WHEELOCK
PROPERTIES

SIMPLICITY
IS THE ULTIMATE
SOPHISTICATION

– LEONARDO DA VINCI

ANNUAL REPORT 2010

CONTENTS

The developments of Wheelock Properties epitomise stylish living, where simple form and function meet in a harmonious blend to create the ultimate sophistication.

Orchard View and Ardmore II, both completed in 2010, exude fine architectural elegance. They are deliberately understated in design yet finished with exquisite touches, allowing residents to indulge in their own distinctive style.

An ultra-luxurious 36-storey development, Orchard View is located in the serene enclave of Angullia Park. Comprising a limited collection of 30 exquisite 4-bedroom apartments, each occupying an entire floor, every apartment here offers private lift access and breathtaking panoramic views.

ORCHARD VIEW

LUXURY AND EXCLUSIVITY AT THE HEART OF THE CITY

Exclusivity within lush greenery,
Orchard View

Luxury doubled, Ardmore II

ARDMORE II

DOUBLE DISTINCTIONS OF UNDERSTATED ELEGANCE AND SOPHISTICATION

Two distinctive towers in perfect union on prime freehold land create a desirable development in Ardmore Park – Ardmore II.

Nestled within are 118 exquisite homes that celebrate the splendour of space, elegantly juxtaposed with the subtleties of stylish living. A remarkable array of facilities include a 50-metre swimming pool flanked by a vast open pool deck, a 25-metre resort pool, a junior pool and a one-of-a-kind event lawn.

LETTER TO SHAREHOLDERS

One-of-a-kind event lawn amidst the serenity of Ardmore II

The Singapore economy did well in 2010, with GDP growth of nearly 15%. The residential property market, spurred by the exceptional economic growth and low interest rate environment also performed well.

The government implemented several property cooling measures in 2010 to maintain a stable and sustainable property market. This will benefit all in the long term.

Two of our luxury residential developments, Ardmore II and Orchard View, were successfully completed in 2010. We look forward to the completion of our luxury retail and residential development, Scotts Square later this year.

Piling works for Ardmore Three will be completing soon and construction will commence in 2011 for our next luxury residential development at Ardmore Park. We target to launch this development at the end of 2011/early 2012.

We will continue with our strategy of maintaining a strong cash position to enable us to pursue all good investments and development opportunities.

REVENUE AND PROFIT

The Group achieved revenue of $572 million and profit before tax of $376 million for the year ended 31 December 2010, a significant increase of 48% and 32% respectively when compared to the same period last year.

Revenue for the year ended 31 December 2010 increased mainly due to higher revenue recognition from Scotts Square based on the progress of construction works in financial year ("FY") 2010. The sale of units in Orchard View in FY2010 also contributed to the higher revenue. This was partially offset by lower revenue recognised from Ardmore II as the project was completed in the 2nd quarter of 2010.

Gross profit margin for the year ended 31 December 2010 was 58% compared to 48% in the same period last year. The increase was mainly due to the higher profit margin for Scotts Square.

The increase in cost of sales for the year ended 31 December 2010 was in line with the increase in revenue.

The Group's investment properties were valued by firms of independent professional valuers. Wheelock Place was revalued from $794.5 million to $850 million and the fair value gain of $55.5 million (2009: $130 million) has been accounted for in the income statement under other income. Scotts Square Retail was valued at $292 million to take into consideration the progressive construction costs incurred during FY2010.

The decrease in finance costs was due to the repayment of a bank loan upon maturity in FY2009.

DIVIDEND

The Directors have recommended a first and final tax exempt (one-tier) dividend of 6 cents per share (2009: 6 cents per share). The proposed first and final dividend, if approved by the Shareholders at the Annual General Meeting on 29 April 2011, will be paid on 26 May 2011.

ASSETS

The Group's total assets as at 31 December 2010 were $3.1 billion compared to $2.9 billion as at 31 December 2009. The increase in total assets was mainly attributed to the increase in cash position, largely from sales proceeds from the development properties. The increase in market value of the Group's investments in equity securities and increase in fair value of the Group's investment property also contributed to the increase in total assets. Return on assets (based on profit for the year) for the year ended 31 December 2010 was 10.1% (year ended 31 December 2009: 9.1%).

SHAREHOLDERS' EQUITY

The Shareholders' equity as at 31 December 2010 was $2.8 billion compared to $2.5 billion as at 31 December 2009. The increase was mainly attributed to the profit from operations in FY2010, higher market value of the Group's investments in equity securities and increase in fair value of the Group's investment property. Return on shareholders' equity (based on profit for the year) for the year ended 31 December 2010 was 11.5% (year ended 31 December 2009: 10.7%).

BORROWINGS

The Group's borrowings as at 31 December 2010 were $104 million compared to $234 million as at 31 December 2009. The lower borrowings were mainly due to prepayment of a bank loan from funds received from the sale of a residential project. The debt-equity ratio as at 31 December 2010 was 3.8%, down from 9.5% as at 31 December 2009.

NET CASH FLOW

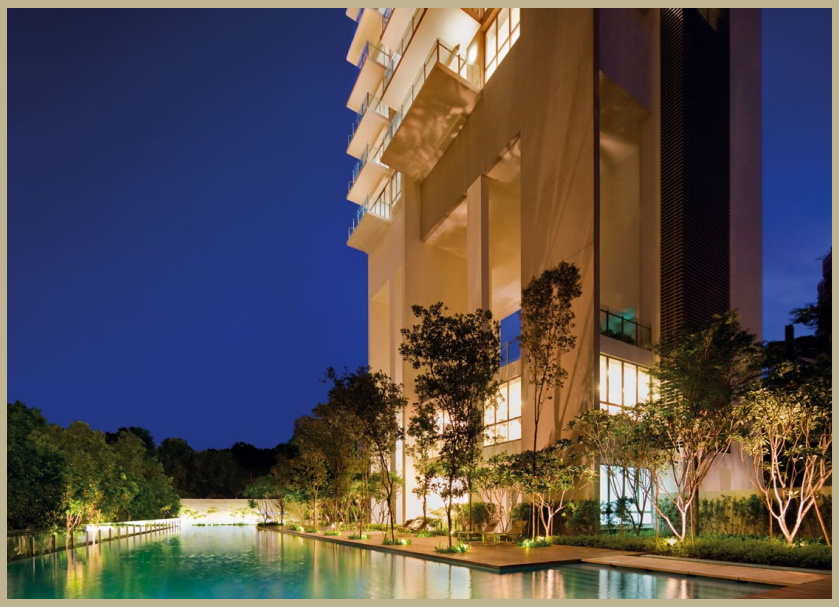
Net cash flow from operating activities for the year ended 31 December 2010 was $270 million, mainly attributed to sales proceeds received from the development properties projects. For investing activities, the Group incurred $34 million on construction of Scotts Square Retail and upgrading of Wheelock Place. For financing activities, net loan repayment was $130 million.

