Orchard Parade Holdings Limited
Annual Report 2011

Nurturing Progress

// Nurturing Progress

Every stage of progress requires utmost care and an unwavering commitment to excellence. Amidst the dynamic global business landscape, we embrace the rising opportunities to foster progressive growth for the organisation and bring value to our shareholders.

Orchard Parade Holdings Limited (OPHL) is dedicated to constantly reinventing itself to respond to market opportunities and grow its business in a sustainable manner. By nurturing the strong foundations anchored by our core values and building on our real estate capabilities, we endeavour to grow the organisation to scale new heights of excellence.

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// Corporate Profile

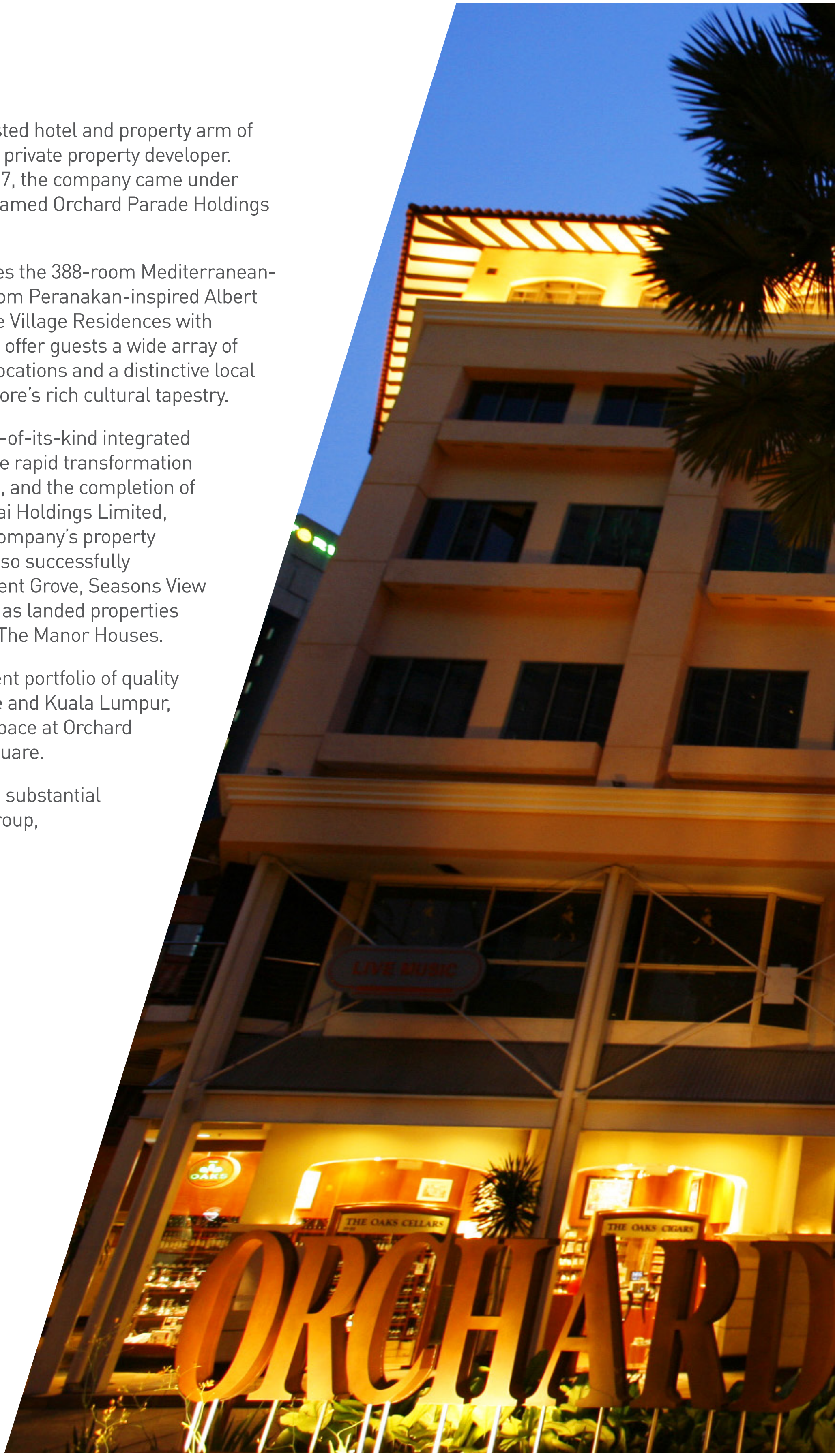
Orchard Parade Holdings Limited is the listed hotel and property arm of Far East Organization, Singapore's largest private property developer. Incorporated as Ming Court Limited in 1967, the company came under Far East Organization in 1987 and was renamed Orchard Parade Holdings Limited in 1991.

The company's hospitality portfolio includes the 388-room Mediterranean-themed Orchard Parade Hotel, the 210-room Peranakan-inspired Albert Court Village Hotel and the Central Square Village Residences with 127 serviced residences. These properties offer guests a wide array of quality accommodation choices in prime locations and a distinctive local hospitality experience infused with Singapore's rich cultural tapestry.

The successful launch of euHabitat, a first-of-its-kind integrated residential development located amidst the rapid transformation gaining momentum at Paya Lebar Central, and the completion of Floridian, a joint development with Wing Tai Holdings Limited, anchored the strong performance of the company's property development division. The company has also successfully developed 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.

The company maintains a strong investment portfolio of quality commercial and office assets in Singapore and Kuala Lumpur, Malaysia. These include retail and office space at Orchard Parade Hotel, Albert Court and Central Square.

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




DISCO
PARADE HOTEL

// Chairman's Statement

Dear Shareholders,

Financial Highlights

I am very pleased to report a year of record revenue and profit for the Group.

Total group revenue for the year ended 31 December 2011 was a record $292.3 million, up 48.9% from the year before. The property development division continues to drive our revenue growth, increasing 69.2% to $229.8 million on the back of the success of our residential development project, the Floridian.

Net profit after tax for the year was also a record $124.2 million, an increase of 50.5% from $82.5 million in 2010. This is in part due to increased contribution from our share of profits from our associated companies, which increased 51% to $20.4 million.

Hospitality

Revenue for our Hospitality Division improved to $51.1 million, up 4.7% from $48.8 million in 2010. In tandem with the higher revenue, operating profit is also up $0.9 million to $28.6 million, from $27.7 million in 2010. The improved revenue was due mainly to higher average room and rental rates for the year.

Our flagship Orchard Parade Hotel located in the premier tourist shopping belt continues to enjoy a healthy occupancy rate of above 86% as well as higher average room rates. The Group plans to continually update and refurbish the hotel, and 101 rooms in the hotel are slated to be upgraded in 2012.

Albert Court Village Hotel and Central Square Village Residences, however, saw some erosion of occupancy rates to 82% and 92% respectively. But this was mitigated by higher average room rates, resulting in stable net operating profit for the year.

Property Development

Our Property Development Division had a strong year, recording revenue of $229.8 million, up $94.0 million or 69.2% from $135.8 million in 2010. We sold another 72 units of the Floridian during the year. We continued to progressively recognise revenue from the project throughout the year. The project received its Temporary Occupation Permit ("TOP") in March 2012.

The Group participated in its maiden integrated residential development, euHabitat, which comprises four distinct residential options – suites, SOHO apartments, condominiums, and townhouses – in one community. The joint venture project in Jalan Eunos was successfully launched in August 2011, and was 85% sold by the end of the year. The Group has a 20% equity interest in the development.

The Group added to its land bank this year. In September 2011, Pearlvine Pte Ltd, a wholly-owned subsidiary, and Boo Han Holdings Pte Ltd, a related company of Far East Organization, successfully tendered for a land parcel at Robinson Road. A joint venture company, Far East Opus Pte Ltd ("FE Opus") was incorporated to own and develop a commercial development on the land parcel. The Group has a 20% equity interest in FE Opus.

Property Investment

Our Property Investment Division remained stable, and registered a marginal increase in revenue to $11.4 million. Operating profit increased by $0.6 million to $8.3 million, mainly as a result of improved rental rates. The Plaza Atrium, our freehold property in Kuala Lumpur, Malaysia, is currently being redeveloped. The Group expects to generate a better yield upon completion of this project.

Outlook For 2012

The Singapore economy should continue to grow in 2012, with the official government forecast pegged at between 1% to 3% growth. With the property market measures introduced by the government in December 2011, transaction volume is expected to slow down in the coming months. Nevertheless, the Group will continue to drive the sales of the remaining units in the Floridian and euHabitat.

Contributions from the Group's property development division is expected to ease in 2012 as it recognises the final profit from the Floridian project while the other joint-venture projects are in the early stages of development.

On the hospitality front, the Group's Hospitality Division should continue to benefit from the growth in the tourism sector in Singapore and Asia Pacific.

The Group had clarified on both 14 July 2011 as well as recently on 5 March 2012 that it was in preliminary discussions with Far East Organization over the possible injection of some assets held by the Group into a Real Estate Investment Trust ("the Transaction"). It should be noted that there is no certainty that the Transaction will be carried out. The Group will make proper disclosure of its corporate exercises in accordance with the relevant regulations at the appropriate times.

Overall, the Group is cautiously optimistic that business conditions will remain positive in 2012. Barring any significant deterioration in these conditions, the Group's performance is expected to be satisfactory.

Dividends

In consideration of the good performance of the Group, the Board of Directors has recommended a first and final one-tier tax exempt dividend of 3 cents per ordinary share and a special one-tier tax exempt dividend of 6 cents per ordinary share making a total dividend of 9 cents per ordinary share. This is an improvement over the total dividend of 6 cents per ordinary share declared in 2010. Total dividend payout will amount to $32.7 million for the year ended 31 December 2011.

Shareholders have responded positively to the Scrip Dividend Scheme applied to our previous dividend payment for the last financial year. Shareholders will again have the option to opt for shares instead of cash for the financial year 2011.

Acknowledgement

On behalf of the Board, I would like to extend a warm welcome to Mr Lucas Chow Wing Keung, who was appointed as the Chief Executive Officer & Managing Director of the Group on 15 March 2012. Mr Chow is not new to the Group, having been a Director of the Company since 1 June 2008. He has stellar track records in developing people, businesses and customers, and will bring strategic and entrepreneurial thinking to the Group. Mr Chow's appointment reflects our continued commitment to fostering the future growth of the Group by building on our strong foundations and real estate capabilities.

We will also see some changes to the Board in the coming year. Mr Tjong Yik Min and Mr Eddie Yong Chee Hiong, who have been directors of the Company since 2005 and 2008 respectively, have indicated that they do not wish to seek for re-election at the forthcoming annual general meeting. On behalf of the Board, I would like to thank Mr Tjong and Mr Yong for their invaluable contributions during their tenure on the Board.

I also take the opportunity to thank my fellow Directors, Management and staff for their hard work and contributions to our good performance in 2011.

