)(4)	British Virgin Islands	**25.00**	25.00

(1) Yeo Hiap Seng Limited ("YHS") is listed on the Singapore Exchange and is a subsidiary of Far East Organisation Pte Ltd ("FEO"), the holding and ultimate holding company of the Company through its other direct interest held by FEO.
(2) Unquoted equity shares.
(3) Audited by PricewaterhouseCoopers LLP, Singapore.
(4) Not required to be audited under the laws of the country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

17. Investments in associated companies (continued)

(e) Advances to associated companies

	Group	
	2010	2009
	$'000	$'000
Advances to associated companies	**860**	860
Less: Allowance for impairment loss	**(860)**	(860)
	-	-

The advances to associated companies are unsecured, interest-free and repayable on demand. Repayments are not expected within the next twelve months.

(f) Contingent liabilities of an associated company

(i) In 2003, a legal action for an alleged breach of agreement with regard to contract packing arrangement was brought by FY Sdn Bhd ("the Plaintiff"), a company incorporated in Malaysia, against Yeo Hiap Seng (Malaysia) Berhad ("YHSM"), a subsidiary of the YHS Group. There was no specific sum in the original statement of claim filed which seeks, inter alia that YHSM pays general damages.

The matter came up for trial before the High Court on 25 and 26 January 2010 and the Plaintiff was then claiming for damages of approximately $2.6 million (RM6.2 million) with interest and cost thereon. The High Court on 10 March 2010 granted judgement against YHSM in favour of the Plaintiff. The Court did not make any award on the quantum of damages as there was no evidence adduced by the Plaintiff to substantiate its claims for damages alleged to be suffered. Consequently, the court ordered that damages be assessed before the High Court Registrar in a separate hearing. Notwithstanding that, YHSM has on 28 June 2010, filed an appeal against the decision of the High Court, based on the advice from its legal advisors, YHSM has a strong case to appeal. The case is pending Court hearing.

(ii) In a prior financial year, the Central Jakarta District Court has dismissed a suit filed by PT Kharisma Inti Persada ("the Plaintiff") against YHSM and its subsidiary, PT YHS Indonesia, claiming for approximately $32 million (Rupiah 219.9 billion) for an alleged breach of an alleged distribution agreement and an alleged distributor's appointment.

The Plaintiff filed an appeal in the Jakarta High Court and on 1 February 2010, YHSM received a formal notification from the Central Jakarta District Court informing that the Jakarta High Court has decided in favour of YHSM and its subsidiary, PT YHS Indonesia in respect of the Plaintiff's appeal.

On 23 March 2010, YHSM received a formal notification from Central Jakarta District Court that the Plaintiff has filed an appeal against the Jakarta High Court's decision and YHSM has on 5 April 2010 filed a counter memorandum to the court. The case is still pending the Indonesia Supreme Court decision.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

18. Investments in joint venture

The following amounts represent the Group's 60% share of the assets and liabilities and income and expenses of the joint venture, Orwin Development Limited, which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line format of proportionate consolidation:

	Group	
	2010	2009
	$'000	$'000
Assets		
- Current assets	**184,266**	162,354
- Non-current assets	**2,602**	4,240
	186,868	166,594
Liabilities		
- Current liabilities	**12,046**	14,117
- Non-current liabilities	**9,860**	31,890
	21,906	46,007
Net assets	**164,962**	120,587
Sales	**135,186**	31,103
Expenses	**(83,216)**	(23,044)
Profit before tax	**51,970**	8,059
Income tax expense	**(7,595)**	(1,290)
Profit after tax	**44,375**	6,769
Operating cash inflows	**51,324**	14,660
Investing cash inflows	**23**	10
Financing cash outflows	**(28,962)**	(11,560)
Total cash inflows	**22,385**	3,110
Proportionate interest in joint venture's commitments [Note 32(b)(i)]	**45,059**	69,434

There are no contingent liabilities relating to the Group's interest in the joint venture.

Details of the joint venture are provided in Note 41 in respect of Orwin Development Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

19. Investments in subsidiaries

		Company	
		2010	2009
		$'000	$'000
(a)	Unquoted equity shares at cost:		
	- 15% redeemable cumulative preference shares	**396,100**	396,100
	- Ordinary shares	**97,106**	107,572
		493,206	503,672
	Less: Allowance for impairment losses	**(9,670)**	(11,847)
		483,536	491,825
(b)	*Non-current*		
	Advances to subsidiaries	**295,304**	279,257
	Less: Allowance for impairment losses	**(122,492)**	(118,732)
		172,812	160,525

The advances to subsidiaries are unsecured and repayable on demand. Repayments are not expected within the next twelve months. Interest is charged at a weighted average effective interest rate of 2.70% (2009: 3.03%) per annum on advances to subsidiaries of $57,236,000 (2009: $27,468,000). The other advances totalling $238,068,000 (2009: $251,789,000) are interest-free.

(c)

	Company	
	2010	2009
	$'000	$'000
Current		
Advances from subsidiaries	**-**	15,443
Non-current		
Advances from subsidiaries	**122,464**	123,391
	122,464	138,834

The advances from subsidiaries are unsecured and repayable on demand. Repayments are not expected within the next twelve months except for advances of $Nil (2009: $15,443,000) that are repayable within the next twelve months. The advances from subsidiaries are interest-free except for an amount of $Nil (2009: $9,311,000) which bears interest at a weighted average effective interest rate of 1.85% per annum. Included in advances from subsidiaries is an amount of $4,327,000 (2009: $4,286,000) relating to interest payable on advances from subsidiaries.