PROPERTY REVIEW

Development Properties

Island-wide prices of residential properties increased by 17.6% for the whole of 2010. In the Core Central Region, prices of residential properties increased by 14.2% in 2010. A record 16,292 private residential units were sold directly by developers in 2010 compared to 14,688 units in 2009. (Source: URA 4th Quarter 2010 Report)

The resort pool, one of the inviting water features at Ardmore II



TOP
50-metre swimming pool surrounded by elegant architecture, Orchard View

BOTTOM
Extensive and minimalist porte-cochère, Ardmore II

Ardmore II
Ardmore II is 100% sold.

The development received its Temporary Occupation Permit ("TOP") on 21 June 2010. The Certificate of Statutory Completion ("CSC") was received on 15 December 2010.

Orchard View
Orchard View is a luxury 36-storey development located in the serene enclave of Angullia Park, and within walking distance to Orchard MRT. The 30 four-bedroom apartments enjoy almost 360 degree views. Each unit occupies a whole floor in the development.

The development received its TOP on 18 May 2010 and CSC on 7 December 2010. Marketing is on-going at the showflat located on the 24th floor.

As at 31 December 2010, 9 units have been sold at an average price of $3,244 psf.

Scotts Square
As at 31 December 2010, Scotts Square is 70% (236 units) sold at an average price of $3,992 psf. Billings are in progress and have advanced to the Doors and Windows stage for the 42nd floor for Scotts Wing and the 32nd floor for Orchard Wing.

Profit recognition on the units sold has commenced in accordance with the Group's accounting policy. The development is scheduled for completion in the 2nd half of 2011.

Ardmore Three
Ardmore Three will be our next luxury development along Ardmore Park. The design development has been finalised and construction will commence in mid 2011, following the completion of piling. A showflat will be built on site and targeted to be completed in the fourth quarter of 2011.

Investment Properties
Office and Retail Market
Island-wide office rental increased by 12.6% in 2010, compared to a 23.6% drop in 2009.

Retail rentals in Singapore have stabilised and increased by 2.9% for the year 2010. This is compared to a rental drop of 7.4% in 2009. (Source: URA 4th Quarter 2010 Report)

Wheelock Place

Committed office rentals in Wheelock Place have also increased, in line with the general recovery of office leasing market and economy.

The occupancy rate of Wheelock Place is 100% as at 31 December 2010. The average rentals for office and retail space for the same period were $10 psf and $14 psf per month respectively.

90% of the office reversions in 2010 were renewed. The remaining 10% of the office reversions were pre-let before the lease expiry dates, thus maintaining 100% occupancy rate for Wheelock Place.

For 2010, 63% of the retail reversions were renewed. We have successfully secured new tenants for the available units for lease.

Scotts Square Retail

Marketing of the retail shops, spread over basement 1 to level 3, is on-going. We have secured several key tenants, including Hermes and are in the midst of negotiations with other retailers.

The retail mall is expected to be completed concurrently with the residential towers in the second half of 2011.

CORPORATE GOVERNANCE

The Company, with the commitment of its Directors and Management, strives to continuously maintain its high standard of corporate governance by establishing sound polices and risk management practices.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to achieving sustainability by conducting our business through a socially-responsible and environmentally-conscious approach. To this end, we are actively engaged in the planning and development of green mark initiatives at the upcoming project, Ardmore Three. We are also embarking on the upgrading and implementation of environmentally sustainable measures at Wheelock Place to improve energy efficiency and reduce the environmental impact of operations. Through expanding our sustainability practices to existing and future projects, we endeavour towards achieving a positive difference in protecting the environment.

CURRENT YEAR'S PROSPECTS

In 2011, the Group will recognise the remaining profits from sold units of Scotts Square as the project is expected to obtain its Temporary Occupation Permit. 100% of profits will also be recognised on additional units sold in Orchard View and Scotts Square in 2011.

Progress billings for the development properties projects are on-going. 98% of progress billings have been served on Ardmore II and Orchard View. 5% of the sales proceeds, held with the Singapore Academy of Law, are expected to be released to the Group in 2011.

Strata Subdivision Certificates are expected to be obtained in 2011 for the above 2 developments and the final 2% of the sales proceeds will be collected upon legal completion. 45% to 55% of progress billings have been served on Scotts Square and we expect to achieve 85% in 2011.

Wheelock Place, which has achieved good rental rates and high occupancy, is expected to continue to generate good recurring income. The completion of Scotts Square Retail in 2011 will further contribute to the Group's annual recurring income.

The Group remains in a strong financial position to take advantage of investments and development opportunities which may arise locally or overseas.

APPRECIATION

We wish to thank our fellow Directors and Honorary Advisor whose expertise, experience and independent assessment of issues have contributed greatly to the Group.

We also commend our Management and staff for their dedication and contributions during the year and to our stakeholders for their continuous support.

PETER K. C. WOO
Chairman

DAVID J. LAWRENCE
Managing Director/
Chief Executive Officer

21 February 2011

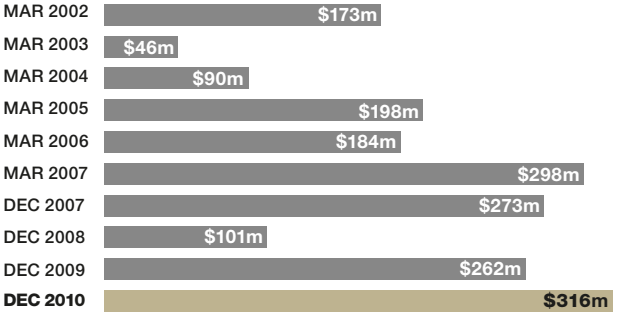
FIVE-YEAR FINANCIAL SUMMARY

	2010	2009	2008	2007	2006/7
GROUP INCOME STATEMENT ($'000)					
Revenue	**571,666**	386,640	454,635	380,887	561,229
Profit for the year	**316,186**	262,337	100,949	273,492	297,879
GROUP STATEMENTS OF FINANCIAL POSITION ($'000)					
Investment properties	**1,141,811**	1,052,500	790,000	700,000	500,000
Investments	**394,271**	334,420	142,363	523,538	467,976
Development properties	**623,799**	683,720	693,041	977,518	1,063,639
Cash and cash equivalents	**860,702**	759,427	756,677	557,724	679,697
Other assets	**107,014**	50,382	276,083	172,758	129,979
Bank loans	**(103,925)**	(233,640)	(392,138)	(503,525)	(606,740)
Other liabilities	**(264,810)**	(187,329)	(212,423)	(245,931)	(207,687)
	2,758,862	2,459,480	2,053,603	2,182,082	2,026,864
Representing:					
Share capital	**1,055,901**	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	**1,702,961**	1,403,579	997,702	1,126,181	970,963
	2,758,862	2,459,480	2,053,603	2,182,082	2,026,864
FINANCIAL RATIOS					
Earnings per share (cents)	**26.42**	21.92	8.44	22.86	24.89
Net asset value per share ($)	**2.31**	2.06	1.72	1.82	1.69
Dividends per share (cents)	**6.00**	6.00	6.00	6.00	3.00
Return on shareholders' equity (%)	**11.46**	10.67	4.92	12.53	14.70
Return on assets (%)	**10.11**	9.11	3.80	9.33	10.48
Debt-equity ratio (%)	**3.77**	9.50	19.10	23.08	29.93