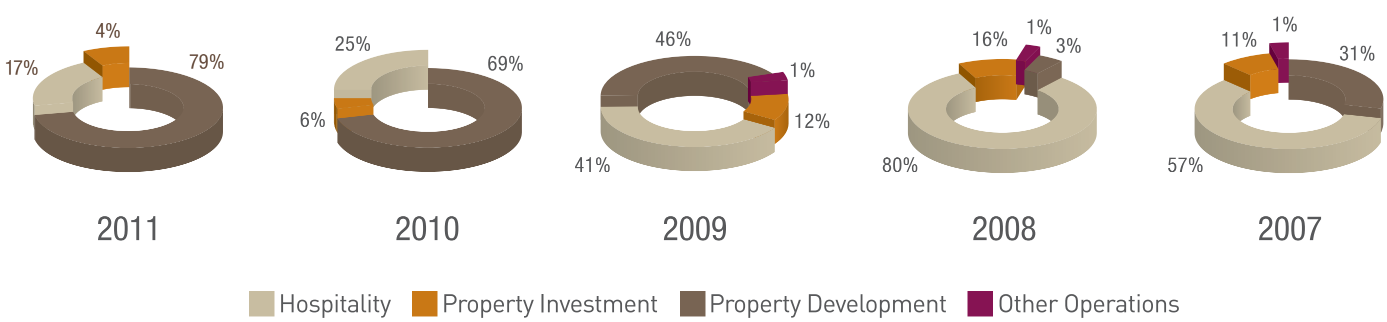
Finally, my heartfelt appreciation to our shareholders, valued customers and business associates for your unwavering support.

Philip Ng Chee Tat
Non-Executive Chairman
21 March 2012

// 5-Year Financial Highlights

	2011 S$'000	%	2010 S$'000	%	2009 S$'000	%	2008 S$'000	%	2007 S$'000	%
Hospitality	51,066	17%	48,823	25%	37,624	41%	55,305	80%	48,580	57%
Property investment	11,373	4%	11,118	6%	10,545	12%	10,844	16%	9,697	11%
Property development	229,834	79%	135,822	69%	42,262	46%	2,146	3%	25,987	31%
Other operations	-	-	460	0%	844	1%	676	1%	996	1%
Total Group Revenue	**292,273**	**100%**	**196,223**	**100%**	**91,275**	**100%**	**68,971**	**100%**	**85,260**	**100%**
Profit before income tax (S$'000)	147,107		95,633		14,197		31,335		39,036	
Profit attributable to shareholders (S$'000)	124,189		82,531		13,210		26,951		34,711	
Shareholders' equity (S$'000)	1,079,639		959,230		819,464		818,178		752,437	
Total assets (S$'000)	1,652,855		1,444,783		1,305,837		1,348,668		1,295,345	
Net assets per share (S$)	2.97		2.72		2.34		2.33		2.15	
Basic earnings per share (cents)	34.66		23.45		3.77		7.68		9.89	
Final dividend per share (cents)	3		2		1		-		2	
Special dividend per share (cents)	6		4		-		-		-	
Gearing ratio	0.42		0.42		0.52		0.58		0.65	

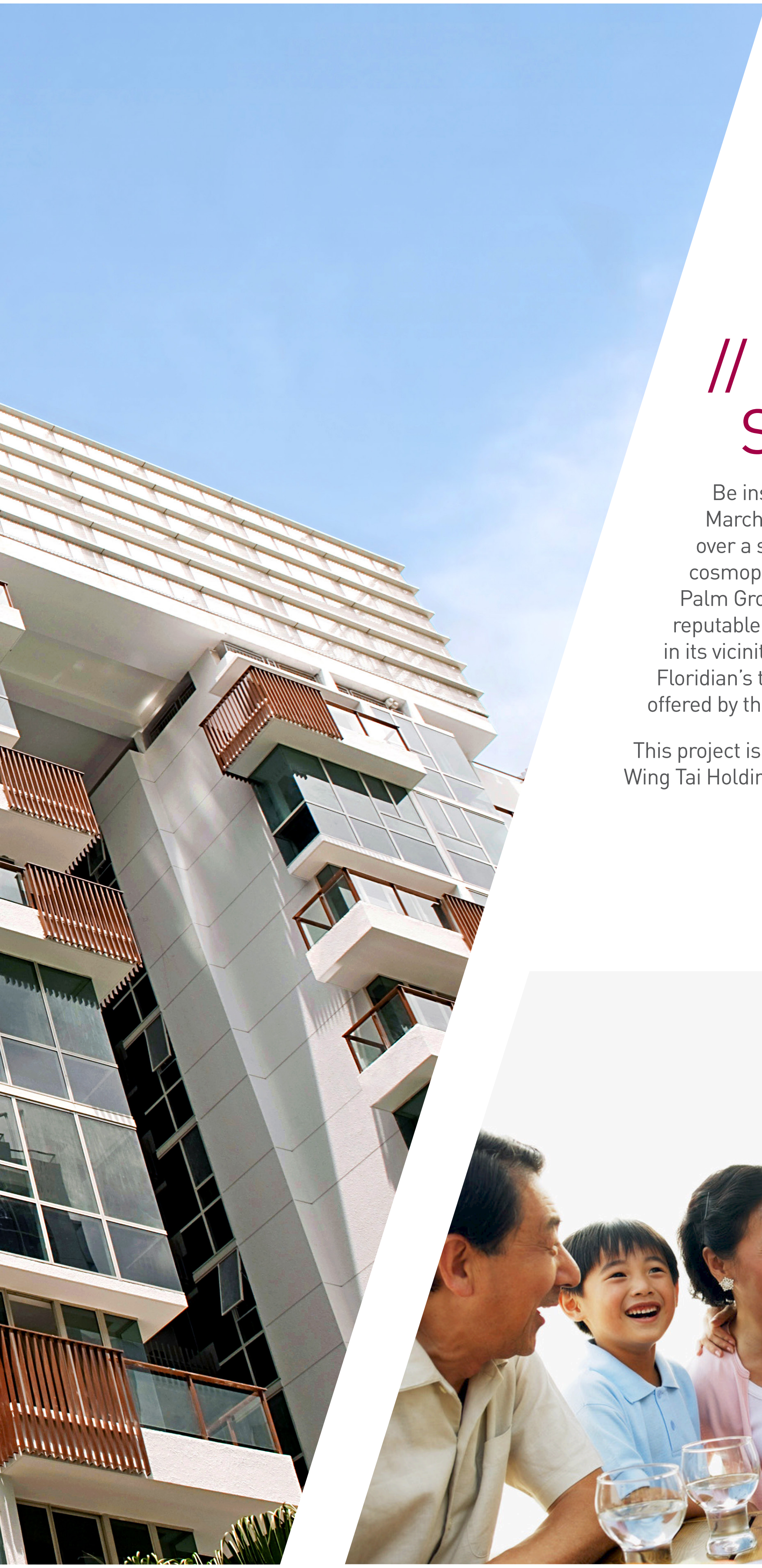
Group Revenue By Business Segment



// Land Bank & Assets of the OPHL Group
as at 31 December 2011

	Tenure	Site/Land Area (Sq metres)	Approximate Lettable Area / Gross Floor Area [GFA] (Sq metres)	No. of Units / Rooms (Lettable and For Sale)
HOTELS				
Orchard Parade Hotel (OPH)	Freehold/99-Year[1]	8,143	26,558	388 rooms
Albert Court Village Hotel (ACVH)	99-Year	4,273	11,410	210 rooms
Sub Total		12,416	37,968	598 rooms
DEVELOPMENT PROPERTIES (RESIDENTIAL/COMMERCIAL)				
Floridian[2]	Freehold	21,442	46,741[3]	336[3]
euHabitat[4]	Leasehold	41,261	57,766[5]	750[5]
7 and 11 Bassein Road[6]	Freehold	4,775	tbc[7]	tbc[7]
Land Parcel 825 at Robinson Road / Cecil Street[4]	Leasehold	2,932	tbc[7]	tbc[7]
Sub Total		70,410	104,507	1,086
MIXED DEVELOPMENT				
Central Square		6,238		
- Commercial	99-Year		4,382	100
- Residential	99-Year		8,813	127
Sub Total		6,238	13,195	227
PROPERTY UNDER REDEVELOPMENT				
Plaza Atrium[8]	Freehold	1,880	21,318[8]	163[8]
Sub Total		1,880	21,318	163
INVESTMENT PROPERTIES				
Tanglin Shopping Centre	Freehold	N.A.	553	4
OPH Podium Block	Freehold	N.A.	5,553[9]	74[9]
Albert Court Commercial Units	99-Year	N.A.	1,002	25
Sub Total		-	7,108	103
Total		90,944	184,096	

Notes
[1] 1,069 sq metres is leasehold.
[2] The Group's effective interest in this property is 60%.
[3] GFA. 93% of net saleable area sold as at 31 December 2011. Total number of units being developed comprises 336 residential units.
[4] The Group's effective interest in this property is 20%.
[5] GFA. 83% of net saleable area sold as at 31 December 2011. Total number of units being developed comprises 748 residential and 2 commercial units.
[6] The Group's effective interest in this property is 30%.
[7] To be confirmed as development planning is in progress.
[8] Under redevelopment into serviced residences. The GFA and total number of units are according to plan.
[9] Exclude owner's occupied.



// Distinctive Sophistication

Be inspired by the best of Miami lifestyle at Floridian. Completed in March 2012, this prestigious 336-unit freehold development spread over a site area of 21,442 sqm is home to pampering luxuries and cosmopolitan tropical resort facilities including beautiful cascading Palm Grove Pools dotted with spa seats by the sides. Amenities like reputable local and international schools, and chic dining options abound in its vicinity. And despite the city being just 15 minutes' drive away, Floridian's two towers of residences remain cloaked in the tranquility offered by the prime Bukit Timah district.

This project is jointly developed by Orchard Parade Holdings Limited and Wing Tai Holdings Limited.

// Space to Live, Work, Play

A holistic live-work-play environment uniquely created at Jalan Eunos, euHabitat composes four distinct residential options in one contemporary community - suites, SOHO-style apartments, condominium apartments and townhouses. Also featured within the sprawling 41,261 sqm site is a rich tropical landscape designed to include verdant greenery, soothing water bodies and rejuvenating leisure facilities. The 748-unit development easily accesses key amenities and business hubs, and benefits from the traction gained by the transformation of the neighbouring Paya Lebar Central, Geylang River and the East Coast. euHabitat is jointly developed by Far East Organization and Orchard Parade Holdings Limited.

// We Are Here To Serve

We are constantly raising the bar for service quality to enhance and enrich our guests' stay with us. Our service approach is designed to deliver consistent high standards and a hospitality experience that brings to life our brand values of genuine, thoughtful and caring service. Our organisation-wide Customer Centric Initiative trains and coalesces our staff members to focus on the needs and aspirations of our customers. This relentless drive towards operational excellence and service delivery has made us a premier hospitality provider.

// Board of Directors & Management

Mr Philip Ng Chee Tat, 53
Non-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. Mr Ng was last re-elected as a Director of the Company on 29 April 2011. 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.

Mr Ng is currently the Chief Executive Officer of Far East Organization and a Director of Hong Kong-based Sino Group. He is Chairman of the Singapore University of Technology and Design's Board of Trustees as well as sits on committees of various community groups. Mr Ng was formerly 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 degree in Civil Engineering and holds Master degrees in Technology & Policy and in City Planning from the Massachusetts Institute of Technology.