Details of the subsidiaries are included in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

20. Other non-current assets

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
At cost				
Available-for-sale financial assets				
- unlisted securities	**1,336**	1,336	**-**	-
Country club membership	**228**	228	**228**	228
	1,564	1,564	**228**	228
Less: Allowance for impairment losses				
Available-for-sale financial assets				
- unlisted securities	**(1,336)**	(1,336)	**-**	-
Country club membership	**(117)**	(117)	**(117)**	(117)
	111	111	**111**	111

Investments are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date or unless they need to be sold to raise operating capital.

21. Investment properties

(a)

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**165,493**	168,957	**109,867**	110,324
Currency transaction differences	**88**	(66)	**-**	-
Additions	**62**	70	**37**	17
Adjustment on revaluation to income statement (Note 4)	**7,600**	(3,468)	**4,055**	(474)
End of financial year	**173,243**	165,493	**113,959**	109,867

(b) Investment properties are carried at fair values at the balance sheet date as determined by independent professional valuers on an open market value basis.

Investment properties are leased to non-related parties and related parties [Note 35(a)] under operating leases. As at 31 December 2010, investment properties with a carrying amount of $168,029,000 (2009: $160,367,000) were pledged as security for banking facilities of the Group [Note 25(b)(i)].

The following amounts are recognised in profit and loss:

	Group	
	2010	2009
	$'000	$'000
Rental income	**10,306**	9,496
Direct operating expenses	**(3,206)**	(2,010)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

21. Investment properties (continued)

(c) Details of investment properties are:

	Tenure	Unexpired term of the lease
Singapore		
Shops and offices at Orchard Parade Hotel, Tanglin Road	Freehold	-
Shops at Albert Court Village Hotel, Albert Street	Leasehold	79 years
Shops and offices at Central Square Village Residences, Havelock Road	Leasehold	83 years
4 office units at Tanglin Shopping Centre, Tanglin Road	Freehold	-
Malaysia		
24-storey commercial building known as Plaza Atrium, Kuala Lumpur (vacant and awaiting redevelopment)	Freehold	-

22. Property, plant and equipment

(a)

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
Group							
2010							
Cost or valuation							
Beginning of financial year							
Cost	-	-	39,500	45	43	2,245	41,833
Valuation	487,376	156,066	-	-	-	-	643,442
	487,376	156,066	39,500	45	43	2,245	685,275
Additions	-	12	976	46	-	-	1,034
Disposals	-	-	(525)	-	-	-	(525)
Transfers	-	30	-	(30)	-	-	-
Adjustment on revaluation	56,864	(28,025)	-	-	-	-	28,839
End of financial year	544,240	128,083	39,951	61	43	2,245	714,623
Representing:							
Cost	-	-	39,951	61	43	2,245	42,300
Valuation	544,240	128,083	-	-	-	-	672,323
	544,240	128,083	39,951	61	43	2,245	714,623
Accumulated depreciation							
Beginning of financial year	-	-	30,106	-	43	1,989	32,138
Depreciation charge (Note 5)	2,107	3,440	1,562	-	-	13	7,122
Disposals	-	-	(521)	-	-	-	(521)
Adjustment on revaluation	(2,107)	(3,440)	-	-	-	-	(5,547)
End of financial year	-	-	31,147	-	43	2,002	33,192
Net book value							
End of financial year	**544,240**	**128,083**	**8,804**	**61**	**-**	**243**	**681,431**

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For the financial year ended 31 December 2010

22. Property, plant and equipment (continued)

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
(a) Group							
2009							
Cost or valuation							
Beginning of financial year							
Cost	-	-	36,960	-	123	3,005	40,088
Valuation	542,594	146,469	-	-	-	-	689,063
	542,594	146,469	36,960	-	123	3,005	729,151
Additions	-	191	1,822	45	-	-	2,058
Disposals	-	-	(42)	-	(80)	-	(122)
Transfers	-	-	760	-	-	(760)	-
Adjustment on revaluation	(55,218)	9,406	-	-	-	-	(45,812)
End of financial year	487,376	156,066	39,500	45	43	2,245	685,275
Representing:							
Cost	-	-	39,500	45	43	2,245	41,833
Valuation	487,376	156,066	-	-	-	-	643,442
	487,376	156,066	39,500	45	43	2,245	685,275
Accumulated depreciation							
Beginning of financial year	-	-	28,598	-	123	1,974	30,695
Depreciation charge (Note 5)	1,939	3,860	1,535	-	-	15	7,349
Disposals	-	-	(27)	-	(80)	-	(107)
Adjustment on revaluation	(1,939)	(3,860)	-	-	-	-	(5,799)
End of financial year	-	-	30,106	-	43	1,989	32,138
Net book value							
End of financial year	**487,376**	**156,066**	**9,394**	**45**	**-**	**256**	**653,137**
(b) Company							
2010							
Cost or valuation							
Beginning of financial year							
Cost	-	-	27,723	-	49	2,006	29,778
Valuation	325,017	83,695	-	-	-	-	408,712
	325,017	83,695	27,723	-	49	2,006	438,490
Additions	-	-	505	38	-	-	543
Disposals	-	-	(520)	-	(6)	-	(526)
Adjustment on revaluation	30,919	(13,012)	-	-	-	-	17,907
End of financial year	355,936	70,683	27,708	38	43	2,006	456,414
Representing:							
Cost	-	-	27,708	38	43	2,006	29,795
Valuation	355,936	70,683	-	-	-	-	426,619
	355,936	70,683	27,708	38	43	2,006	456,414
Accumulated depreciation							
Beginning of financial year	-	-	21,358	-	49	1,768	23,175
Depreciation charge	-	1,993	1,080	-	-	-	3,073
Disposals	-	-	(516)	-	(6)	-	(522)
Adjustment on revaluation	-	(1,993)	-	-	-	-	(1,993)
End of financial year	-	-	21,922	-	43	1,768	23,733
Net book value							
End of financial year	**355,936**	**70,683**	**5,786**	**38**	**-**	**238**	**432,681**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