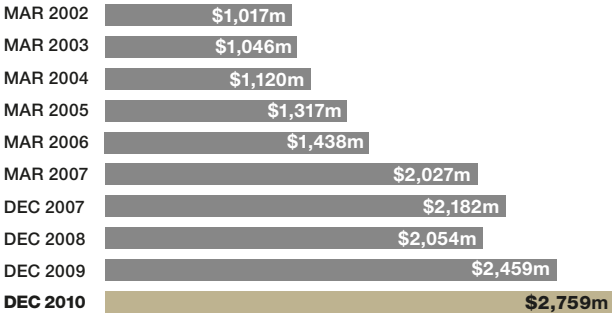
Notes:
Dividends per share for FY2010 relates to the proposed first and final tax exempt (one-tier) dividend.
Figures and ratios for FY2007 relate to a 9-month period.

KEY FINANCIAL DATA

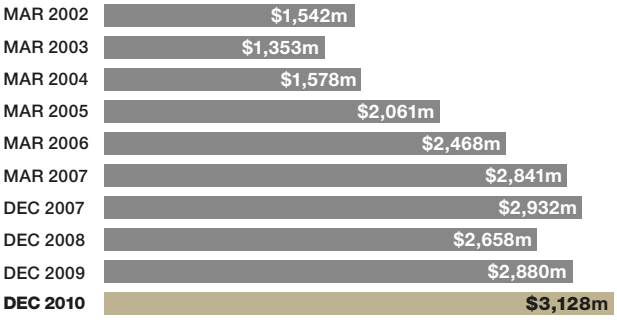
GROUP PROFIT FOR THE YEAR



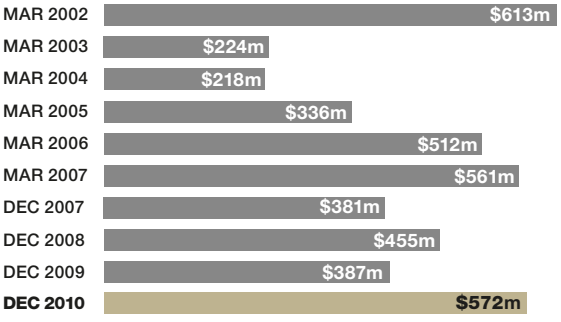
NET TANGIBLE ASSETS



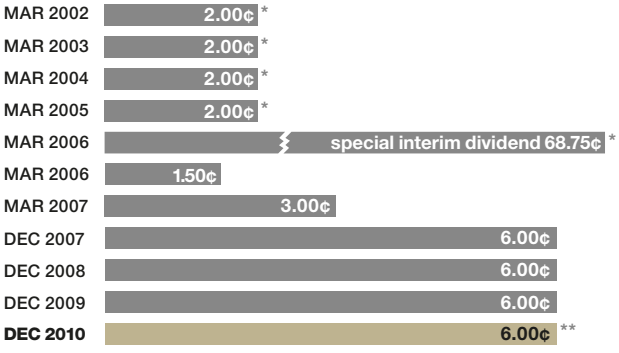
GROUP TOTAL ASSETS



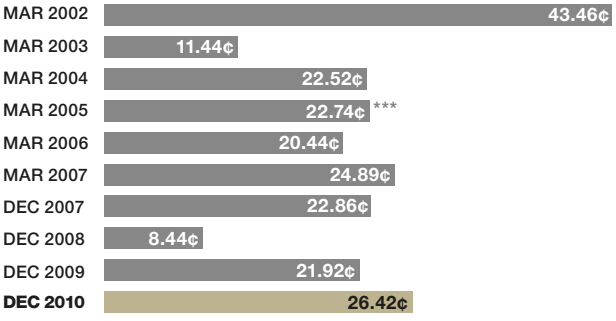
GROUP REVENUE



DIVIDENDS PER SHARE



EARNINGS PER SHARE



Notes:

* Dividends per share has been re-stated to take into account the rights issue exercise completed in March 2006.

** Dividends per share for FY2010 relates to the proposed first and final tax exempt (one-tier) dividend.

*** Earnings per share for FY2004/5 has been re-stated to take into account the rights issue exercise completed in March 2006.

Figures for FY2007 relate to a 9-month period.

Contemporary and luxurious
residents' lounge, Ardmore II

Spacious kitchen equipped with the finest European fittings, Orchard View

BOARD OF DIRECTORS

PETER KWONG CHING WOO

CHAIRMAN

Mr Peter Kwong Ching Woo was appointed to the Wheelock Properties (Singapore) Board as a Director of executive role and also as the Chairman on 26 May 2006. He was re-elected as Director at the Company's Annual General Meeting on 28 April 2008. Mr Woo is proposed for re-election in accordance with Article 109 of the Company's Articles of Association at the forthcoming Annual General Meeting on 29 April 2011.

Mr Woo has resumed the role of Chairman of Wheelock and Company Limited, a publicly listed company in Hong Kong, since 2002 after having formerly served as its Chairman from 1986 to 1996. He is also the Chairman of The Wharf (Holdings) Limited, a fellow subsidiary of the Company publicly listed in Hong Kong. He has for many years been actively engaged in community and related services, both locally and in the international arena, and has held various Government appointments in Hong Kong.

Mr Woo serves as a member of the Standing Committee of the Eleventh National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He was appointed a Justice of the Peace in 1993 and awarded the Gold Bauhinia Star in 1998 by the Hong Kong SAR Government. He has been appointed a non-official member of the Commission on Strategic Development of the Hong Kong SAR Government since June 2007. He had served as the Chairman of the Hospital Authority of Hong Kong from 1995 to 2000, the Council Chairman of the Hong Kong Polytechnic University from 1993 to 1997 and the Government-appointed Chairman of the Hong Kong Trade Development Council from 2000 to 2007. He was the Chairman of the Hong Kong Environment and Conservation Fund Committee set up in 1994 which he co-funded with the Hong Kong SAR Government. He also served as a Deputy Chairman in 1991 to Prince of Wales Business Leaders Forum, and as a member of the International Advisory Council of JPMorgan Chase & Co., National Westminster Bank, Banca Nazionale del Lavoro, Elf Aquitaine of France and General Electric of America. He has received Honorary Doctorates from various universities in Australia, Hong Kong and the United States.