Mr Lucas Chow Wing Keung, 58
Chief Executive Officer and Managing Director

- *Member of Board of Directors*

Mr Lucas Chow Wing Keung was appointed as the Chief Executive Officer and Managing Director of the Company on 15 March 2012. He has been a Director of the Company since 1 June 2008. He was last re-elected as a Director of the Company on 29 April 2009. At the Company's 44th Annual General Meeting, Mr Chow will retire and be eligible for re-election pursuant to Article 96 of the Company's Articles of Association. As he 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 Chow is currently an Executive Director of Far East Organization. He chairs the Singapore Health Promotion Board and also sits on various other boards of directors and advisory committees. He is also a member of the National University of Singapore's Board of Trustees and chairs its Entrepreneurship Committee. He was formerly the Chief Executive Officer and Director of MediaCorp Group.

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

Mdm Ng Siok Keow, 65
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 29 April 2011. 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 an 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 Masyarakat (PBM) in 1995, the Orchid Award by the Singapore Girl Guides Association in 1996 and the Bintang Bakti Masyarakat (BBM) in 2001.

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

Mdm Tan Siok Hwee, 61
Executive Director

• Member of Board of Directors

Mdm Tan Siok Hwee was appointed Executive Director of the Company on 6 August 1987. She 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 she 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, 59
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. Mr Tjong will be retiring by rotation at the Company's 44th Annual General Meeting ("AGM"). He has indicated that he does not wish to seek re-election at the Company's AGM. As he 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 and the Chief Operating Officer and Executive Director of Far East Organization. He also sits on the Board of Genting Singapore PLC. He has extensive experience in both public and private sectors. He had served as Executive Director and Group President of Singapore Press Holdings Limited, Permanent Secretary of Ministry of Communications, Director of Internal Security Department and Chairman of Civil Aviation Authority of Singapore.

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

Mr Eddie Yong Chee Hiong, 58
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. Mr Yong will be retiring by rotation at the Company's 44th Annual General Meeting ("AGM"). He has indicated that he does not wish to seek re-election at the Company's AGM. 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.

Mr Yong is currently an Executive Director of Investment Properties in Far East Organization. He is also the Deputy Chairman of SCORE's Committees on Industry and Development. He was awarded the Pingkat Bakti Masyarakat (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 (Liverpool), United Kingdom. He is a Certified Property Manager awarded by the USA Institute of Real Estate Management and has been a member of professional bodies in both Singapore and the United Kingdom.

// Board of Directors & Management

Mr Cheng Hong Kok, 69
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 of the Company on 29 April 2011. The Nominating Committee of the Company considers Mr Cheng to be an independent director.

Mr Cheng is a Director of SP Corporation Limited 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. Prior to that, he 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 was a member of the Government Economic Planning Committee from 1989 to 1991.

Mr Cheng graduated from the University of London in 1964 with First Class Honours degree in Chemical Engineering and attended the Advanced Executive Management Program at the J. L. Kellogg Graduate School of Management, Northwestern University, USA, in 1981. In 1961, he was awarded the Singapore State Scholarship, the Colonial Welfare and Development Scholarship and the University of Malaya Entrance Scholarship. He was also awarded the University of Cambridge Fellowship and the Eisenhower Fellowship in 1964 and 1979 respectively.

Mr Heng Chiang Meng, 66
Lead Independent Director & Non-executive Director

- *Member of Board of Directors*
- *Member of Audit Committee*
- *Chairman of Remuneration Committee*
- *Chairman 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 appointed as the Chairman of the Remuneration Committee and Nominating Committee on 9 March 2011 and 29 April 2011 respectively. 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 various listed companies including Keppel Land Limited, Macquarie International Infrastructure Fund Limited and Academies Australasia Group Ltd, which is listed on the Australian Stock Exchange in Sydney, Australia.

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

Mdm Ee Choo Lin Diana, 54
Non-executive Director

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

Mdm Ee was appointed to the Board of the Company as an Independent Director and Member of the Audit and Nominating Committees on 29 April 2011. On 1 June 2011, she was appointed as a Member of the Remuneration Committee of the Company. At the Company's 44th Annual General Meeting, Mdm Ee will retire and be eligible for re-election pursuant to Article 101 of the Company's Articles of Association. The Nominating Committee considers Mdm Ee to be an independent director.

Mdm Ee brings with her over 25 years of international experience in the tourism and hospitality industry. She was formerly President of Raffles Hotels & Resorts where she held responsibilities for the operating and financial performance of the group's hotels worldwide and the brand's global business development and growth strategy.

Mdm Ee is presently engaged in business advisory roles and is a Director of BND Associates Pte Ltd. Mdm Ee is a Board Member of the Singapore Tourism Board and also sits on the Board of Governors of Republic Polytechnic Singapore. In addition, she is the Deputy Chairman of the Academic Board of SHATEC Institutes, the educational arm of the Singapore Hotel Association.

Mdm Ee obtained her Bachelor of Arts degree in Economics from the National University of Singapore.

Mr Danny Peh Kok Kheng, 58
Chief Corporate Officer

Mr Danny Peh Kok Kheng was appointed Chief Corporate Officer and Group Financial Controller of the Company on 1 June 2008. He resigned as the Group Financial Controller of the Company on 15 March 2012 and will be resigning as the Chief Corporate Officer of the Company on 30 June 2012. Mr Peh is responsible for all corporate matters 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 holds directorships in Far East Capital Ltd, Far East Capital Nominees Pte. Ltd., FEO Business Services Pte. Ltd. and OC Beauty Pte. Ltd.

Mr Peh is a fellow member of The Association of Chartered Certified Accountants, U.K. (FCCA). He 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).

Mr Yik Yen Shan, Vincent, 40
Chief Financial Officer

Mr Yik Yen Shan, Vincent was appointed Chief Financial Officer of the Group on 15 March 2012. He is responsible for all financial and accounting matters of the Group, as well as tax, treasury and investor relations.

Mr Yik graduated from the University of Queensland with a Bachelor of Commerce degree and is a member of CPA Australia. He has more than 15 years of experience in audit, accounting and finance. Prior to joining Orchard Parade Holdings Limited, he was the Chief Financial Officer of the Australia and New Zealand Banking Group in Singapore.

// Corporate Information

BOARD OF DIRECTORS

Non-executive Chairman
Mr Philip Ng Chee Tat

Chief Executive Officer and Managing Director
Mr Lucas Chow Wing Keung

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

Independent Directors
Mr Cheng Hong Kok
Mr Heng Chiang Meng
Mdm Ee Choo Lin Diana

AUDIT COMMITTEE

Chairman
Mr Cheng Hong Kok

Members
Mr Heng Chiang Meng
Mdm Ee Choo Lin Diana

NOMINATING COMMITTEE

Chairman
Mr Heng Chiang Meng

Members
Mr Philip Ng Chee Tat
Mdm Ee Choo Lin Diana

REMUNERATION COMMITTEE

Chairman
Mr Heng Chiang Meng

Members
Mr Cheng Hong Kok
Mdm Ee Choo Lin Diana

COMPANY 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
(Appointed since the financial year ended 31 December 2010)

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Facsimile	: (65) 6235 3316
Website	: www.fareast.com.sg

CORPORATE OFFICE
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Orchard Parade Hotel
Singapore 247905

Telephone	: (65) 6833 6688
Facsimile	: (65) 6738 8085

MAIN BANKERS
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
United Overseas Bank Limited

// Business Structure
as at 21 March 2012

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)
- 100% Plaza Atrium [1] (owned by Pinehigh Development Sdn Bhd)

PROPERTY DEVELOPMENT

- 100% Tannery Holdings Pte Ltd
- 100% Westview Properties Pte Ltd
- 100% Jadevine Limited
- 100% OPH Westcove Pte Ltd
- 100% Pearlvine Pte Ltd
  - 20% Far East Opus Pte Ltd (Land parcel 825 at Robinson Road / Cecil Street)
- 80% Seasons Green Limited

- 100% OPH Orion Limited
  - 60% Orwin Development Limited (Floridian)
- 100% OPH Zenith Pte Ltd
  - 50% Seasons Park Limited
- 100% OPH Property Limited
  - 50% Hill Grove Realty Limited
- 100% OPH Marymount Limited
  - 20% (euHabitat) JV
  - 30% (7 & 11 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% Stable Properties Pte Ltd

INVESTMENT HOLDINGS

- 100% Jelco Properties Pte Ltd
  - 49.51% Yeo Hiap Seng Limited[2]
- 100% OPH Investment Trading Pte Ltd
- 100% OPH Investments Pte Ltd
  - 25% Minard Investment Limited
    - 26.57% Universal Gateway International Pte Ltd
  - 10.87% SQL View Pte Ltd

Notes:
[1] Under redevelopment into serviced residences
[2] Listed company

// Corporate Governance Statement
as at 21 March 2012

Orchard Parade Holdings Limited is committed to maintaining a high standard of corporate governance and to promote corporate transparency, accountability and integrity to enhance shareholders' value.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2011, with specific reference to the principles and guidelines of the Singapore Code of Corporate Governance 2005, 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 Group to meet its objectives. The functions of the Board include reviewing and approving the annual budget of the Group, ensuring that there is a sound system of internal controls to safeguard shareholders' investments and the Group's assets, reviewing monthly management accounts, reviewing the business performance of the Group, approving the release of the quarterly and year-end accounts, and endorsing the framework of remuneration for the Board and key executives.

The Board is made up of one-third Non-executive Directors who are independent of the Management and have the right core competencies and experience to enable them to contribute effectively.

Every director is expected, in the course of carrying out his/her duties, to act in good faith, provide insights and consider at all times, the interests of the Group.

The Board has established three board committees ("Board Committees") to assist in the execution of its responsibilities. They are the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC").

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 2011, the Board met on four 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:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Philip Ng Chee Tat	4	4	-	-	1	1	-	-
Ng Siok Keow	4	4	-	-	-	-	-	-
Tan Siok Hwee	4	3	-	-	-	-	-	-
Tjong Yik Min	4	3	-	-	-	-	-	-
Eddie Yong Chee Hiong	4	4	-	-	-	-	-	-
Lucas Chow Wing Keung	4	4	2	2	-	-	1	1
Cheng Hong Kok	4	4	4	4	-	-	1	1
Heng Chiang Meng	4	4	4	4	1	1	1	1
Hin Hoo Sing	2	1	2	1	1	0	-	-
Ee Choo Lin Diana	2	2	2	2	-	-	-	-

Notes:

1. *Mr Hin Hoo Sing retired as an Independent Director on 29 April 2011. He also ceased to be the Chairman of the Nominating Committee and member of Audit Committee on the same day.*
2. *Mdm Ee Choo Lin Diana was appointed as an Independent Director on 29 April 2011. She was also appointed as a member of the Audit Committee and Nominating Committee on 29 April 2011, and as a member of Remuneration Committee on 1 June 2011.*
3. *Mr Lucas Chow Wing Keung was re-designated from a Non-executive Director to an Executive Director on 1 June 2011. He ceased to be a member of the Audit Committee and Remuneration Committee on 1 June 2011.*
4. *Mr Heng Chiang Meng was appointed as the Chairman of the Nominating Committee on 29 April 2011.*
5. *A - Number of meetings held during the financial year/period from 1 January 2011 (or date of appointment, where applicable) to 31 December 2011.*
6. *B - Number of meetings attended during the financial year/period from 1 January 2011 (or date of appointment, where applicable) to 31 December 2011.*

The Group has adopted internal guidelines regarding matters that require Board approval. The types 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 provision 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.