22. Property, plant and equipment (continued)

(b) **Company**

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
2009							
Cost or valuation							
Beginning of financial year							
Cost	-	-	25,480	-	49	2,766	28,295
Valuation	360,879	83,516	-	-	-	-	444,395
	360,879	83,516	25,480	-	49	2,766	472,690
Additions	-	-	1,523	-	-	-	1,523
Disposals	-	-	(40)	-	-	-	(40)
Transfers	-	-	760	-	-	(760)	-
Adjustment on revaluation	(35,862)	179	-	-	-	-	(35,683)
End of financial year	325,017	83,695	27,723	-	49	2,006	438,490
Representing:							
Cost	-	-	27,723	-	49	2,006	29,778
Valuation	325,017	83,695	-	-	-	-	408,712
	325,017	83,695	27,723	-	49	2,006	438,490
Accumulated depreciation							
Beginning of financial year	-	-	20,314	-	49	1,768	22,131
Depreciation charge	-	2,230	1,071	-	-	-	3,301
Disposals	-	-	(27)	-	-	-	(27)
Adjustment on revaluation	-	(2,230)	-	-	-	-	(2,230)
End of financial year	-	-	21,358	-	49	1,768	23,175
Net book value							
End of financial year	**325,017**	**83,695**	**6,365**	**-**	**-**	**238**	**415,315**

(c) If the freehold and leasehold land and buildings of the Group and the Company stated at valuation as at 31 December 2010 were included in the financial statements at cost less accumulated depreciation, their net book values would have been $157,042,000 (2009: $161,194,000) and $49,032,000 (2009: $50,289,000) respectively.

(d) At the balance sheet date, the net book value of freehold and leasehold land and buildings of the Group and the Company pledged as security for borrowings amounted to $672,323,000 (2009: $643,442,000) and $426,619,000 (2009: $408,712,000) respectively [Note 25(b)(i)].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

22. Property, plant and equipment (continued)

(e) The freehold and leasehold land and buildings of the Group comprise:

Location	Description and existing use	Tenure
Singapore		
1 Tanglin Road	Hotel operation	Freehold/99 year leasehold with effect from April 1965
180 Albert Street	Hotel operation	99 year leasehold with effect from September 1990
20 Havelock Road	Serviced apartments and serviced offices	99 year leasehold with effect from February 1995

(f) Valuation

The freehold and leasehold land and buildings are carried at fair values at the balance sheet date as determined by independent professional valuers on an open market value basis.

For the financial year ended 31 December 2010, the Group and the Company recognised revaluation surplus of $34,386,000 and $19,900,000 (2009: revaluation deficit of $40,013,000 and $33,453,000) in the asset revaluation reserve of the Group and the Company respectively [Note 29(b)(i)].

23. Trade payables

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Trade payables to:				
- non-related parties	**14,870**	9,175	**1,802**	1,085
- related parties [Note 35(a)]	**3,071**	1,892	**168**	88
	17,941	11,067	**1,970**	1,173
Due to customers [Note 14(d)]	**-**	6,100	**-**	-
	17,941	17,167	**1,970**	1,173

24. Other current payables

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Other payables				
- non-related parties	**1,182**	491	**190**	199
- related parties [Note 35(a)]	**4,054**	3,182	**3,989**	2,593
	5,236	3,673	**4,179**	2,792
Interest payable	**445**	941	**230**	594
Accrual for operating expenses	**4,271**	3,868	**2,460**	2,239
Deferred revenue	**171**	222	**-**	-
Rental deposits	**1,467**	1,246	**639**	362
	11,590	9,950	**7,508**	5,987

The other current payables to related parties are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

25. Borrowings

(a)

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings *	**131,570**	13,992	**1,200**	-
Non-current				
Bank borrowings *	**274,057**	409,129	**247,132**	244,653
Total borrowings	**405,627**	423,121	**248,332**	244,653

* Net of transaction costs.

The bank borrowings of the Group and the Company are subject to contractual repricing, within one month (2009: three months) as at the balance sheet dates.

(b) Security granted

All bank borrowings of the Group and the Company are secured over:

(i) the Group's development properties, investment properties, freehold and leasehold land and buildings (Notes 14, 21 and 22);

(ii) certain quoted shares held by the group in an associated company [Note 17(c)];

(iii) fixed and floating charge over all the assets of the Company and certain subsidiaries;

(iv) assignment of all rights to and benefits from the sale and purchase agreements, rental proceeds, lease tenancies, building contracts, licences and insurance policies in respect of development properties, investment properties and freehold and leasehold land and buildings within the Group (Notes 14, 21 and 22); and

(v) corporate guarantees by the Company.