DAVID JOHN LAWRENCE

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Mr David John Lawrence joined the Wheelock Properties (Singapore) Board as Executive Director on 17 March 1995. He was appointed Managing Director of the Company in July 1996 and was further appointed Chief Executive Officer in October 2001. Mr Lawrence is also a member of the Company's Nominating Committee.

Mr Lawrence was formerly a Director on the Board of Wheelock and Company Limited, a publicly listed company in Hong Kong. He was also Executive Director of Wheelock Properties Limited and Wheelock Properties (Hong Kong) Limited, both wholly-owned subsidiaries of Wheelock and Company Limited. Currently, he sits on the Boards of the various subsidiaries of the Wheelock Properties (Singapore) Group.

Mr Lawrence is a Fellow of The Royal Institute of Chartered Surveyors, the Singapore Institute of Surveyors and Valuers, The Hong Kong Institute of Surveyors, the Singapore Institute of Directors and the Hong Kong Institute of Directors.

PAUL YIU CHEUNG TSUI

NON-EXECUTIVE DIRECTOR

Mr Paul Yiu Cheung Tsui joined the Wheelock Properties (Singapore) Board on 31 December 2000. He was last re-elected as Director at the Company's Annual General Meeting on 28 April 2008. Mr Tsui is proposed for re-election in accordance with Article 109 of the Company's Articles of Association at the forthcoming Annual General Meeting on 29 April 2011.

Mr Tsui is currently an Executive Director and Group Chief Financial Officer of both Wheelock and Company Limited and The Wharf (Holdings) Limited, publicly listed companies in Hong Kong. His other directorships include Harbour Centre Development Limited, i-CABLE Communications Limited and Joyce Boutique Holdings Limited, all publicly listed companies in Hong Kong. In addition, he also sits on the Boards of various subsidiaries of the Wheelock Properties (Singapore) Group.

Mr Tsui is a Fellow Member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants and The Institute of Chartered Secretaries and Administrators as well as a member of Certified General Accountants Association of Canada - International.

FRANK YUNG-CHENG YUNG

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Frank Yung-Cheng Yung joined the Wheelock Properties (Singapore) Board on 21 August 1990. Mr Yung serves as the Chairman of the Company's Audit & Risk Management Committee and a member of the Company's Remuneration Committee. He was last re-appointed as Director at the Company's Annual General Meeting on 23 April 2010 and is proposed for re-appointment in accordance with Section 153(6) of the Companies Act, Chapter 50 at the forthcoming Annual General Meeting on 29 April 2011.

Mr Yung's career spans 24 years with Inchcape Bhd, the last 3 years as Deputy Chairman and Chairman of Inchcape Singapore. He served as Chairman of the Telecommunication Authority of Singapore from 1974 to 1986 and was also the Chief Executive Officer of Singapore Press Holdings Limited and Director of DBS Bank Ltd and Datacraft Asia Ltd. In addition, Mr Yung has been a member of the Civil Aviation Authority of Singapore, a member of the Securities Industry Council and a member of the Advisory Committee of the Faculty of Business Administration, National University of Singapore.

Mr Yung is a member of the Institute of Certified Public Accountants of Singapore and the Institute of Chartered Accountants of Scotland. In addition, he is a member of the Singapore Institute of Directors.

GREG FOOK HIN SEOW

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Greg Fook Hin Seow joined the Wheelock Properties (Singapore) Board on 7 March 2008. Mr Seow serves as Chairman of the Company's Nominating Committee and as a member of the Company's Audit & Risk Management and Remuneration Committees. He was re-elected as Director at the Company's Annual General Meeting on 23 April 2010.

Mr Seow has served with the Government of Singapore Investment Corporation ("GIC") and the Monetary Authority of Singapore ("MAS"). At GIC, Mr Seow was responsible for overseeing its global fixed income and real estate investment portfolios. Mr Seow has worked in New York managing U.S. fixed-income securities for the MAS, and in San Francisco looking after GIC's U.S. real estate investments.

He joined DBS Asset Management Ltd as Chairman in 1999, responsible for DBS' regional fund management business until 2006, and was Chairman of the Investment Management Association of Singapore and Singapore Land Authority. Mr Seow was also a Director of Hwang-DBS Securities Bhd, a publicly listed company in Malaysia.

Mr Seow is currently Chairman of AMP Capital Investors (Singapore) Pte. Ltd. and Intregen Holdings Pte. Ltd., and serves on the boards of Singapore's Land Transport Authority and Central Provident Fund. He is also President of Singapore's Council for Estate Agencies.

Mr Seow graduated from the Australian National University with a Bachelor of Economics (First Class Honours) degree and a Master in Economics.

COLM MARTIN MCCARTHY

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Colm Martin McCarthy joined the Wheelock Properties (Singapore) Board on 26 September 2008. Mr McCarthy serves as Chairman of the Company's Remuneration Committee and as a member of the Company's Audit & Risk Management and Nominating Committees. Mr McCarthy was re-elected as Director at the Company's Annual General Meeting on 27 April 2009.

Mr McCarthy's career has been in banking. He joined Bank of America's Dublin office in 1979 and was later transferred to London. In 1991, he moved to Asia to become Country Executive Officer of the Singapore office. He was named President, Bank of America Asia, in 2003 and retired from the bank in June 2008.

Mr McCarthy is currently Non-Executive Director of Oversea-Chinese Banking Corporation Limited and Bank of Singapore Limited. He is also a Director of The Irish Chamber of Commerce Singapore.

Mr McCarthy received the Public Service Medal (PMB) from the Singapore Government in 2003 for his contribution to the financial services industry.

Mr McCarthy graduated from University College Dublin with a Bachelor of Commerce (Honours) and a Master of Business Studies (First Class Honours).

DAVID TIK EN LIM

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr David Tik En Lim joined the Wheelock Properties (Singapore) Board on 12 February 2009. Mr Lim serves as a member of the Company's Audit & Risk Management and Nominating Committees. Mr Lim was re-elected as Director at the Company's Annual General Meeting on 27 April 2009.

Mr Lim has served in both the public and private sectors in Singapore and overseas. His past roles included Group Chief Executive Officer of Neptune Orient Lines Limited, Chief Executive Officer ("CEO") of the Port of Singapore Authority, CEO of Jurong Town Corporation and CEO of the China-Singapore Suzhou Industrial Park based in Shanghai. He was also Chairman of the National Computer Board. Mr Lim was a Member of Parliament from 1997 to 2006, and served in a number of portfolios, most latterly, Acting Minister for Information, Communications and the Arts.

Mr Lim is Chairman of Jurong International Holdings Pte Ltd and Director of Ascendas India Trust.

Mr Lim graduated with a Bachelor of Engineering (First Class Honours) degree from the University of Melbourne, and obtained a Master in Business Administration degree from the National University of Singapore. Mr Lim also completed a Programme for Management Development at Harvard University, USA.