Changes to regulations and accounting standards are monitored closely by Management. The directors are briefed during Board meetings or at specially convened sessions conducted by professionals on regulatory changes that have any significant bearing on the Group's or directors' obligations.

Newly appointed directors are provided the training on the roles and responsibilities of a director of a public listed company. They are also briefed by Management on the business activities and strategic directions of the Group. Directors are briefed and provided with relevant information on the Group's policies and procedures relating to corporate conduct and governance including disclosure of interests in securities, restricted periods for dealings in the Company's securities and restrictions on disclosure of confidential or price sensitive information.

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 considered independent by the Board. Mr Cheng Hong Kok, Mr Heng Chiang Meng and Mdm Ee Choo Lin Diana are considered Independent Directors.

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 Group's operations. The Board comprises respected members of the business community who have long and extensive experience in various fields, including engineering, hospitality, accounting, banking and finance. A profile of each member of the Board is found in the "Board of Directors and Management" section of the 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 roles and responsibilities of the Chairman and Chief Executive Officer ("CEO") are distinct and separate.

The Chairman's responsibilities include setting the Group's strategies, promoting high standards of corporate governance, scheduling of meetings to enable the Board to perform its duties responsibly, setting the meeting agenda in consultation with the CEO and the Company Secretary, managing the Board, and ensuring effective succession planning for all key positions within the Group.

The CEO is responsible for effectively managing and supervising the day-to-day business operations in accordance with the strategies, policies and business plans approved by the Board. The CEO is supported by the Executive Directors in leading Management in the day-to-day operations of the Group.

Mr Lucas Chow Wing Keung was appointed as the Chief Executive Officer ("CEO") and Managing Director ("MD") of the Company on 15 March 2012.

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 Heng Chiang Meng, an Independent Director, chairs the Committee. The other members are Mr Philip Ng Chee Tat and Mdm Ee Choo Lin Diana. Mdm Ee 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), 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 "Board of Directors and Management" section of the 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 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 Group'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 senior management of the Group, who keeps the Board apprised of the Group's operations and performance by providing monthly management reports.

The 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, 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 Group 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 Group'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 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 Cheng Hong Kok and Mdm Ee Choo Lin Diana. Some of the members of the Committee are experienced in compensation matters. The Committee also has access to both internal and external human resource advisors where necessary.

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 Group. In making their recommendation, the Committee took into consideration the guidelines proposed by the Singapore Institute of Directors.

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 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 the respective committees. The Chairman of each of these committees is paid additional fees. 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 Group. The Executive Directors have separate employment contracts with the substantial shareholder or its related company.

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 Group 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 remuneration report below sets out the names of the directors and top five key executives and their remuneration for the last financial year within bands of $250,000. This is shown in the various components of fees, fixed salary, variable or performance-related income or bonuses, and benefits in kind.

The following table shows the composition (in percentage terms) of each director's remuneration for the financial year ended 31 December 2011 in bands of S$250,000:

Name of Director	Fee %	Base salary [1] %	Variable / performance-related income / bonuses %	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	18.28	80.08	-	1.64
Lucas Chow Wing Keung	100	-	-	-
Heng Chiang Meng	100	-	-	-
Cheng Hong Kok	100	-	-	-
Hin Hoo Sing[2]	100	-	-	-
Ee Choo Lin Diana	100	-	-	-

Notes:
[1] *Inclusive of Central Provident Fund contributions*
[2] *Mr Hin Hoo Sing retired on 29 April 2011*

The following table shows the remuneration of the top five key executives (who are not directors of the Company) for the financial year ended 31 December 2011 in bands of S$250,000:

Top 5 Key Executives	Designation	Remuneration Band
Danny Peh Kok Kheng[1]	Chief Corporate Officer & Group Financial Controller	$250,000 to $500,000
Raphael Saw Kheng Hwa	Director of Hospitality Division	Below $250,000
Peter Russell Willis[2]	Resident Manager	Below $250,000
Tan Sze Chuan	Manager	Below $250,000
Koh Teck Meng Richard[3]	Resident Manager	Below $250,000

Notes:
[1] *Mr Danny Peh Kok Kheng resigned as the Group Financial Controller on 15 March 2012 and will be resigning as the Chief Corporate Officer on 30 June 2012.*
[2] *Mr Peter Russell Willis resigned on 28 October 2011.*
[3] *Mr Koh Teck Meng Richard was transferred out from the Group on 19 October 2011.*

There are no employees in the Company who are the immediate family members of any of the directors and whose remuneration exceeded S$150,000 during the financial year ended 31 December 2011.

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 Group's financial performance, position and prospects through SGXNET announcements on a quarterly basis.

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

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 three directors, all of whom are independent directors. Mr Cheng Hong Kok is the Chairman of the Audit Committee. The other members are Mr Heng Chiang Meng and Mdm Ee Choo Lin Diana. 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 Group'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 Group's Management and in addition, has absolute discretion to invite any director or executive officer of the Group to attend its meetings, as it deems necessary. The Audit Committee has nominated PricewaterhouseCoopers LLP for re-appointment as 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.

In the last financial year, the Audit Committee held four 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. The Audit Committee has also met separately with the independent auditor and the internal auditors without the presence of the Company's Management.

The Group has put in place a whistle-blowing policy to provide employees with an avenue to raise concerns about possible improprieties in financial reporting or other matters. Details of the whistle-blowing policy have been made available to all employees.

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

The Audit Committee reviews the effectiveness of the Group's internal controls on behalf of the Board. In their review, the Committee considers the nature of the risks facing the Group and the extent to which these risks are acceptable to bear, the likelihood of risks materialising and the Group'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 and the control measures employed to manage these risks, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls in the Group are adequate.

Principle 13

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

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

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.

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 Group.

Principle 14

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

The Group 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 includes 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 within limits and strategies approved by the Board.

Financial Risks

The Group's activities are affected by various financial risks, including interest rate risk, exchange rate 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.

Material Contracts

No material contract involving the interests of any director or controlling shareholder of the Group 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 $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	
	S$'000	
	2011	2010
Far East Property Sales Pte Ltd		
Rental income	234	-
Sales & marketing service fees	(948)	-
Far East Organization Centre Pte Ltd		
Rental income	652	665
Far East Hospitality Services Pte Ltd		
Rental income	604	452
Management service fees	(2,255)	(2,255)
Far East Management (Private) Limited		
Rental income	360	644
Computer maintenance support fees	(260)	(260)
Management service fees	(1,017)	(1,055)
Property development, project management and sales & marketing service fees	(1,358)	(1,382)

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 2011

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2011 and the balance sheet of the Company as at 31 December 2011.

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 Cheng Hong Kok
Mr Heng Chiang Meng
Mr Lucas Chow Wing Keung
Mr Eddie Yong Chee Hiong
Mdm Ee Choo Lin Diana (appointed on 29 April 2011)

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 31.12.2011	At 1.1.2011	**At 31.12.2011**	At 1.1.2011
Company (Number of ordinary shares)				
Mdm Ng Siok Keow	**14,469**	14,469	**72,346**	72,346
Mr Eddie Yong Chee Hiong	**5,250**	5,048	-	-

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2012 were the same as those as at 31 December 2011.

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.

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 Heng Chiang Meng
Mdm Ee Choo Lin Diana (appointed on 29 April 2011)

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

LUCAS CHOW WING KEUNG
Director

TAN SIOK HWEE
Director

21 March 2012

// Statement by Directors

For the financial year ended 31 December 2011

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 36 to 96 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 2011 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

LUCAS CHOW WING KEUNG
Director

TAN SIOK HWEE
Director

21 March 2012

// 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 36 to 96, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2011, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the 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; and 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In 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 2011, 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, 21 March 2012

// Consolidated Statement Of Comprehensive Income

For the financial year ended 31 December 2011

	Note	2011 $'000	2010 $'000
Sales	4	**292,273**	196,223
Cost of sales		**(146,124)**	(101,573)
Gross profit		**146,149**	94,650
Other income	4	**6,467**	6,255
Other gains/(losses) - net			
- Fair value gains on investment properties	4	**3,511**	7,600
- Other	4	**(3)**	(399)
Expenses			
- Distribution and marketing		**(11,340)**	(4,999)
- Administrative		**(4,680)**	(5,788)
- Finance	6	**(9,245)**	(11,492)
- Other		**(4,154)**	(3,701)
Share of profit of associated companies	17	**20,402**	13,507
Profit before income tax		**147,107**	95,633
Income tax expense	9	**(22,918)**	(13,102)
Net profit attributable to equity holders of the Company		**124,189**	82,531
Other comprehensive income:			
Revaluation surplus on property, plant and equipment	29	**6,858**	34,386
Adjustment for movement in deferred tax liability on revaluation surplus	27	**(494)**	(589)
Currency translation differences arising from consolidation	29	**(126)**	75
Share of associated company's reserves	17	**(4,192)**	24,547
Other comprehensive income, net of tax		**2,046**	58,419
Total comprehensive income attributable to equity holders of the Company		**126,235**	140,950
Earnings per share for net profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted	10	**34.66**	23.45

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

// Balance Sheets

As at 31 December 2011

	Note	Group		Company	
		2011	2010	**2011**	2010
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**76,446**	37,293	**4,333**	5,934
Trade receivables	12	**188,303**	56,436	**2,064**	2,338
Inventories	13	**73**	82	**54**	57
Development properties	14	**169,974**	154,647	**-**	-
Other current assets	16	**342**	4,003	**195**	199
		435,138	252,461	**6,646**	8,528
Non-current assets					
Investments in associated companies	17(a)	**353,747**	337,537	**-**	-
Investments in subsidiaries	19(a)	**-**	-	**483,531**	483,536
Advances to subsidiaries	19(b)	**-**	-	**196,561**	172,812
Other non-current assets	20	**111**	111	**111**	111
Investment properties	21	**166,915**	173,243	**112,845**	113,959
Property, plant and equipment	22	**696,944**	681,431	**435,295**	432,681
		1,217,717	1,192,322	**1,228,343**	1,203,099
Total assets		**1,652,855**	1,444,783	**1,234,989**	1,211,627
LIABILITIES					
Current liabilities					
Trade payables	23	**39,102**	17,941	**2,043**	1,970
Other current payables	24	**11,618**	11,590	**6,718**	7,508
Current income tax liabilities	9(b)	**7,655**	8,824	**5,081**	5,702
Borrowings	25(a)	**196,058**	131,570	**130,230**	1,200
		254,433	169,925	**144,072**	16,380
Non-current liabilities					
Borrowings	25(a)	**259,602**	274,057	**120,000**	247,132
Advances from subsidiaries	19(c)	**-**	-	**136,892**	122,464
Other non-current liabilities	26	**4,366**	4,016	**739**	723
Deferred income tax liabilities	27	**54,815**	37,555	**5,067**	5,309
		318,783	315,628	**262,698**	375,628
Total liabilities		**573,216**	485,553	**406,770**	392,008
NET ASSETS		**1,079,639**	959,230	**828,219**	819,619
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	28	**372,063**	356,713	**372,063**	356,713
Revaluation and other reserves	29	**526,024**	525,968	**404,415**	400,541
Retained profits	30	**181,552**	76,549	**51,741**	62,365
TOTAL EQUITY		**1,079,639**	959,230	**828,219**	819,619