26. Other non-current liabilities

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Rental deposits	**998**	1,399	**723**	936
Advances from minority shareholders of subsidiaries	**2**	2	**-**	-
Advances from associated companies	**3,016**	3,016	**-**	-
	4,016	4,417	**723**	936

The advances from minority shareholders and associated companies are unsecured, interest-free and repayable on demand. Repayment is not expected within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

27. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
- to be settled within one year	**9,860**	52	**-**	84
- to be settled after one year	**27,695**	28,066	**5,309**	7,456
	37,555	28,118	**5,309**	7,540

Movement in deferred income tax account (net) is as follows:

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**28,118**	28,297	**7,540**	6,773
Effect of change in Singapore tax rates on:				
- profit or loss	**-**	(159)	**-**	(41)
- equity [Note 29(b)(i)]	**-**	(1,408)	**-**	(335)
Tax charged/(credited) to:				
- profit or loss	**8,848**	2,094	**(358)**	734
- equity [Note 29(b)(i)]	**589**	(706)	**(1,873)**	409
End of financial year	**37,555**	28,118	**5,309**	7,540

Deferred income tax debited against/(credited to) equity are as follows:

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Asset revaluation reserve				
- land and buildings [Note 29(b)(i)]	**589**	(2,114)	**(1,873)**	74

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation at the related tax benefits through future taxable profit is probable. The Group has unrecognised tax losses of approximately $84,844,000 (2009: $87,740,000) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. These tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

27. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Asset revaluation surplus $'000	Other $'000	Total $'000
2010				
Beginning of financial year	1,645	23,932	2,541	28,118
Charged/(credited) to				
- profit or loss	33	470	8,345	8,848
- equity	-	589	-	589
End of financial year	**1,678**	**24,991**	**10,886**	**37,555**
2009				
Beginning of financial year	945	26,779	796	28,520
Effect of change in Singapore tax rate on				
- profit or loss	(50)	(79)	(42)	(171)
- equity	-	(1,408)	-	(1,408)
Charged/(credited) to				
- profit or loss	750	(654)	1,787	1,883
- equity	-	(706)	-	(706)
End of financial year	1,645	23,932	2,541	28,118

Deferred income tax assets

	Tax losses $'000	Other $'000	Total $'000
2010			
Beginning and end of financial year	**-**	**-**	**-**
2009			
Beginning of financial year	(223)	-	(223)
Effect of change in Singapore tax rate on			
- profit or loss	12	-	12
Charged to profit or loss	211	-	211
End of financial year	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

27. Deferred income taxes (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Asset revaluation surplus $'000	Other $'000	Total $'000
2010				
Beginning of financial year	1,036	4,621	1,883	7,540
Charged/(credited) to				
- profit or loss	-	(133)	(225)	(358)
- equity	-	(1,873)	-	(1,873)
End of financial year	**1,036**	**2,615**	**1,658**	**5,309**
2009				
Beginning of financial year	704	4,641	1,428	6,773
Effect of change in Singapore tax rate on				
- profit or loss	(39)	77	(79)	(41)
- equity	-	(335)	-	(335)
Charged/(credited) to				
- profit or loss	371	(171)	534	734
- equity	-	409	-	409
End of financial year	1,036	4,621	1,883	7,540

28. Share capital

The Group and Company's share capital comprises fully paid-up 353,006,000 (2009: 350,774,000) ordinary shares with no par value, amounting to a total of $356,713,000 (2009: $354,391,000).

29. Revaluation and other reserves

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
(a) Composition:				
Asset revaluation reserve	**498,234**	472,324	**400,541**	378,768
Currency translation reserve	**(5,274)**	(4,277)	**-**	-
Fair value reserve	**33,008**	6,563	**-**	-
	525,968	474,610	**400,541**	378,768

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

29. Revaluation and other reserves (continued)

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
(b) Movements:				
(i) *Asset revaluation reserve:*				
Beginning of financial year	**472,324**	513,096	**378,768**	412,295
Effect of change in Singapore tax rate (Note 27)	**-**	1,408	**-**	335
Revaluation surplus/(deficit) on property, plant and equipment (Note 22)	**34,386**	(40,013)	**19,900**	(33,453)
Movement in deferred tax liability on revaluation surplus/deficit (Note 27)	**(589)**	706	**1,873**	(409)
Share of associated company's revaluation deficit [Note 17(a)]	**(824)**	-	**-**	-
Share of associated company's transfer to retained profits	**(7,063)**	(2,873)	**-**	-
End of financial year	**498,234**	472,324	**400,541**	378,768
(ii) *Currency translation reserve:*				
Beginning of financial year				
As previously reported	**(14,641)**	(14,305)	**-**	-
Share of associated company's prior years' adjustment *	**10,364**	10,364	**-**	-
As restated	**(4,277)**	(3,941)	**-**	-
Net currency translation differences of financial statements of a foreign subsidiary company	**75**	(64)	**-**	-
Share of associated company's currency translation reserve [Note 17(a)]	**(1,074)**	(272)	**-**	-
Share of associated company's transfer to retained profits	**2**	-	**-**	-
End of financial year	**(5,274)**	(4,277)	**-**	-
(iii) *Fair value reserve:*				
Beginning of financial year	**6,563**	(19,748)	**-**	-
Share of associated company's fair value gains on available-for-sale financial assets [Note 17(a)]	**26,445**	26,311	**-**	-
End of financial year	**33,008**	6,563	**-**	-

Revaluation and other reserves are non-distributable.

* This represents the Group's share of prior year's adjustment made by its associated company, Yeo Hiap Seng Limited ("YHS"). YHS has reclassified a total amount of $20,924,000 from foreign currency translation reserve in equity to retained profits as a prior years' adjustment. This adjustment arises from the realisation of the net foreign exchange loss relating to the reduction of YHS's net investment in Hong Kong upon the disposal of a subsidiary in 1994 and the discontinuation of a subsidiary's operation in Canada in 2003. This net foreign exchange loss should have been recognised in the income statement of prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

30. Retained profits

Movement in retained profits for the Company is as follows:

	Company	
	2010	2009
	$'000	$'000
Beginning of financial year	**47,742**	26,866
Net profit	**18,129**	20,876
Shares issued in-lieu of dividends	**(2,322)**	-
Dividends paid to shareholders in cash	**(1,184)**	-
End of financial year	**62,365**	47,742

Movement in retained profits for the Group is shown in the consolidated statement of changes in equity.