TAN BEE KIM

EXECUTIVE DIRECTOR

Ms Tan Bee Kim, with over 25 years of real estate experience, was appointed to the Wheelock Properties (Singapore) Board on 26 May 2006. She was re-elected as Director at the Company's Annual General Meeting on 23 April 2010.

Prior to joining the Company, Ms Tan started her career in banking at Overseas Union Bank. She later worked for Singapore Land as well as CB Richard Ellis, both in Singapore and Hong Kong, specialising in marketing and corporate real estate.

Ms Tan joined the Company in 1996 to spearhead the launch of Ardmore Park.

Her responsibilities for the Group now include marketing, design and quality management, asset management, corporate communications, customer relations as well as human resource and administration. In addition, she is now responsible for acquisition and disposal of the Group's assets.

Ms Tan has successfully conceptualised the design and marketed the Group's portfolio including Ardmore Park, Grange Residences, the award-winning The Sea View, The Cosmopolitan, Ardmore II, Scotts Square and Orchard View.

Currently, she sits on the Boards of the various subsidiaries of the Wheelock Properties (Singapore) Group.

Ms Tan graduated with a Bachelor of Science Degree (Honours) in Building from the National University of Singapore and is a member of the Singapore Institute of Surveyors and Valuers.

TAN ZING YAN

EXECUTIVE DIRECTOR

Prior to joining the Company in 1995, Mr Tan Zing Yan worked for Singapore Airlines, Sumitomo Trust & Banking and Keppel Land. His portfolio in these various companies included among others, real estate investments and development, financing and overseas marketing. Mr Tan has more than 28 years' experience in the real estate industry.

Mr Tan was appointed to the Wheelock Properties (Singapore) Board on 1 January 2007. He was re-elected as Director at the Company's Annual General Meeting on 27 April 2009.

In his current position, he is responsible for the Group's direct and indirect investments. He is also in charge of the Group's risk management portfolio which includes finance & treasury, company secretariat and construction contracts.

During his 15 years with the Group, Mr Tan has been responsible for a string of very successful acquisitions of sites for redevelopment such as the former Times House, The Sea View Hotel/China Airlines' apartments, Habitat One, Habitat II, Angullia View, Scotts Shopping Centre and The Ascott Singapore. In addition, he was responsible for overseas acquisitions and successful divestments of Hamptons Group Limited in United Kingdom and Oakwood Residence Azabujuban, a luxury serviced residence in Tokyo, Japan.

Mr Tan graduated with a Bachelor of Science Degree in Estate Management from the National University of Singapore. He is a member of the Singapore Institute of Surveyors and Valuers and a licensed appraiser for land and buildings in Singapore.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Peter K. C. Woo
Chairman

David J. Lawrence
Managing Director/CEO

Paul Y. C. Tsui
Frank Y. C. Yung
Greg F. H. Seow
Colm M. McCarthy
David T. E. Lim
Tan Bee Kim
Tan Zing Yan

HONORARY ADVISOR

Tan Keong Choon

AUDIT & RISK MANAGEMENT COMMITTEE

Frank Y. C. Yung
Chairman

Greg F. H. Seow
Colm M. McCarthy
David T. E. Lim

NOMINATING COMMITTEE

Greg F. H. Seow
Chairman

David J. Lawrence
Colm M. McCarthy
David T. E. Lim

REMUNERATION COMMITTEE

Colm M. McCarthy
Chairman

Frank Y. C. Yung
Greg F. H. Seow

COMPANY SECRETARY

Tan Ling Ling

EXTERNAL AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
(Tan Huay Lim, Partner-in-charge with effect from the financial year ended 31 March 2007)

INTERNAL AUDITORS

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

SHARE REGISTRAR

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906
Tel: (65) 6227 6660

PRINCIPAL BANKERS

DBS Bank Ltd.

Mizuho Corporate Bank, Ltd., Singapore Branch

Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation, Singapore Branch

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

SOLICITORS

Engelin Teh Practice LLC
Lee & Lee
Ramdas & Wong
Rodyk & Davidson LLP
Wong Thomas & Leong

REGISTERED OFFICE

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CORPORATE GOVERNANCE REPORT

The Group believes that establishing good corporate governance is not a one-time action. On the contrary, it evolves constantly over time and in response to new regulations, standards and market conditions. A good and transparent corporate governance ensures that a company is responsibly managed and supervised with an orientation towards value creation.

At Wheelock Properties (Singapore) Limited, we are committed to continuously develop and uphold the high standards of our corporate governance principles.

In this Report, we set out the principles, policies and practices of corporate governance which the Group has adopted in line with the principles and guidelines of the Code of Corporate Governance 2005 (the "Code"). In areas where the Group deviates from the Code, the rationales are provided.

BOARD MATTERS

Board's Conduct of its Affairs

The Board is responsible for the overall management of the Company. All Directors objectively take decisions in the interest of the Company. Apart from statutory responsibilities, the matters specifically reserved for the Board include providing supervision and oversight, setting policies on matters relating to financial controls, financial performance and risk management procedures, reviewing the financial performance of the Group, reviewing and approving major investments, divestments and funding decisions, major commitments relating to the Group's operations, major corporate policies on key areas of operations, bank facilities, annual budget and the release of the Group's quarterly and full year results. The Board has in place specific policies and procedures setting out the levels of authorisation required for specific transactions for operational efficiency and risk management.

In addition, the Board assumes responsibility for the Company's compliance with the guidelines on corporate governance. To assist the Board in the execution of its responsibilities, the Board delegates specific responsibilities to the Audit & Risk Management Committee ("ARMC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each Board Committee has its own terms of references to address their respective areas of focus and reports its activities regularly to the Board. Specific descriptions of these Board Committees are set out in this Report. There are also two other committees which deal with investments and divestments of the Group within levels of authorisation approved by the Board.

The Board meets on a quarterly basis to review the Group's internal policies and procedures, investments and divestments, the performance of the business, assuming responsibility for corporate governance and to approve the release of the quarterly and full year results. The Board holds additional meetings as and when necessary to deliberate on significant transactions and issues.

The Company's Articles of Association are sufficiently flexible and allow Board meetings to be conducted by way of telephone or video conference.

During the year under review, the number of Board and Board Committee meetings held and the attendance of each Board member at the meetings were as follows:

Period from January 2010 to December 2010

BOARD/ BOARD COMMITTEES	BOARD	AUDIT & RISK MANAGEMENT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
No. of meetings held	4	4	1	2
NAME OF DIRECTOR				
Peter K. C. Woo	4	N.A.	N.A.	N.A.
David J. Lawrence	4	N.A.	1	N.A.
Paul Y. C. Tsui	4	N.A.	N.A.	N.A.
Frank Y. C. Yung	4	4	N.A.	2
Greg F. H. Seow	4	4	1	2
Colm M. McCarthy	4	4	1	2
David T. E. Lim	4	4	1	N.A.
Tan Bee Kim	4	N.A.	N.A.	N.A.
Tan Zing Yan	4	N.A.	N.A.	N.A.