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

// Consolidated Statement Of Changes In Equity

For the financial year ended 31 December 2011

	Share capital $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Share-based payment reserve $'000	Retained profits $'000	Total equity $'000
2011							
Beginning of financial year	356,713	498,234	(5,274)	33,008	-	76,549	959,230
Shares issued in-lieu of dividends	15,350	-	-	-	-	(15,350)	-
Dividends paid to shareholders in cash	-	-	-	-	-	(5,826)	(5,826)
Share of associated company's transfer from revaluation reserves	-	(1,990)	-	-	-	1,990	-
Total comprehensive income for the year	-	6,364	(2,120)	(2,451)	253	124,189	126,235
End of financial year	**372,063**	**502,608**	**(7,394)**	**30,557**	**253**	**181,552**	**1,079,639**
2010							
Beginning of financial year	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

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

// Consolidated Statement Of Cash Flows

For the financial year ended 31 December 2011

	Note	2011 $'000	2010 $'000
Cash flows from operating activities			
Net profit		**124,189**	82,531
Adjustments for:			
Income tax		**22,918**	13,102
Depreciation of property, plant and equipment		**7,288**	7,122
Dividend income		**-**	(460)
Interest income		**(37)**	(7)
Interest expense		**9,272**	11,533
Loss on disposal of property, plant and equipment		**7**	-
Fair value gains on investment properties		**(3,511)**	(7,600)
Share of profit of associated companies		**(20,402)**	(13,507)
		139,724	92,714
Change in working capital:			
Trade receivables		**(131,867)**	(50,351)
Development properties		**(13,413)**	(3,569)
Inventories		**9**	(15)
Financial assets, at fair value through profit or loss		**-**	552
Other current assets		**3,661**	(3,606)
Trade payables		**21,161**	774
Other payables		**470**	1,730
Cash generated from operations		**19,745**	38,229
Income tax (paid)/refund - net		**(7,321)**	969
Net cash provided by operating activities		**12,424**	39,198
Cash flows from investing activities			
Additions to property, plant and equipment		**(6,089)**	(1,034)
Additions to investment properties		**(99)**	(62)
Proceeds from disposal of property, plant and equipment		**2**	4
Disposal of financial assets, at fair value through profit or loss		**-**	18,433
Dividend received from investee companies		**-**	9
Dividend paid to shareholders		**(5,826)**	(1,184)
Interest received		**37**	7
Net cash (used in)/provided by investing activities		**(11,975)**	16,173
Cash flows from financing activities			
Proceeds from borrowings		**80,753**	44,938
Repayment of borrowings		**(33,364)**	(65,063)
Interest paid		**(8,685)**	(9,798)
Net cash provided by/(used in) financing activities		**38,704**	(29,923)
Net increase in cash and cash equivalents		**39,153**	25,448
Cash and cash equivalents at beginning of financial year		**37,293**	11,845
Cash and cash equivalents at end of financial year	11	**76,446**	37,293

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

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 40 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"), 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 2011

On 1 January 2011, 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 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.

// Notes To The Financial Statements

For the financial year ended 31 December 2011

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(b) *Sale of development properties*

Revenue from sale of development properties under construction is recognised when the properties are delivered to the buyers, except for cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses, in which case sales are recognised by reference to the stage of completion of the properties. This is described in greater detail in Note 2.5.

(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.

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions*

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

The consideration transferred for the acquisition of a subsidiary or business 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 (i) 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 (ii) 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*

When a change in the Group'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 previously 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 equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest 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 Company. 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 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 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies* (continued)

(i) *Acquisitions*

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.

(ii) *Equity method of accounting*

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 investments. 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.

(iii) *Disposals*

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 interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

(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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(d) Joint ventures (continued)

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.

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 whenever their carrying amounts are likely to differ materially from their revalued amounts or on a triennial basis. 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 other comprehensive income, 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 in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(a) *Measurement* (continued)

(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 (Note 2.7).

(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 78 to 82 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 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. Significant accounting policies (continued)

2.5 Development properties

Development properties refer to properties developed for sale.

Development properties 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.

Sales of development properties under construction in respect of which agreements are entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

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 expense immediately.

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

2.6 Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of (i) 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 (ii) 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 subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

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 and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2. Significant accounting policies (continued)

2.7 Borrowing costs (continued)

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.

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

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal, the difference between disposal proceeds and the carrying amount of the investments is 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.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(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.

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.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification (continued)

(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 as "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 carrying amount and the sales proceeds is recognised as profit or loss. Any amount in other comprehensive income relating to that asset is reclassified to profit or loss.

(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 dividends, 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 account 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.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(e) Impairment (continued)

Loans and receivables (continued)

The impairment allowance 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

For the purpose of presentation in the consolidated statement of cash flows, 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, in which case they are presented as non-current liabilities.

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.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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. Significant accounting policies (continued)

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:

(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(a)(ii)].

2.20 Provisions

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.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

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.

(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 rates (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 other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

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. Significant accounting policies (continued)

2.25 Dividends to Company's shareholders

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

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 balance sheet.

Intra-group transactions are eliminated on consolidation.

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.

3. Critical accounting estimates and assumptions (continued)

(b) Valuation of investment properties

The Group's investment properties, with a carrying amount of $166,915,000 (Note 21) as at 31 December 2011, 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 1% from the estimates used for these financial statements, the investment properties as at 31 December 2011 would be increased or reduced by $1,669,000 and the profit before income tax for the year then ended would be increased or reduced by the same amount.

(c) Sales of properties under development

The Group uses the percentage of completion method to recognise revenue on sales of 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 specialist.

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 $2,235,000.

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

	Group	
	2011 **$'000**	2010 $'000
Hospitality revenue	**51,066**	48,823
Rental income	**11,373**	11,118
Dividend income	**-**	460
Management fees charged to a joint venture	**451**	636
Sale of development properties	**229,383**	135,186
Total sales	**292,273**	196,223

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For the financial year ended 31 December 2011

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

	Group	
	2011	2010
	$'000	$'000
Hotel service fees and other related income	**5,598**	5,572
Interest income - fixed deposits	**37**	7
Marketing, accounting and administrative fees	**65**	50
Government grant - Jobs Credit Scheme	**-**	61
Other miscellaneous income	**767**	565
Total other income	**6,467**	6,255
Other gains/(losses) - net		
- Fair value gains on investment properties [Note 21(a)]	**3,511**	7,600
- Other		
Loss on disposal of property, plant and equipment	**(7)**	-
Losses on financial assets, at fair value through profit or loss (Note 15)	**-**	(552)
Write back of cost on development properties	**4**	153
	(3)	(399)
Total other gains/(losses) - net	**3,508**	7,201

The Jobs Credit Scheme is a cash grant introduced by the Government 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	
	2011 **$'000**	2010 $'000
Advertising, promotion and marketing	**8,522**	3,344
Cost of development properties	**123,274**	78,978
Depreciation of property, plant and equipment [Note 22(a)]	**7,288**	7,122
Directors' fees	**358**	367
Employee compensation (Note 8)	**6,155**	5,732
Hospitality supplies and services	**9,924**	9,417
Management service fees to a related party [Note 35(a)]	**5,838**	4,952
Fees on audit services paid/payable to:		
- Auditor of the Company	**302**	284
- Other auditors	**3**	3
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**-**	35
- Other auditors	**35**	-
Property tax and upkeep of properties	**3,887**	3,664
Other	**712**	2,163
Total cost of sales, distribution and marketing, administrative and other operating expenses	**166,298**	116,061

// Notes To The Financial Statements

For the financial year ended 31 December 2011

6. Finance expenses

	Group	
	2011	2010
	$'000	$'000
Interest expense	**11,262**	11,926
Currency translation gains - net	**(27)**	(41)
	11,235	11,885
Less: Interest expense capitalised in development properties and property, plant and equipment [Note 14(d) and 22(g)]	**(1,990)**	(393)
Finance expenses recognised in profit or loss	**9,245**	11,492

Borrowing costs on general financing were capitalised at a rate of 2.1% (2010: Nil) per annum.

7. Remuneration bands of directors of the Company

	Company	
	2011	2010
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	
	2011	2010
	$'000	$'000
Wages and salaries	**5,332**	5,034
Employer's contribution to defined contribution plans including Central Provident Fund	**524**	408
Other benefits	**299**	290
	6,155	5,732

9. Income taxes

(a) Income tax expense

	Group	
	2011	2010
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Current income tax	**6,285**	6,591
- Deferred income tax	**16,766**	8,295
	23,051	14,886
(Over)/Under provisions in prior financial years:		
- Current income tax	**(133)**	(2,337)
- Deferred income tax	**-**	553
	(133)	(1,784)
	22,918	13,102

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	
	2011	2010
	$'000	$'000
Profit before tax	**147,107**	95,633
Share of profit of associated company, net of tax	**(20,402)**	(13,507)
Profit before tax and share of profit of associated companies	**126,705**	82,126
Tax calculated at tax rate of 17% (2010: 17%)	**21,540**	13,961
Effects of:		
- Different tax rates in other countries	**326**	18
- Statutory stepped income exemption	**(104)**	(130)
- Expenses not deductible for tax purposes	**2,501**	2,993
- Income not subject to tax	**(1,063)**	(1,156)
- Utilisation of previously unrecognised tax losses	**-**	(828)
- Deferred tax asset not recognised	**15**	28
- Tax incentives	**(164)**	-
Tax charge	**23,051**	14,886

9. Income taxes (continued)

(b) Movement in current income tax payable

	Group		Company	
	2011 **$'000**	2010 $'000	**2011** **$'000**	2010 $'000
Beginning of financial year	**8,824**	3,601	**5,702**	954
Income tax (paid)/refund - net	**(7,321)**	969	**(4,392)**	2,185
Tax expense	**6,285**	6,591	**3,896**	3,672
Over provisions in prior financial years	**(133)**	(2,337)	**(125)**	(1,109)
End of financial year	**7,655**	8,824	**5,081**	5,702
Comprising:				
Income tax payable	**7,655**	8,824	**5,081**	5,702

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	
	2011	2010
Net profit after tax attributable to equity holders of the Company ($'000)	**124,189**	82,531
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**358,257**	351,912
Basic earnings per share (cents per share)	**34.66**	23.45

10. Earnings per share (continued)

(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.

11. Cash and cash equivalents

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**13,026**	6,469	**4,333**	2,434
Short-term bank deposits	**63,420**	30,824	**-**	3,500
	76,446	37,293	**4,333**	5,934

Cash and cash equivalents of the Group include amounts totalling $67,544,000 (2010: $28,454,000), representing the Group's attributable share of joint ventures' 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 projects.