31. Contingent liabilities

Subsequent to the sale of an investment property by a subsidiary in 2002, an injunction was obtained by the previous tenant of the investment property against the two existing owners and the subsidiary. The injunction prevents the existing owners and the subsidiary from disposing of the investment property until the conclusion of the trial. In the event the injunction is successful, the subsidiary will have to void the sale of the investment property and refund $3.0 million to the purchaser with a corresponding decrease of $0.7 million to the Group and subsidiary's net profit.

Based on legal advice on this matter, the directors are of the opinion that the outcome of the trial will be favourable to the subsidiary, and no significant liabilities will be incurred. Hence, no provision has been made in respect of the lawsuit.

32. Commitments

(a) Corporate guarantees

Corporate guarantees issued by the Company to banks in respect of banking facilities granted to the subsidiaries are disclosed in Note 33(b).

(b) Capital commitments

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies are as follows:				
(i) Property under development (Note 18)	**45,059**	69,434	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

32. Commitments (continued)

(c) Operating lease commitments

The Group leases out its investment properties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Not later than one year				
- non-related parties	**6,665**	7,881	**5,123**	5,928
- related parties [Note 35(a)]	**784**	1,031	**323**	346
	7,449	8,912	**5,446**	6,274
Between one and five years				
- non-related parties	**4,134**	8,517	**3,542**	6,583
- related parties [Note 35(a)]	**105**	318	**-**	95
	4,239	8,835	**3,542**	6,678
	11,688	17,747	**8,988**	12,952

33. Financial risk management

The Group's activities expose it to market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out by a team within the management of the Group.

(a) Market risk

(i) *Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets other than fixed deposits with banks, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings and advances from/to subsidiaries at variable rates. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

The borrowings of the Group and the Company at variable rates are denominated in Singapore Dollars. If the interest rates increase/decrease by 0.4% (2009: 0.2%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by $1,400,000 (2009: $750,000) and $967,000 (2009: $500,000) as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

33. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Currency risk*

The Group's currency exposure to foreign currency risk is not significant as most of its transactions are denominated in Singapore Dollars, except for the activities undertaken by its Malaysian subsidiary, which are mainly denominated in Malaysia Ringgit. The Malaysian subsidiary mainly owns an investment property in Kuala Lumpur [Note 21(c)] and does not have significant financial assets and liabilities as the property is currently vacant awaiting redevelopment to commence.

The Company's business is not exposed to any significant foreign exchange risk as majority of its financial assets and liabilities are denominated in Singapore Dollars.

(iii) *Price risk*

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as financial assets, at fair value through profit or loss. These securities are listed in Singapore. The investment decisions are undertaken by a team, which comprises certain directors of the Company. The Group has disposed of all financial assets, at fair value through profit or loss in the financial year ended 31 December 2010.

For the financial year ended 31 December 2009, if prices for equity securities listed in Singapore had changed by 6% with all other variables including tax rate being held constant, the effects on profit after tax would have been:

	Increase/ (Decrease) Profit after tax 2009 $'000
Group	
Listed in Singapore	
- Increased by	923
- Decreased by	(923)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and/or requiring deposits to be placed with the Group prior to provision of certain of its services. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group has no significant concentrations of credit risk and has in place credit policies and procedures to ensure on-going credit evaluation and active account monitoring.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. In addition, the Company has off-balance sheet exposure to credit risk as follows:

	Company	
	2010 **$'000**	2009 $'000
Corporate guarantees provided to banks on subsidiaries' banking facilities	**157,475**	178,690

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

33. Financial risk management (continued)

(b) Credit risk (continued)

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with reputable banks. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Past due 0 to 2 months	**3,042**	827	**318**	354
Past due 2 to 4 months	**471**	91	**7**	6
Past due over 4 months	**2,005**	255	**2**	255
	5,518	1,173	**327**	615

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Gross amount	**832**	768	-	-
Less: Allowance for impairment losses	**(832)**	(768)	**-**	-
	-	-	**-**	-
Beginning of financial year	**768**	774	**-**	-
Allowance made	**64**	-	**-**	-
Allowance utilised	**-**	(6)	**-**	-
End of financial year	**832**	768	**-**	-

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities (Note 25). At the balance sheet date, assets held by the Group and Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 11.

The Group and the Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

33. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
At 31 December 2010			
Trade and other payables	29,360	-	-
Borrowings	140,054	251,960	27,686
Other non-current liabilities	-	3,818	198
	169,414	**255,778**	**27,884**
At 31 December 2009			
Trade and other payables	26,895	-	-
Borrowings	24,909	145,290	302,419
Other non-current liabilities	-	3,741	676
	51,804	149,031	303,095
Company			
At 31 December 2010			
Trade and other payables	9,478	-	-
Borrowings	7,721	251,143	-
Other non-current liabilities	-	542	181
	17,199	**251,685**	**181**
At 31 December 2009			
Trade and other payables	7,160	-	-
Borrowings	7,400	7,380	251,358
Other non-current liabilities	-	363	573
	14,560	7,743	251,931

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

33. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. Consistent with how management monitors capital, the gearing ratio is calculated as total borrowings divided by total equity.

	Group		**Company**	
	2010	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000
Total borrowings	**405,627**	423,121	**248,332**	244,653
Total equity	**959,230**	819,464	**819,619**	780,901
Gearing ratio	**42%**	52%	**30%**	31%

The Group also monitors key debt covenant ratios as required under the term loan facility of $250,000,000 drawn down during the financial year ended 31 December 2009. The key debt covenant ratios are:

(i) ratio of EBITDA to interest expense for the financial period ended 30 June and year ended 31 December will not be less than 1.35 to 1, where EBITDA is calculated as the Company's profit before income tax plus finance expense and depreciation expense;

(ii) ratio of total borrowings to total security value will not at any time exceed 0.55; and

(iii) the consolidated tangible net worth will not at any time be less than $500,000,000, where consolidated tangible net worth is calculated as the Group's equity less any intangible assets.