Each Director of the Group has been appointed on the strength of his calibre, experience and stature. All the Directors bring independent judgment to bear on issues of risk, performance, resources and standards and contribute to the Group through their sharing of views, advices and experiences. The Group therefore believes that a Director's contribution extends beyond the confines of the formal environment of meetings and it would be too narrow a view to judge a Director's contribution to the Group and its businesses based only on his or her attendance at meetings.

The Company has in place an orientation program for newly appointed Directors to assimilate them into their new roles. Upon appointment, each Director is briefed on the Group's businesses, directions and governance policies and provided with a formal letter setting out his duties and obligations. Directors are also provided with materials containing essential information about the Group, relevant laws and regulations. Appropriate external training will be arranged where necessary.

The Board is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards.

Board Composition and Balance

In line with the Code, the policy of the Group is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board.

The Board consists of nine members, four of whom are independent Directors. The independence of each Director is reviewed annually by the NC based on the definition of independence as recommended by the Code. Following its annual review, the NC is satisfied on the independence of Mr Frank Y. C. Yung, Mr Greg F. H. Seow, Mr Colm M. McCarthy and Mr David T. E. Lim, all of whom do not have any relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgment with a view to the best interest of the Company.

Members of the Board are professionals with varied experience from accounting, finance, business, management, property to banking among others.

The Board considers its current size appropriate based on the Company's present circumstances and taking into account the nature and scope of the Group's businesses and operations. The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively. The profile of the Directors are set out on pages 18 to 26.

Chairman and Chief Executive Officer

The Group's policy is to have a separate Chairman and a Chief Executive Officer ("CEO") in order to provide effective oversight. There are clear demarcations of responsibility and authority between the Chairman and the CEO which ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The CEO has his role and responsibilities clearly established by the Board and set out in writing under his service contract.

The Chairman is responsible for the management of the Board and the CEO has full executive responsibilities in the business directions and operational efficiency of the Group. In consultation with the CEO, the Chairman approves meeting schedules of the Board, agenda for Board meetings and is advised of the meetings of the Board Committees.

Both the Chairman and the CEO are executive Directors and are not related to each other.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following committees:

Nominating Committee

Board Membership

The NC comprises four Directors, namely, Mr Greg F. H. Seow, Chairman of the NC, Mr David J. Lawrence, Mr Colm M. McCarthy and Mr David T. E. Lim, the majority of whom are independent. The Chairman of the NC is an independent non-executive Director and is not associated with any substantial shareholder.

The NC is guided by its Terms of Reference, which sets out its functions and responsibilities. Its principal functions are to review and make recommendations to the Board on all appointments, re-appointment and re-election of Directors, to evaluate the effectiveness and performance of the Board and each individual Director and to review the independence of each Director annually.

The NC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as its individual members. The search and nomination process for new Directors, if any, will be through contacts and recommendations that go through the normal selection process to cast its net as wide as possible for the right candidate. When the need for a new Director arises, the NC will, after shortlisting potential candidates, meet the candidates, before recommending the most suitable candidate to the Board for appointment as Director. A newly appointed Director is required by the Company's Articles of Association to stand for election at the Annual General Meeting ("AGM") immediately following his appointment.

All Directors, other than the Managing Director, are subject to re-election at regular intervals of at least once every three years. At each AGM, at least one-third of the Directors, other than the Managing Director, are required to retire and submit themselves for re-election. The Managing Director, who is under a fixed-term contract, is exempted from re-election under the Company's Articles of Association as permitted under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules. In addition, Directors above the age of 70 are required under the Companies Act, Chapter 50 (the "Companies Act") to retire and offer themselves for re-appointment by Shareholders at every AGM.

Internal guidelines have been established to address the competing time commitments faced by Directors due to multiple board representations. The NC has reviewed the abilities of each Director and is satisfied that each Director is able to devote adequate time and attention to the affairs of the Company to fulfil his/her duties as a Director of the Company. The Directors' attendance at Board and Board Committee meetings are set out on page 29.

Board Performance

The NC has an established appraisal process to assess the performance and effectiveness of the Board as a whole as well as to assess the contribution of individual Directors. The assessment parameters include evaluation of the size and composition of the Board, the Board's access to information, the Board's processes and accountability, objective performance criteria, which allows comparison with the Company's peers, as well as consideration of the Code.

On an annual basis, each Director will assess the effectiveness and performance of the Board as a whole, his/her own and fellow directors' performance based on the assessment parameters adopted by the Board. The results of the evaluation process would be used by the NC, to make recommendations to the Chairman of the Company, to effect continuous improvements to the effectiveness of the Board.

Access To Information

The Company fully recognises the importance of providing the Board with complete, adequate and timely information prior to its meetings and as and when there are affairs and issues that require the Board's decision. As a general rule, Board and Board Committee papers are distributed a week in advance of each meeting to the Directors.

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, monthly management reports, forecasts/budgets, financial statements and other relevant information of the Group. In respect of budgets, material variance between the projections and actual results, if any, are also disclosed and explained.

The Board has separate and independent access to Management and the Company Secretary at all times. The members of the management team and the personnel of the Group shall be obliged to attend meetings of the Board and to provide assistance and access to information when the Board so requests.

In the furtherance of its duties, the Board may obtain independent professional advice. The Company Secretary will, upon direction by the Board, appoint a professional advisor to render the advice, with cost to be borne by the Company.

The Company Secretary attends all Board and Board Committee meetings and is responsible to ensure that Board procedures are followed. The Company Secretary, together with the Management, are responsible for ensuring the Company's compliance with the regulations of the Companies Act, SGX-ST Listing Rules and all other rules, regulations and governance matters which are applicable to the Group.

The Company Secretary ensures information flows within the Board and its Board Committees and between Management and non-executive Directors, and facilitates orientation and assists with professional development as required.

The appointment of the Company Secretary is a matter for consideration by the Board as a whole.

REMUNERATION MATTERS

Remuneration Committee

Procedures for Developing Remuneration Policies

Level and Mix of Remuneration

Disclosure on Remuneration

The RC comprises three Directors, all of whom are independent non-executive Directors. The RC members are Mr Colm M. McCarthy, Chairman of the RC, Mr Frank Y. C. Yung and Mr Greg F. H. Seow.

The Chairman of the RC has many years of experience in senior management positions in a leading bank and has indirect experience in the field of executive compensation. The RC has access to appropriate advice from the Head of Human Resource, who attends the RC Meetings. The RC may seek external expert advice in the field of executive compensation if and when required.