Short-term bank deposits at the balance sheet date have an average maturity of one month (2010: two months) from the end of the financial year with the following weighted average effective interest rates:

	Group		Company	
	2011	2010	**2011**	2010
Short-term bank deposits	**0.10%**	0.09%	**-**	0.15%

12. Trade receivables

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- related parties [Note 35(a)]	**848**	699	**89**	144
- non-related parties	**17,372**	13,483	**1,975**	2,194
Due from customers [Note 14(c)]	**170,866**	43,086	**-**	-
	189,086	57,268	**2,064**	2,338
Less: Allowance for impairment of receivables				
- non-related parties	**(783)**	(832)	**-**	-
	188,303	56,436	**2,064**	2,338

13. Inventories

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Food and beverage	**30**	40	**28**	35
Linen and utensils	**4**	5	**3**	3
Sundry supplies	**39**	37	**23**	19
	73	82	**54**	57

14. Development properties

(a) Composition:

	Group	
	2011	2010
	$'000	$'000
Properties under development [Note 14(b)]	**169,974**	154,647

14. Development properties (continued)

(b) Unsold properties under development

	Group	
	2011	2010
	$'000	$'000
Freehold/leasehold land	**163,398**	100,890
Development costs	**6,576**	53,757
	169,974	154,647

Included in properties under development is an amount of $96,961,000 (2010: $53,153,000) representing the Group's share in joint ventures. These joint ventures are contractual arrangements without a jointly-controlled entity (Note 18).

Agreements for the sale of certain properties under development have been signed. Deposits and progress billings amounting to $23,995,000 on these agreements, for which significant construction work has not commenced, are presented with "trade payables" (Note 23). This amount represents the Group's share in joint ventures. These joint ventures are contractual arrangements without a jointly-controlled entity (Note 18).

(c) Sold properties under development where revenue is recognised as construction progresses is as follows:

	Group	
	2011	2010
	$'000	$'000
Aggregate costs incurred and profits recognised		
Freehold land	**70,085**	31,499
Development costs and attributable profits	**327,459**	135,965
	397,544	167,464
Less: Progress billings	**(226,678)**	(124,378)
	170,866	43,086
Due from customers (Note 12)	**170,866**	43,086

14. Development properties (continued)

(d) Interest capitalised during the year was $1,914,000 (2010: $393,000). The weighted average effective rate of interest capitalised was 1.84% (2010: 1.51%) per annum.

(e) As at 31 December 2011, development properties with a net carrying amount of $169,974,000 (2010: $154,647,000) were pledged as security for banking facilities of the Group [Note 25(b)(i)].

(f) Details of the development properties of the Group as at 31 December 2011 are as follows:

Description and location	Existing use	Stage of completion	Expected completion date	Site area (Sq. metres)	Gross floor area (Sq. metres)	Group's effective interest in the property
Held by 60%-held joint venture company, Orwin Development Limited						
Floridian: Freehold residential land at Bukit Timah Road, Singapore	Condominium housing development	96% - Roofing and internal plastering almost completed	March 2012	21,442	46,741	60%
Held jointly with others by wholly owned subsidiary, OPH Marymount Limited						
euHabitat: Land Parcel 780 at Jalan Eunos, Singapore	Condominium housing development	Piling work has commenced	December 2016	41,261	57,766	20%
7 and 11 Bassein Road, Singapore	Condominium housing development	Acquisition of land completed	Construction work has not yet commenced	4,775	*	30%
Held by 20%-held joint venture company, Far East Opus Pte Ltd						
Land Parcel 825 at Robinson Road/Cecil Street, Singapore	Commercial	Acquisition of land completed	Construction work has not yet commenced	2,932	*	20%

* *Not shown as construction work has yet to commence.*

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

	Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**-**	18,534
Additions	**-**	451
Fair value losses (Note 4)	**-**	(552)
Disposals	**-**	(18,433)
End of financial year	**-**	-
Designated as:		
- fair value on initial recognition	**-**	-

Financial assets, at fair value through profit or loss comprised equity securities listed in Singapore, which were fully disposed of during the financial year ended 31 December 2010.

16. Other current assets

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Deposits	**95**	2,509	**11**	11
Prepayments	**247**	1,494	**184**	188
	342	4,003	**195**	199

17. Investments in associated companies

(a)

	Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**337,537**	299,483
Share of net profit	**20,402**	13,507
Share of revaluation deficit [Note 29(b)(i)]	**-**	(824)
Share of currency translation reserve [Note 29(b)(ii)]	**(1,994)**	(1,074)
Share of fair value (losses)/gains on available-for-sale financial assets [Note 29(b)(iii)]	**(2,451)**	26,445
Share of share-based payment reserve [Note 29 (b)(iv)]	**253**	-
End of financial year	**353,747**	337,537

The summarised financial information of associated companies, without applying the proportion of ownership interest in each of the associated companies held by the Group, is as follows:

	Group	
	2011	2010
	$'000	$'000
- Assets	**678,903**	640,309
- Liabilities	**(131,936)**	(126,567)
- Revenue	**443,000**	399,841
- Net profit	**45,168**	27,299

Goodwill amounting to $108,968,000 (2010: $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.

17. Investments in associated companies (continued)

(b) The Group's investments in associated companies include investment in YHS, a company listed on the Singapore Exchange, with a carrying amount of $349,946,000 (2010: $333,737,000) for which the quoted market price is $329,721,000 (2010: $454,787,000) at the balance sheet date.

(c) As at 31 December 2011, quoted equity shares in YHS with a carrying amount of approximately $166,329,000 (2010: $117,432,000), were pledged as security for banking facilities of the Group [Note 25(b)(ii)].

(d) Advances to associated companies

	Group	
	2011	2010
	$'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.

Details of the associated companies, which all have financial year-ends that are co-terminous with the Group, are provided in Note 40.

(e) 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, claiming for damages of approximately $2.6 million (RM6.2 million) with interest and cost thereon.

On 10 March 2010, the High Court of Shah Alam vide the proceedings under Civil Suit no. MT3-22-936-2003 and granted judgement against YHSM in favour of the Plaintiff. The High Court did not award the quantum of damages and ordered that damages be assessed before the Registrar of the High Court. Based on the advice from its legal advisors, YHSM had a strong case to appeal and a memorandum of appeal was filed with the Court on 28 June 2010. The Registrar of the High Court fixed a hearing for the assessment of damages on 6 December 2011 and has subsequently granted the Plaintiff an extension of time until 2 April 2012 to file the relevant documents in respect of assessment of damages.

(ii) In the financial year ended 31 December 2008, the Central Jakarta District Court 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 filed a counter memorandum to the court on 5 April 2010. The case is still pending the Indonesia Supreme Court decision.

As at 31 December 2011, no provision (2010: no provision) has been made in respect of the above contingent liabilities.

18. Investments in joint ventures

During the financial year, the Group took an equity interest in a newly-incorporated joint venture, Far East Opus Pte Ltd. The Group holds 20% equity interest in Far East Opus Pte Ltd, while a related party holds 80%.

The following amounts represent the Group's share of the assets and liabilities and income and expenses of joint ventures, Orwin Development Limited and Far East Opus Pte Ltd, which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line proportionate consolidation method:

	Group	
	2011	2010
	$'000	$'000
Assets		
- Current assets	**317,795**	184,266
- Non-current assets	**34,102**	2,602
	351,897	186,868
Liabilities		
- Current liabilities	**8,565**	12,046
- Non-current liabilities	**95,437**	9,860
	104,002	21,906
Net assets	**247,895**	164,962
Sales	**229,383**	135,186
Expenses	**(129,464)**	(83,216)
Profit before tax	**99,919**	51,970
Income tax expense	**(16,986)**	(7,595)
Profit after tax	**82,933**	44,375
Operating cash (outflows)/inflows	**(7,746)**	51,324
Investing cash inflows	**111**	23
Financing cash inflows/(outflows)	**37,091**	(28,962)
Total cash inflows	**29,456**	22,385
Proportionate interest in joint ventures' commitments [Note 32(b)(i)]	**13,657**	45,059

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

Details of the joint ventures in respect of Orwin Development Limited and Far East Opus Pte Ltd are provided in Note 40.

18. Investments in joint ventures (continued)

The Group also has two contractual arrangements with a related party, a company that is controlled by one of the shareholders of the Company's ultimate holding company, to engage in joint activities that do not give rise to a jointly-controlled entity. The Group's share in the assets [Note 14(b)] in such joint ventures, together with the liabilities [Note 25(a)], revenues and expenses arising jointly or otherwise from those operations are included in the financial statements.

19. Investments in subsidiaries

		Company	
		2011	2010
		$'000	$'000
(a)	Unquoted equity shares at cost:		
	- 15% redeemable cumulative preference shares	**396,100**	396,100
	- Ordinary shares	**97,106**	97,106
		493,206	493,206
	Less: Allowance for impairment losses	**(9,675)**	(9,670)
		483,531	483,536
(b)	*Non-current*		
	Advances to subsidiaries	**319,058**	295,304
	Less: Allowance for impairment losses	**(122,497)**	(122,492)
		196,561	172,812

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 1.80% (2010: 2.70%) per annum on advances to subsidiaries of $111,928,000 (2010: $57,236,000). The other advances totalling $207,130,000 (2010: $238,068,000) are interest-free.

(c)		Company	
		2011	2010
		$'000	$'000
	Non-current		
	Advances from subsidiaries	**136,892**	122,464

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

Details of the subsidiaries are included in Note 40.

20. Other non-current assets

	Group		Company	
	2011	2010	**2011**	2010
	$'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 from the balance sheet date or unless they need to be sold to raise working capital.

21. Investment properties

(a)

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**173,243**	165,493	**113,959**	109,867
Currency translation differences	**(182)**	88	**-**	-
Additions	**99**	62	**37**	37
Reclassified to property, plant and equipment [Note 22(a)]	**(9,756)**	-	**-**	-
Adjustment on revaluation to income statement (Note 4)	**3,511**	7,600	**(1,151)**	4,055
End of financial year	**166,915**	173,243	**112,845**	113,959

(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 2011, investment properties with a carrying amount of $166,915,000 (2010: $168,029,000) were pledged as security for banking facilities of the Group [Note 25(b)(i)].

21. Investment properties (continued)

(b) (continued)

The following amounts are recognised in profit and loss:

	Group	
	2011	2010
	$'000	$'000
Rental income	**10,453**	10,306
Direct operating expenses	**(2,627)**	(3,206)

(c) Details of investment properties are as follows:

	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	78 years
Shops and offices at Central Square Village Residences, Havelock Road	Leasehold	82 years
4 office units at Tanglin Shopping Centre, Tanglin Road	Freehold	-

22. Property, plant and equipment

(a) **Group**

	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
2011							
Cost or valuation							
Beginning of financial year							
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
Currency translation differences	-	-	-	55	-	-	55
Reclassified from investment property [Note 21(a)]	-	-	-	9,756	-	-	9,756
Additions	-	-	1,708	4,407	-	26	6,141
Disposals	-	-	(176)	-	-	-	(176)
Transfers	-	-	188	(188)	-	-	-
Adjustment on revaluation	4,928	(3,661)	-	-	-	-	1,267
End of financial year	549,168	124,422	41,671	14,091	43	2,271	731,666
Representing:							
Cost	-	-	41,671	14,091	43	2,271	58,076
Valuation	549,168	124,422	-	-	-	-	673,590
	549,168	124,422	41,671	14,091	43	2,271	731,666
Accumulated depreciation							
Beginning of financial year	-	-	31,147	-	43	2,002	33,192
Depreciation charge (Note 5)	2,312	3,279	1,689	-	-	8	7,288
Disposals	-	-	(167)	-	-	-	(167)
Adjustment on revaluation	(2,312)	(3,279)	-	-	-	-	(5,591)
End of financial year	-	-	32,669	-	43	2,010	34,722
Net book value							
End of financial year	**549,168**	**124,422**	**9,002**	**14,091**	**-**	**261**	**696,944**

22. Property, plant and equipment (continued)

(a) **Group**

	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
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 2011

22. Property, plant and equipment

(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
2011							
Cost or valuation							
Beginning of financial year							
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
Additions	-	-	586	1,177	-	-	1,763
Disposals	-	-	(129)	-	-	-	(129)
Transfers	-	-	75	(75)	-	-	-
Adjustment on revaluation	3,952	(2,008)	-	-	-	-	1,944
End of financial year	359,888	68,675	28,240	1,140	43	2,006	459,992
Representing:							
Cost	-	-	28,240	1,140	43	2,006	31,429
Valuation	359,888	68,675	-	-	-	-	428,563
	359,888	68,675	28,240	1,140	43	2,006	459,992
Accumulated depreciation							
Beginning of financial year	-	-	21,922	-	43	1,768	23,733
Depreciation charge	-	1,914	1,090	-	-	-	3,004
Disposals	-	-	(126)	-	-	-	(126)
Adjustment on revaluation	-	(1,914)	-	-	-	-	(1,914)
End of financial year	-	-	22,886	-	43	1,768	24,697
Net book value							
End of financial year	**359,888**	**68,675**	**5,354**	**1,140**	**-**	**238**	**435,295**

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
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**

22. Property, plant and equipment (continued)

(c) If the freehold and leasehold land and buildings of the Group and the Company stated at valuation as at 31 December 2011 were included in the financial statements at cost less accumulated depreciation, their net book values would have been $153,794,000 (2010: $157,042,000) and $47,776,000 (2010: $49,032,000) 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 $673,590,000 (2010: $672,323,000) and $428,563,000 (2010: $426,619,000) respectively [Note 25(b)(i)].