The debt covenant ratios required under the term loan facility as at 31 December 2010 and for the financial year then ended are as follows:

	Group and Company	
	2010	2009
Ratio of EBITDA to interest expense	**4.22**	3.03
Ratio of total borrowings to total security value	**0.47**	0.49
Consolidated tangible net worth ($'000)	**850,262**	710,496

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2010 and 2009.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

33. Financial risk management (continued)

(e) Fair value measurements

The Group presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the balance sheet date. During the financial year ended 31 December 2010, the Group disposed all its financial instruments which were traded on active markets. As at 31 December 2009, the quoted market price used for financial assets held by the Group of $18,534,000 was the current bid price. These instruments were categorised as Level 1.

34. Immediate and ultimate holding company

The Company's immediate and ultimate holding company is Far East Organisation Pte Ltd, incorporated in Singapore.

35. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2010	2009
	$'000	$'000
Amount billed to joint venture:		
- Management fees	**636**	566
Amount billed (by)/to other related parties:		
- Management service, property management, accounting, computer support and other fees	**(3,570)**	(3,567)
- Property development, project management, and sales and marketing service fees	**(1,382)**	(765)
- Rental income	**1,761**	1,797

Other related parties comprise companies that are controlled by the shareholders of the Company's ultimate holding company (Note 34).

Outstanding balances at 31 December 2010, arising from sale and purchase of goods and services, are set out in Notes 12 and 23 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

35. Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2010	2009
	$'000	$'000
Wages and salaries	**567**	559
Employer's contribution to defined contribution plans, including Central Provident Fund	**26**	30
Directors' fees	**367**	376
	960	965

Included in the above is total compensation to directors of the Company amounting to $482,000 (2009: $491,000).

The banding of directors' remuneration is disclosed in Note 7.

36. Segment information

Management has determined the operating segments based on the reports reviewed by the Group's chief operating decision maker ("CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective only as the Group's business segments operate predominantly in Singapore only. The Group is organised into five main business segments:

- Hospitality - operation of Orchard Parade Hotel, Albert Court Village Hotel and Central Square Village Residences
- Property development - sale of properties
- Property investment - rental of investment properties owned by the Group
- Investment holding and trading - investments in quoted/unquoted shares
- Food and beverage and other - sale of food and beverage products by an associated company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

36. Segment information (continued)

The segment information provided to the CODM for the reportable segments is as follows:

	Hospitality $'000	Property development $'000	Property investment $'000	Investment holding $'000	Food and beverage and other [1] $'000	Group $'000
Financial year ended 31 December 2010						
Revenue						
- external sales	48,823	135,822	11,118	460	-	196,223
Gross profit	29,359	55,711	9,120	460	-	94,650
Operating profit	27,651	52,763	7,741	395	-	88,550
Corporate expenses						(1,980)
Finance expense						(11,492)
Losses on financial assets, at fair value through profit or loss	-	-	-	(552)	-	(552)
Fair value gains on investment properties	-	-	7,600	-	-	7,600
Share of profit of associated companies	-	213	-	-	13,294	13,507
Profit before income tax						95,633
Income tax expense						(13,102)
Net profit						82,531
Segment assets	688,408	239,898	178,860	80	-	1,107,246
Associated companies	-	3,801	-	-	333,736	337,537
Total assets						1,444,783
Capital expenditure	1,034	-	-	-	-	1,034

(1) This relates to investment held in an associated company, Yeo Hiap Seng Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

36. Segment information (continued)

	Hospitality $'000	Property development $'000	Property investment $'000	Investment holding $'000	Food and beverage and other[1] $'000	Group $'000
Financial year ended 31 December 2009						
Revenue						
- external sales	37,624	42,262	10,545	844	-	91,275
Gross profit	20,127	12,290	8,462	844	-	41,723
Operating profit	17,976	10,606	8,030	820	-	37,432
Corporate expenses						(2,066)
Finance expense						(13,204)
Gains on financial assets, at fair value through profit or loss	-	-	-	7,791	-	7,791
Fair value losses on investment properties	-	-	(3,468)	-	-	(3,468)
Share of loss of associated companies	-	(6)	-	-	(12,282)	(12,288)
Profit before income tax						14,197
Income tax expense						(987)
Net profit						13,210
Segment assets	657,799	161,292	167,017	20,246	-	1,006,354
Associated companies	-	3,587	-	-	295,896	299,483
Total assets						1,305,837
Capital expenditure	2,058	-	-	-	-	2,058

(1) This relates to investment held in an associated company, Yeo Hiap Seng Limited.

There are no revenues from transactions with a single external customer that accounts for 10 per cent or more of the Group's revenue for the financial years ended 31 December 2010 and 2009.

37. Dividends

	Group and Company	
	2010 $'000	2009 $'000
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 1 cent per share (Note 30)	**3,506**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

37. Dividends (continued)

At the Annual General Meeting on 29 April 2011, a final one-tier tax exempt dividend of 2.00 cents per ordinary share and a special one-tier tax exempt dividend of 4.00 cents per ordinary share amounting to a total of $21,180,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ended 31 December 2011.

38. Events occurring after balance sheet date

Subsequent to the financial year end, the Group concluded the financing and construction contracts to commence the redevelopment of an investment property in Malaysia, Plaza Atrium, into serviced residences.