The RC is guided by its Terms of Reference, which sets out its functions and responsibilities. It is the RC's responsibility to set up a framework of remuneration and the specific remuneration packages for Directors. In setting remuneration packages, the RC takes into account the performance of the Group, as well as individual Directors and key executives, aligning their interest with those of Shareholders and linking rewards to corporate and individual performance. In its deliberations, the RC takes into account industry practices and norms in compensation. Directors' fees are set in accordance with a remuneration framework comprising basic fees and fees for involvement in Board Committees. Pursuant to the Articles of Association of the Company, fees paid to non-executive Directors are a fixed sum and not by a commission on or a percentage of profits or turnover. All Directors' fees are approved by Shareholders at the AGM of the Company before they are paid.

The RC reviews matters concerning the Board, CEO and Management remuneration. No Director is involved in deciding his own remuneration. The CEO has a three-year service contract which expires in June 2012 and his remuneration package includes a variable bonus element, which is performance-related.

A breakdown, showing the level and mix of the Directors' remuneration for the financial year ended 31 December 2010, is set out below:

REMUNERATION BAND NAME	DIRECTORS' FEES	BASE/FIXED SALARY*	VARIABLE OR PERFORMANCE RELATED INCOME/BONUS*	OTHER BENEFITS
$4,250,000 - $4,500,000				
David J. Lawrence	1%	28%	70%	1%
$750,000 - $1,000,000				
Tan Bee Kim	1%	33%	65%	1%
$500,000 - $750,000				
Tan Zing Yan	1%	41%	57%	1%
Below $100,000				
Peter K. C. Woo#	-	-	-	-
Paul Y. C. Tsui	100%	-	-	-
Frank Y. C. Yung	100%	-	-	-
Greg F. H. Seow	96%	-	-	4%
Colm M. McCarthy	96%	-	-	4%
David T. E. Lim	96%	-	-	4%

* CPF contributions are included.

Mr Peter K. C. Woo has declined the director's fees for the financial year ended 31 December 2010.

The Code requires the remuneration of at least the top five key executives who are not also Directors to be disclosed within bands of $250,000. The Company has three key executives who are also Directors of the Company. There are no other key executives.

No employee of the Company and its subsidiaries, whose remuneration exceeded $150,000 during the financial year ended 31 December 2010, was an immediate family member of a Director or the CEO. "Immediate family" means the spouse, child, adopted child, step-child, brother, sister and parent.

As the matters that are required for disclosure have been disclosed in this Report, the Board is of the opinion that a separate annual remuneration report is not necessary.

ACCOUNTABILITY AND AUDIT

Accountability

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to interim and other price-sensitive public reports, and reports to regulators (if required).

In presenting our quarterly and full year financial results to Shareholders, the Board aims to provide Shareholders with a balanced and clear assessment of the Company's financial position and prospects.

Management provides the Board with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties. On a monthly basis, Board members are provided with financial reports and other information on the Group's performance for effective monitoring and decision-making.

Audit & Risk Management Committee

The ARMC comprises four Directors, all of whom are independent non-executive Directors. The members of the ARMC are Mr Frank Y. C. Yung, Chairman of the ARMC, Mr Greg F. H. Seow, Mr Colm M. McCarthy and Mr David T. E. Lim.

Members of the ARMC are professionals with extensive experience in accounting, banking, investment and finance industries, and possess the requisite accounting and related financial management expertise to discharge the ARMC's responsibilities. The ARMC is guided by its Terms of Reference, which clearly sets out its authority, functions and responsibilities.

Management is responsible for ensuring that the Group maintains a sound system of internal control to safeguard Shareholders' investments and assets of the Group and the financial reporting processes. The ARMC reviews the adequacy of such controls, including financial, operational and compliance controls, risk management policies and systems established by Management.

In performing its functions, the ARMC meets with the external auditors and the internal auditors to discuss and evaluate the internal controls of the Group and review the overall scope and results of both internal and external audit. At least once a year and on an as and when required basis, the ARMC meets with the external auditors and internal auditors, without the presence of Management, to review any matters that might be raised privately.

The external auditors are responsible for performing an independent audit of the Group's financial statements in accordance with the financial reporting standards, and for issuing a report thereon. The ARMC's responsibility is to monitor these processes.

The other functions of the ARMC includes reviewing the significant financial reporting issues, the quarterly and full year financial statements, reviewing with the external auditors the audit plan and evaluation of the adequacy of the system of accounting controls, and reviewing with the internal auditors the effectiveness of the internal audit function and evaluation of major internal controls. The ARMC also reviews legal and regulatory changes that may have a material impact on the financial statements and all interested person transactions, if any.

The ARMC has reviewed the volume and nature of non-audit services provided by the external auditors during the year under review and is satisfied that their independence and objectivity has not been impaired by the provision of those services. The ARMC recommends to the Board, the re-appointment of KPMG LLP as external auditors.

The ARMC is empowered to investigate any matters within its Terms of Reference and has full access to, and the co-operation of Management. It has resources to enable it to discharge its function properly and full discretion to invite any Director or executive to attend its meetings. The minutes of the ARMC are regularly submitted to the Board.

The Company has in place a Whistleblowing Policy which serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman of the ARMC. The objective of such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The ARMC confirms that no reports have been received under the Whistleblowing Policy.

Internal Controls

The Company has instituted a system of internal controls for the Group. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In designing these controls, Management has had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The Board has in place a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at management and committee levels to facilitate operational efficiency.

During the year under review, the Company's external and internal auditors conducted annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and these are reported to the ARMC. The ARMC, on behalf of the Board, also reviewed the effectiveness of the Group's system of internal controls in light of key business and financial risks affecting its businesses. Based on the reports submitted by the external and internal auditors and the various controls put in place by Management, the Board is satisfied that there are adequate internal controls and risk management processes for the nature and size of the Group's operations and business.

Internal Audit

The Group has established an Internal Audit ("IA") function reporting directly to the ARMC. The IA activities are outsourced to PricewaterhouseCoopers LLP ("PWC"), an international auditing firm. The audit approach adopted by PWC is consistent with the Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors.

The Group's IA is further supported by the Project Cost Audit unit ("PCA") of Wharf Ltd., a subsidiary of our ultimate holding company, Wheelock and Company Limited. Members of PCA are qualified and experienced personnel.

The audit work performed by PCA includes tender and contract audit, project cost audit and project procedure audit in the Group and identifies issues for corrective actions by the Management. In addition, PCA prepares, on a quarterly basis, reports on the results of its audit of the Group's projects for review and evaluation by the ARMC. The ARMC and the internal auditors have access to PCA on project matters relating to the Group.

The internal audit schedules and scope of internal audit work each year are determined in consultation with, but independent of, Management and are submitted to the ARMC for approval. The internal auditors report their audit findings to the ARMC and Management.

The ARMC met with the external auditors and the internal auditors without the presence of Management during the year.