(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 residences and serviced offices	99-year leasehold with effect from February 1995
Malaysia		
Lorong P Ramlee, Kuala Lumpur	Serviced residences under construction	Freehold

(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 2011, the Group and the Company recognised revaluation surplus of $6,858,000 and $3,858,000 (2010: $34,386,000 and $19,900,000) in the asset revaluation reserve of the Group and the Company respectively [Note 29(b)(i)].

(g) Interest capitalised of the Group during the year was $76,000 (2010: Nil). The weighted average effective rate of interest was 4.42% (2010: Nil) per annum, arising mainly from borrowings denominated in Malaysian Ringgit.

23. Trade payables

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Trade payables to:				
- non-related parties	**11,013**	14,870	**1,846**	1,802
- related parties [Note 35(a)]	**4,094**	3,071	**197**	168
	15,107	17,941	**2,043**	1,970
Due to customers [Note 14(b)]	**23,995**	-	**-**	-
	39,102	17,941	**2,043**	1,970

24. Other current payables

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Other payables				
- non-related parties	**856**	1,182	**16**	190
- related parties [Note 35(a)]	**4,244**	4,054	**3,006**	3,989
	5,100	5,236	**3,022**	4,179
Interest payable	**353**	445	**207**	230
Accrual for operating expenses	**4,578**	4,271	**2,668**	2,460
Deferred revenue	**182**	171	**-**	-
Rental deposits	**1,405**	1,467	**821**	639
	11,618	11,590	**6,718**	7,508

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

25. Borrowings

(a)

	Group		Company	
	2011 **$'000**	2010 $'000	**2011** **$'000**	2010 $'000
Current				
Bank borrowings*	**196,058**	131,570	**130,230**	1,200
Non-current				
Bank borrowings*	**259,602**	274,057	**120,000**	247,132
Total borrowings	**455,660**	405,627	**250,230**	248,332

* Net of transaction costs.

The bank borrowings of the Group and the Company are subject to interest rate re-fixing, every two months (2010: one month).

Included in non-current bank borrowings is an amount of $35,200,000 (2010: $27,000,000) from the Group's share in joint ventures. These joint ventures are contractual arrangements without a jointly-controlled entity (Note 18).

(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 held by a subsidiary [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).

In addition, the Company has provided corporate guarantees to banks on subsidiaries' banking facilities [Note 33(b)].

26. Other non-current liabilities

	Group		Company	
	2011 **$'000**	2010 $'000	**2011** **$'000**	2010 $'000
Rental deposits	**1,348**	998	**739**	723
Advances from minority shareholders of subsidiaries	**2**	2	**-**	-
Advances from associated companies	**3,016**	3,016	**-**	-
	4,366	4,016	**739**	723

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.

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	
	2011 **$'000**	2010 $'000	**2011** **$'000**	2010 $'000
Deferred income tax liabilities				
- to be settled within one year	**27,128**	9,860	**251**	-
- to be settled after one year	**27,687**	27,695	**4,816**	5,309
	54,815	37,555	**5,067**	5,309

27. Deferred income taxes (continued)

Movements in deferred income tax account (net) are as follows:

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**37,555**	28,118	**5,309**	7,540
Tax charged/(credited) to:				
- profit or loss (Note 9)	**16,766**	8,848	**(226)**	(358)
- equity [Note 29(b)(i)]	**494**	589	**(16)**	(1,873)
End of financial year	**54,815**	37,555	**5,067**	5,309

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

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Asset revaluation reserve				
- land and buildings [Note 29(b)(i)]	**494**	589	**(16)**	(1,873)

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 $86,279,000 (2010: $84,844,000) 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.

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
2011				
Beginning of financial year	1,678	24,991	10,886	37,555
Charged/(credited) to				
- profit or loss	(5)	(130)	16,901	16,766
- equity	-	494	-	494
End of financial year	**1,673**	**25,355**	**27,787**	**54,815**
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**

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Asset revaluation surplus $'000	Other $'000	Total $'000
2011				
Beginning of financial year	1,036	2,615	1,658	5,309
Charged/(credited) to				
- profit or loss	(21)	(120)	(85)	(226)
- equity	-	(16)	-	(16)
End of financial year	**1,015**	**2,479**	**1,573**	**5,067**
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**

28. Share capital

The Group and Company's share capital comprises fully paid-up 363,309,000 (2010: 353,007,000) ordinary shares with no par value, amounting to a total of $372,063,000 (2010: $356,713,000).

29. Revaluation and other reserves

(a)

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Composition:				
Asset revaluation reserve	**502,608**	498,234	**404,415**	400,541
Currency translation reserve	**(7,394)**	(5,274)	**-**	-
Fair value reserve	**30,557**	33,008	**-**	-
Share-based payment reserve	**253**	-	**-**	-
	526,024	525,968	**404,415**	400,541

29. Revaluation and other reserves (continued)

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
(b) Movements:				
(i) *Asset revaluation reserve:*				
Beginning of financial year	**498,234**	472,324	**400,541**	378,768
Revaluation surplus on property, plant and equipment (Note 22)	**6,858**	34,386	**3,858**	19,900
Movement in deferred tax liability on revaluation surplus (Note 27)	**(494)**	(589)	**16**	1,873
Share of associated company's revaluation deficit [Note 17(a)]	**-**	(824)	**-**	-
Share of associated company's transfer to retained profits	**(1,990)**	(7,063)	**-**	-
End of financial year	**502,608**	498,234	**404,415**	400,541
(ii) *Currency translation reserve:*				
Beginning of financial year	**(5,274)**	(4,277)	**-**	-
Net currency translation differences of financial statements of a foreign subsidiary company	**(126)**	75	**-**	-
Share of associated company's currency translation reserve [Note 17(a)]	**(1,994)**	(1,074)	**-**	-
Share of associated company's transfer to retained profits	**-**	2	**-**	-
End of financial year	**(7,394)**	(5,274)	**-**	-

29. Revaluation and other reserves (continued)

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
(b) Movements: (continued)				
(iii) *Fair value reserve:*				
Beginning of financial year	**33,008**	6,563	**-**	-
Share of associated company's fair value (losses)/gains on available-for-sale financial assets [Note 17(a)]	**(2,451)**	26,445	**-**	-
End of financial year	**30,557**	33,008	**-**	-
(iv) *Share-based payment reserve:*				
Beginning of financial year	**-**	-	**-**	-
Share of associated company's share-based payment reserve [Note 17(a)]	**253**	-	**-**	-
End of financial year	**253**	-	**-**	-

Revaluation and other reserves are non-distributable.

30. Retained profits

Movements in retained profits for the Company are as follows:

	Company	
	2011	2010
	$'000	$'000
Beginning of financial year	**62,365**	47,742
Net profit	**10,552**	18,129
Shares issued in-lieu of dividends	**(15,350)**	(2,322)
Dividends paid to shareholders in cash	**(5,826)**	(1,184)
End of financial year	**51,741**	62,365

Movements in retained profits for the Group are shown in the consolidated statement of changes in equity.

31. Contingent liabilities

Subsequent to the sale of an investment property in Kuala Lumpur 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.

There was no further correspondence from the plaintiff since June 2009. 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	
	2011	2010	**2011**	2010
	$'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)	**52,698**	45,059	**-**	-
(ii) Property, plant and equipment	**24,153**	-	**-**	-

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	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Not later than one year				
- non-related parties	**7,980**	6,665	**5,977**	5,123
- related parties [Note 35(a)]	**1,484**	784	**519**	323
	9,464	7,449	**6,496**	5,446
Between one and five years				
- non-related parties	**6,229**	4,134	**4,504**	3,542
- related parties [Note 35(a)]	**685**	105	**126**	-
	6,914	4,239	**4,630**	3,542
	16,378	11,688	**11,126**	8,988

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.

33. Financial risk management (continued)

(a) Market risk (continued)

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

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 0.1% (2010: 0.4%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by $362,000 (2010: $1,400,000) and $250,000 (2010: $967,000) as a result of higher/lower interest expense on these borrowings.

(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 its net investment in its Malaysian subsidiary, where value is linked to Malaysian Ringgit. The Malaysian subsidiary mainly owns a freehold property in Kuala Lumpur, Malaysia [Note 22(e)] which is being redeveloped into serviced residences and does not have significant financial assets and liabilities at the end of the financial year.

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 disposed of all financial assets, at fair value through profit or loss in the financial year ended 31 December 2010, and has eliminated its equity securities price risk from the portfolio.

(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 do 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	
	2011	2010
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' banking facilities	**205,963**	157,475

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	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Past due 0 to 2 months	**2,128**	3,042	**538**	318
Past due 2 to 4 months	**1,438**	471	**1**	7
Past due over 4 months	**865**	2,005	**-**	2
	4,431	5,518	**539**	327

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	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Gross amount	**783**	832	**-**	-
Less: Allowance for impairment losses	**(783)**	(832)	**-**	-
	-	-	**-**	-
Beginning of financial year	**832**	768	**-**	-
Allowance made	**31**	64	**-**	-
Allowance utilised	**(80)**	-	**-**	-
End of financial year	**783**	832	**-**	-

33. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, as well as 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 the 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 meet the normal operating commitments and having an adequate amount of committed credit facilities.