39. New or revised accounting standards and interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published, that are mandatory for accounting periods beginning on or after 1 January 2011. The Group does not expect that adoption of these accounting standards or interpretations will have a material impact on the Group's and the Company's financial statements.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Orchard Parade Holdings Limited on 23 March 2011.

41. Listing of subsidiaries in the Group

Name of Company	Principal activities	Country of Incorporation and Place of Business	Cost of investment		% of Paid-up Capital held by The Company or its Nominees		% of Paid-up Capital held by Subsidiaries or their Nominees	
			2010 $'000	2009 $'000	**2010 %**	2009 %	**2010 %**	2009 %
Stable Properties Pte Ltd	Property investment	Singapore	*****	*	**100**	100	**-**	-
First Choice Properties Pte Ltd	Operation of hotel and property investment	Singapore	**12,083**	12,083	**100**	100	**-**	-
OPH Securities Holding Pte Ltd (2)	General trading/ investment holding	Singapore	**-**	*	**-**	100	**-**	-
Tannery Holdings Pte Ltd	Property development and investment	Singapore	*****	*	**100**	100	**-**	-
Balance carried forward			**12,083**	12,083				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

41. Listing of subsidiaries in the Group (continued)

Name of Company	Principal activities	Country of Incorporation and Place of Business	Cost of investment		% of Paid-up Capital held by The Company or its Nominees		% of Paid-up Capital held by Subsidiaries or their Nominees	
			2010	2009	**2010**	2009	**2010**	2009
			$'000	$'000	**%**	%	**%**	%
Balance brought forward			**12,083**	12,083				
Pinehigh Development Sdn Bhd	Investment in a property in Malaysia	Malaysia	**	**	**100**	100	**-**	-
Westview Properties Pte Ltd	Property development	Singapore	**17,370**	17,370	**100**	100	**-**	-
Goldvine Pte Ltd [2]	Property development	Singapore	**-**	10,466	**-**	100	**-**	-
Jadevine Limited	Property development	Singapore	**26,018**	26,018	**100**	100	**-**	-
Pearlvine Pte Ltd	Property development	Singapore	**7,863**	7,863	**100**	100	**-**	-
OPH Property Limited	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Westcove Pte Ltd	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
OPH Zenith Pte Ltd	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Riverside Pte Ltd	Operation of serviced apartments, serviced offices and property investment	Singapore	**30,972**	30,972	**100**	100	**-**	-
OPH Investments Pte Ltd	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Marymount Limited	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
OPH Orion Limited	Investment holding	Singapore	*	*	**100**	100	**-**	-
Jelco Properties Pte Ltd	Investment holding	Singapore	**396,100**	396,100	**100**	100	**-**	-
OPH Investment Trading Pte Ltd	Investment trading and holding	Singapore	*	*	**100**	100	**-**	-
Seasons Green Limited	Property development	Singapore	**800**	800	**80**	80	**-**	-
Joint Venture of OPH Orion Limited								
Orwin Development Limited [1]	Property development	Singapore	**-**	-	-	-	**60**	60
			493,206	503,672				

All subsidiaries are audited by PricewaterhouseCoopers LLP, Singapore, except for Pinehigh Development Sdn Bhd, which is audited by Roger Yue, Tan & Associates, Malaysia.

** Cost of investment is $2.00.*

*** Cost of investment is RM2.00.*

(1) Orwin Development Limited is a subsidiary of the Group under the Singapore Companies Act, Cap. 50, by virtue of the Group's equity interests exceeding 50%. However, for accounting purposes, Orwin Development Limited is regarded as a joint venture (Note 18) in accordance with FRS 31, Financial Reporting of Interests in Joint Ventures because a contractual agreement exists between the shareholders which requires unanimous consent from the shareholders for all strategic financial and operating activities relating to the company.

(2) Dissolved in 2010.

STATISTICS OF SHAREHOLDINGS

as at 15 March 2011

Issued and fully paid-up capital	:	$356,712,571.24
Number of shares issued	:	353,006,742
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	408	6.76	70,923	0.02
1,000 - 10,000	4,292	71.10	19,512,206	5.53
10,001 - 1,000,000	1,318	21.83	51,644,720	14.63
1,000,001 and above	19	0.31	281,778,893	79.82
Total	6,037	100.00	353,006,742	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Far East Organisation Pte Ltd	205,620,383	58.25
2	United Overseas Bank Nominees Pte Ltd	9,243,064	2.62
3	Kim Eng Securities Pte. Ltd.	8,774,044	2.49
4	Citibank Nominees Singapore Pte Ltd	7,513,326	2.13
5	Bank of East Asia Nominees Pte Ltd	7,296,676	2.07
6	BNP Paribas Pte Bank Nominees Pte Ltd	7,186,697	2.04
7	DBS Nominees Pte Ltd	6,881,413	1.95
8	Daiwa (Malaya) Private Limited	6,731,200	1.91
9	OCBC Nominees Singapore Pte Ltd	3,127,039	0.89
10	Raffles Nominees Pte Ltd	2,902,336	0.82
11	DBSN Services Pte Ltd	2,607,000	0.74
12	UOB Kay Hian Pte Ltd	2,598,432	0.74
13	The Estate of Khoo Teck Puat, Deceased	2,412,200	0.68
14	OCBC Securities Private Ltd	2,119,676	0.60
15	Hotel Holdings (Private) Ltd	1,699,600	0.48
16	HSBC (Singapore) Nominees Pte Ltd	1,581,538	0.45
17	DBS Vickers Securities (S) Pte Ltd	1,362,368	0.39
18	Goodwood Park Hotel Ltd	1,103,200	0.31
19	Hexacon Construction Pte Ltd	1,018,701	0.29
20	Phillip Securities Pte Ltd	936,647	0.27
	Total	282,715,540	80.12

STATISTICS OF SHAREHOLDINGS

as at 15 March 2011

Substantial Shareholders as per the Register of Substantial Shareholders

Name	No. of Shares	%
Far East Organisation Pte Ltd ("Far East")*	205,620,384	58.25
The Estate of Khoo Teck Puat, Deceased	20,951,000	5.94

* (i) Both Mr Ng Teng Fong (deceased) and Mdm Tan Kim Choo, a Director of Far East are deemed to have an interest in the above shareholdings as they own 50% each of the issued shares of Far East.