The table below analyses financial liabilities of the Group and the Company 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 2011			
Trade and other payables	26,543	-	-
Borrowings	323,157	72,313	68,700
Other non-current liabilities	-	3,793	573
	349,700	**76,106**	**69,273**
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**
Company			
At 31 December 2011			
Trade and other payables	8,761	-	-
Borrowings	251,869	-	-
Other non-current liabilities	-	352	387
	260,630	**352**	**387**
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**

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	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Total borrowings	**455,660**	405,627	**250,230**	248,332
Total equity	**1,079,639**	959,230	**828,219**	819,619
Gearing ratio %	**42%**	42%	**30%**	30%

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 and for the financial year then ended are as follows:

	Group and Company	
	2011	2010
Ratio of EBITDA to interest expense	**4.13**	4.22
Ratio of total borrowings to total security value	**0.47**	0.47
Consolidated tangible net worth ($'000)	**970,671**	850,262

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2011 and 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:

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

(ii) 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

(iii) 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 of all its financial instruments which were traded on active markets. 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	
	2011	2010
	$'000	$'000
Amount billed to a joint venture:		
- Management fees	**451**	636
Amount billed (by)/to other related parties:		
- Management services, property management, accounting, computer support and other fees	**(3,532)**	(3,570)
- Property development, project management, and sales and marketing service fees	**(2,306)**	(1,382)
- Rental income	**1,850**	1,761

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 2011, arising from sale and purchase of goods and services, are set out in Notes 12 and 23 respectively.

35. Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2011	2010
	$'000	$'000
Wages and salaries	**634**	567
Employer's contribution to defined contribution plans, including Central Provident Fund	**26**	26
Directors' fees	**358**	367
	1,018	960

Included in the above is total compensation to directors of the Company amounting to $482,000 (2010: $482,000).

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

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 2011						
Revenue						
- external sales	51,066	229,834	11,373	-	-	292,273
Gross profit	31,022	105,571	9,556	-	-	146,149
Operating profit	28,572	96,768	8,308	(15)	-	133,633
Corporate expenses						(1,194)
Finance expense						(9,245)
Fair value gains on investment properties	-	-	3,511	-	-	3,511
Share of profit of associated companies	-	-	-	-	20,402	20,402
Profit before income tax						147,107
Income tax expense						(22,918)
Net profit						124,189
Segment assets	690,012	423,500	185,023	573	-	1,299,108
Associated companies	-	3,801	-	-	349,946	353,747
Total assets						1,652,855
Capital expenditure	6,089	-	-	-	-	6,089

[1] *This relates to investment held in an associated company, Yeo Hiap Seng Limited.*

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 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.*

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 2011 and 2010.

37. Dividends

	Group and Company	
	2011	2010
	$'000	$'000
Ordinary dividends paid		
Final tax exempt dividend paid in respect of the previous financial year of 6 cents per share (2010: 1 cent per share) (Note 30)	**21,176**	3,506

At the Annual General Meeting on 27 April 2012, a final one-tier tax exempt dividend of 3.00 cents per ordinary share and a special one-tier tax exempt dividend of 6.00 cents per ordinary share amounting to a total of $32,698,000 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 ending 31 December 2012.

38. 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 2012. Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets is relevant for the Group's and the Company's accounting period beginning on 1 January 2012 and which the Group and the Company have not early adopted. The management anticipates that the adoption of the above amendments to FRS will not have a material impact on the Group's and the Company's financial statements in the period of their initial adoption.

39. 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 21 March 2012.

40. Listing of companies in the Group

Name of company	Principal activities	Country of incorporation and place of business	Cost of investment		Equity holding held by the Company or its nominees		Equity holding held by subsidiaries or their nominees	
			2011 $'000	2010 $'000	**2011 %**	2010 %	**2011 %**	2010 %
Subsidiaries held by the Company								
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	**-**	-
Tannery Holdings Pte Ltd	Property development and investment	Singapore	*	*	**100**	100	**-**	-
Pinehigh Development Sdn Bhd	Property investment and development	Malaysia	**	**	**100**	100	**-**	-
Westview Properties Pte Ltd	Property development	Singapore	**17,370**	17,370	**100**	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 residences, 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	**-**	-
			493,206	493,206				

40. Listing of companies in the Group (continued)

Name of company	Principal activities	Country of incorporation and place of business	Equity holding held by the Company or its nominees 2011 %	Equity holding held by the Company or its nominees 2010 %	Equity holding held by subsidiaries or their nominees 2011 %	Equity holding held by subsidiaries or their nominees 2010 %
Joint ventures held by subsidiaries						
Joint venture of:						
OPH Orion Limited:						
Orwin Development Limited(1)	Property development	Singapore	**-**	-	**60**	60
Pearlvine Pte Ltd:						
Far East Opus Pte Ltd	Property development	Singapore	**-**	-	**20**	-
Associated companies held by subsidiaries						
Associated company of:						
Jelco Properties Pte Ltd:						
Yeo Hiap Seng Limited(2)	Consumer food and beverage products, property development	Singapore	**-**	-	**49.53**	49.53
OPH Property Limited:						
Hill Grove Realty Limited(3)	Property development	Singapore	**-**	-	**50**	50
OPH Zenith Pte Ltd:						
Seasons Park Limited(3)	Property development	Singapore	**-**	-	**50**	50
OPH Investments Pte Ltd:						
Minard Investment Limited(3)	Investment holding	British Virgin Islands	**-**	-	**25**	25

All companies are audited by PricewaterhouseCoopers LLP, Singapore, except for Pinehigh Development Sdn Bhd, which is audited by Roger Yue, Tan & Associates, Malaysia and Minard Investment Limited, which is not required to be audited under the laws of the country of incorporation.

The Company has complied with Rule 712 and Rule 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

* *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) *Yeo Hiap Seng Limited ("YHS") is listed on the Singapore Exchange and is a subsidiary of Far East Organisation Pte Ltd ("FEO"), the immediate and ultimate holding company of the Company through its other direct interest held by FEO.*

(3) *Unquoted equity shares.*

// Statistics of Shareholdings

As at 12 March 2012

Issued and fully paid-up capital	:	$372,062,835.83
Number of shares issued	:	363,308,933
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	443	7.51	75,929	0.02
1,000 - 10,000	4,094	69.37	18,724,362	5.15
10,001 - 1,000,000	1,346	22.80	53,602,961	14.76
1,000,001 and above	19	0.32	290,905,681	80.07
Total	5,902	100.00	363,308,933	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Far East Organisation Pte Ltd	213,900,398	58.87
2	Maybank Kim Eng Securities Pte Ltd	9,675,617	2.66
3	United Overseas Bank Nominees Pte Ltd	8,610,615	2.37
4	Citibank Nominees Singapore Pte Ltd	8,229,360	2.27
5	Bank of East Asia Nominees Pte Ltd	7,590,500	2.09
6	BNP Paribas Pte Bank Nominees Pte Ltd	7,476,093	2.06
7	DBS Nominees Pte Ltd	6,945,091	1.91
8	Daiwa (Malaya) Private Limited	6,731,200	1.85
9	OCBC Nominees Singapore Pte Ltd	2,967,619	0.82
10	Raffles Nominees Pte Ltd	2,828,871	0.78
11	DBS Vickers Securities (S) Pte Ltd	2,806,315	0.77
12	OCBC Securities Private Ltd	2,442,945	0.67
13	The Estate of Khoo Teck Puat, Deceased	2,412,200	0.66
14	HSBC (Singapore) Nominees Pte Ltd	1,725,450	0.47
15	Hotel Holdings (Private) Ltd	1,699,600	0.47
16	UOB Kay Hian Pte Ltd	1,351,995	0.37
17	Phillip Securities Pte Ltd	1,348,891	0.37
18	Goodwood Park Hotel Ltd	1,103,200	0.30
19	Hexacon Construction Pte Ltd	1,059,721	0.29
20	CIMB Securities (Singapore) Pte Ltd	830,528	0.23
	Total	291,736,209	80.28

// Statistics of Shareholdings

As at 12 March 2012

SUBSTANTIAL SHAREHOLDERS
(as shown in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Far East Organisation Pte Ltd	213,900,398	58.87	-	-
The Estate of Khoo Teck Puat, deceased[1]	2,248,400	0.64	18,702,600	5.33
Tan Kim Choo[2]	224,659	0.06	213,900,398	58.87
The Estate of Ng Teng Fong, deceased[3]	-	-	213,900,398	58.87

Notes:

(1) The Estate of Khoo Teck Puat, deceased, is deemed to be interested in the shares held by Daiwa (Malaya) Private Limited, Goodwood Park Hotel Limited, Hotel Holdings (Private) Limited, Industrial Syndicate (Private) Ltd, Kim Eng Securities Pte Ltd, Leo Investments Corpn S B and Luxor Hotel Limited.

(2) Mdm Tan Kim Choo is deemed to be interested in the shares of the Company held by Far East Organisation Pte Ltd ("FEO") through her 50% shareholding in the issued share capital of FEO.

(3) The Estate of Ng Teng Fong, deceased, is deemed to be interested in the shares of the Company held by FEO through his 50% shareholding in the issued share capital of FEO.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the information provided to the Company as at 12 March 2012, approximately 35.27% of the issued share capital of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

// Notice of Annual General Meeting

Orchard Parade Holdings Limited *(Incorporated in the Republic of Singapore) (Registration No: 196700511H)*

NOTICE IS HEREBY GIVEN that the Forty-fourth 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, 27 April 2012 at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Independent Auditor thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of S$0.03 per ordinary share and a special one-tier tax exempt dividend of S$0.06 per ordinary share for the financial year ended 31 December 2011. **(Resolution 2)**

3. To approve the payment of S$358,048 as Directors' fees for the financial year ended 31 December 2011 (2010: S$367,000). **(Resolution 3)**

4. To note the retirement of Mr Tjong Yik Min, a Director retiring pursuant to Article 96 of the Company's Articles of Association. Mr Tjong had indicated that he does not wish to seek re-election at this Annual General Meeting.

5. To note the retirement of Mr Eddie Yong Chee Hiong, a Director retiring pursuant to Article 96 of the Company's Articles of Association. Mr Yong had indicated that he does not wish to seek re-election at this Annual General Meeting.

6. To re-elect Mr Lucas Chow Wing Keung, a Director retiring pursuant to Article 96 of the Company's Articles of Association. **(Resolution 4)**

7. To re-elect Mdm Ee Choo Lin Diana, a Director retiring pursuant to Article 101 of the Company's Articles of Association.

   (Mdm Ee Choo Lin Diana will, upon re-election as a Director of the Company, remain as a member 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. She will continue to remain as a member of the Nominating and Remuneration Committees.) **(Resolution 5)**

8. To re-appoint PricewaterhouseCoopers LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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

AS SPECIAL BUSINESS

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

10. Authority to allot and issue shares

    "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,

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 7)**

// Notice of Annual General Meeting

Orchard Parade Holdings Limited *(Incorporated in the Republic of Singapore) (Registration No: 196700511H)*

BY ORDER OF THE BOARD

CHLOE KHO KIM SUAN
MADELYN KWANG YEIT LAM
Company Secretaries

Singapore,
5 April 2012

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.

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

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-fourth Annual General Meeting ("AGM") of the Company to be held on Friday, 27 April 2012 at 2.30 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 together with the Reports of Directors and Independent Auditor		
2.	Payment of first and final dividend and special dividend		
3.	Approval of Directors' fees of S$358,048		
4.	Re-election of Mr Lucas Chow Wing Keung as a Director		
5.	Re-election of Mdm Ee Choo Lin Diana as a Director		
6.	Re-appointment of PricewaterhouseCoopers LLP as Independent Auditor		
7.	Authority to allot and issue shares		

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

Dated this ____________ day of ____________________ 2012.

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

Fold along dotted line

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

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