(ii) In addition to her interest in the aforesaid shareholding, Mdm Tan is also a registered and beneficial owner of 224,659 shares in the Company.

Compliance with Rule 723 of the Listing Manual

The percentage of shareholding held in the hands of the public as at 15 March 2011 was 35.73%. Thus, the Company has complied with Rule 723 of the Listing Manual of the Singapore Securities Trading Limited, which requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

ORCHARD PARADE HOLDINGS LIMITED (Registration No: 196700511H) (Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Forty-third Annual General Meeting of Orchard Parade Holdings Limited (the "Company") will be held at Antica I, Level 2, Orchard Parade Hotel, 1 Tanglin Road, Singapore 247905 on Friday, 29 April 2011 at 2.00 p.m. for the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2010 and the reports of the directors and auditors thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of S$0.02 per ordinary share and a special one-tier tax exempt dividend of S$0.04 per ordinary share for the financial year ended 31 December 2010. **(Resolution 2)**

3. To approve the payment of S$367,000 as Directors' fees for the financial year ended 31 December 2010 (2009: S$375,803). **(Resolution 3)**

4. To re-elect Mr Philip Ng Chee Tat, a Director retiring pursuant to Article 96 of the Company's Articles of Association. **(Resolution 4)**

5. To re-elect Mdm Ng Siok Keow, a Director retiring pursuant to Article 96 of the Company's Articles of Association. **(Resolution 5)**

6. To re-elect Mr Cheng Hong Kok, a Director retiring pursuant to Article 96 of the Company's Articles of Association.

   (Mr Cheng Hong Kok will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will continue to remain as a member of the Remuneration Committee.) **(Resolution 6)**

7. To record the retirement of Mr Hin Hoo Sing, a Director who is over the age of 70 years, who has indicated that he does not wish to seek re-appointment under Section 153(6) of the Companies Act, Chapter 50 of Singapore.

8. To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

9. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications:

10. <u>Authority to allot and issue shares</u>

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (***Act***) and the Listing Manual of the Singapore Exchange Securities Trading Limited (***SGX-ST***), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company (***Shares***) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, ***Instruments***) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

ORCHARD PARADE HOLDINGS LIMITED (Registration No: 196700511H) (Incorporated in the Republic of Singapore)

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding any treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares, if any) shall be based on the total number of issued Shares (excluding treasury shares, if any) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act and the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the articles of association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 8)**

BY ORDER OF THE BOARD

CHLOE KHO KIM SUAN
MADELYN KWANG YEIT LAM
Company Secretaries

Singapore,
12 April 2011

NOTICE OF ANNUAL GENERAL MEETING

ORCHARD PARADE HOLDINGS LIMITED (Registration No: 196700511H) (Incorporated in the Republic of Singapore)

Notes:

(i) A member of the Company entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote in his/her stead.

(ii) Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under its common seal or under the hand of its attorney.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213 not less than 48 hours before the time appointed for holding the above Meeting.

Explanatory Note:

The Ordinary Resolution proposed in item 10 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to allot and issue shares and to make or grant instruments convertible into shares in the capital of the Company for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares which may be issued (including shares to be issued pursuant to convertibles) under this Resolution shall not exceed 50% of the issued shares (excluding treasury shares, if any) in the capital of the Company, of which not more than 20% may be issued other than on a pro-rata basis. The total number of shares which may be issued will be calculated based on the total number of issued shares (excluding treasury shares, if any) in the capital of the Company at the time this Resolution is passed after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or employee share options on issue at the time this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

ORCHARD PARADE HOLDINGS LIMITED
(Registration No: 196700511H) (Incorporated in Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1. For investors who have used their CPF monies to buy Orchard Parade Holdings Limited shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY.**
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____

of ____

being a member/members of Orchard Parade Holdings Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty-third Annual General Meeting ("AGM") of the Company to be held on Friday, 29 April 2011 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For *	Against *
1.	Adoption of Audited Financial Statements and Reports		
2.	Payment of first and final dividend and special dividend		
3.	Approval of Directors' fees of S$367,000		
4.	Re-election of Mr Philip Ng Chee Tat as a Director		
5.	Re-election of Mdm Ng Siok Keow as a Director		
6.	Re-election of Mr Cheng Hong Kok as a Director		
7.	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
8.	Authority to allot and issue shares		

* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this ___________ day of __________________ 2011.

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Affix
Postage
Stamp

Company Secretary
Orchard Parade Holdings Limited
14 Scotts Road #06-01
Far East Plaza
Singapore 228213

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Fold along dotted line

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.

4. This proxy form must be deposited at the Company's registered office at 14 Scotts Road, #06-01 Far East Plaza, Singapore 228213 not less than 48 hours before the time set for the AGM.

5. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy or proxies, failing which the instrument may be treated as invalid.

General

The Company shall be entitled to reject an instrument appointing a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Orchard Parade Holdings Limited
Registration No. 196700511H

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