The ARMC is satisfied that the internal auditors have adequate resources to perform its functions satisfactorily.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARMC and that the transactions are on an arm's length basis. All interested person transactions are subject to review by the ARMC to ensure compliance with established procedures.

There were no interested person transactions entered into during the financial year under review.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries for the benefit of the CEO, other than his employment contract, or any Director or controlling shareholder, either still subsisting or entered into since the end of the previous financial year.

COMMUNICATION WITH SHAREHOLDERS

In line with continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Rules and the Companies Act, the Board's policy is that Shareholders be informed promptly of all major developments that impact the Group.

The Company does not practise selective disclosure of material information. Information is communicated to Shareholders on a timely basis through SGXNET. Communication is also made through annual reports that are issued to all Shareholders within the mandatory period, quarterly and full year financial statements, notice of and explanatory memoranda for annual general meetings and extraordinary general meetings and announcements through SGXNET. As testament to the Company's commitment to be environmentally responsible, the Annual Report and Addendum are primarily available in electronic form.

The Company maintains a corporate website at www.wheelockproperties.com.sg through which Shareholders are able to access up-to-date information on the Group. The website provides corporate announcements, annual reports, and profiles of the Group, the Board and Board Committees.

The Articles of Association of the Company allows a Shareholder of the Company to appoint up to two proxies to attend and vote in his/her stead at general meetings. The Company has not amended its Articles of Association to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of Shareholders through the web is not compromised.

General meetings of the Company represent the principal forum for dialogue and interaction with all Shareholders. At each AGM, the Board presents the progress and performance of the Group's businesses and invites Shareholders to participate in the questions and answers session. The Directors, chairpersons of the Board Committees and the Company's external auditors are usually present to address Shareholders' questions.

The Company has also not amended its Articles of Association to allow for no limit in the number of proxies to be appointed by nominee companies, as the Company does not want to create separate classes of rights in Shareholders. Further, on a show of hands, only one vote is counted.

Separate resolutions are passed at every general meeting on each distinct issue. All minutes of general meetings are available to Shareholders for inspection upon requests.

DEALINGS IN SECURITIES

The Group has also adopted a code of conduct, in line with SGX-ST Listing Rule 1207(18), to provide guidance to Directors and employees dealing in the Company's shares. The code of conduct relates, *inter alia*, to insider trading prohibition under the Securities and Futures Act, Chapter 289, the disclosure requirements of the SGX-ST Listing Rules and the prohibition of Directors and employees and their connected persons from dealing in the Company's securities for a period of one month before the announcement of the Company's quarterly and full year results, or if they are in possession of unpublished price-sensitive information of the Group. They are also discouraged from dealing in the Company's shares on short-term consideration.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the latter will make the necessary announcements in accordance with the requirements of the SGX-ST Listing Rules.

FINANCIAL REPORTS

DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2010.

DIRECTORS

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

Peter Kwong Ching Woo
David John Lawrence
Paul Yiu Cheung Tsui
Frank Yung-Cheng Yung
Greg Fook Hin Seow
Colm Martin McCarthy
David Tik En Lim
Tan Bee Kim
Tan Zing Yan

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

NAME OF DIRECTOR AND CORPORATION IN WHICH INTERESTS ARE HELD	HOLDINGS AT BEGINNING OF THE FINANCIAL YEAR	HOLDINGS AT END OF THE FINANCIAL YEAR
WHEELOCK PROPERTIES (SINGAPORE) LIMITED		
- ordinary shares		
DAVID JOHN LAWRENCE		
- deemed interest	1,120,000	1,120,000
TAN BEE KIM		
- direct interest	30,000	30,000
FRANK YUNG-CHENG YUNG		
- direct interest	80,000	80,000
The ultimate holding company **WHEELOCK AND COMPANY LIMITED**		
- ordinary shares of HK$0.50 each		
PETER KWONG CHING WOO		
- deemed interest	209,712,652	209,712,652

By virtue of Section 7 of the Act, Peter Kwong Ching Woo is deemed to have interests in the other subsidiaries of Wheelock Properties (Singapore) Limited, all of which are wholly-owned, at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2011.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 24 and 30 to the financial statements, since the end of the last 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.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee during the year and at the date of this report are:

Frank Yung-Cheng Yung (Chairman)
Greg Fook Hin Seow
Colm Martin McCarthy
David Tik En Lim

All the members of the Audit and Risk Management Committee are non-executive directors of the Company who are independent of the Group and the Company's management.

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Companies Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

The Audit and Risk Management Committee has held four meetings since the last directors' report. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Management Committee reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption and approval; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Management Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Management Committee has undertaken a review of the nature and extent of non-audit services provided by the auditors. In the opinion of the Audit and Risk Management Committee, these services would not affect the independence of the auditors.

Accordingly, the Audit and Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

DAVID JOHN LAWRENCE

FRANK YUNG-CHENG YUNG

Singapore
21 February 2011

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 49 to 107 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

ON BEHALF OF THE BOARD OF DIRECTORS

DAVID JOHN LAWRENCE

FRANK YUNG-CHENG YUNG

Singapore
21 February 2011

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
WHEELOCK PROPERTIES (SINGAPORE) LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wheelock Properties (Singapore) Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2010, the income statement, 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, as set out on pages 49 to 107.

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, Chapter 50 (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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group for the 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.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
21 February 2011

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	NOTE	GROUP 2010 $'000	GROUP 2009 $'000	COMPANY 2010 $'000	COMPANY 2009 $'000
NON-CURRENT ASSETS					
Property, plant and equipment	4	**1,379**	1,011	**1,174**	913
Investment properties	5	**1,141,811**	1,052,500	**291,811**	258,000
Amounts due from subsidiaries	6	**–**	–	**486,315**	604,997
Interests in subsidiaries	7	**–**	–	**229,696**	232,964
Interests in an associate	8	**7**	7	**–**	–
Investments	9	**394,271**	334,420	**–**	–
Other non-current assets	10	**540**	540	**540**	540
		1,538,008	1,388,478	**1,009,536**	1,097,414
CURRENT ASSETS					
Development properties	11	**623,799**	683,720	**328,644**	193,427
Trade and accrued receivables	12	**102,437**	47,835	**7,141**	19,576
Amounts due from subsidiaries	6	**–**	–	**54,619**	192,802
Amounts due from related corporations	13	**24**	21	**24**	21
Other receivables	14	**2,627**	968	**1,753**	449
Cash and cash equivalents	15	**860,702**	759,427	**830,001**	568,188
		1,589,589	1,491,971	**1,222,182**	974,463
Total assets		**3,127,597**	2,880,449	**2,231,718**	2,071,877
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	16	**1,055,901**	1,055,901	**1,055,901**	1,055,901
Reserves	17	**1,702,961**	1,403,579	**732,540**	604,037
Total equity		**2,758,862**	2,459,480	**1,788,441**	1,659,938
NON-CURRENT LIABILITIES					
Interest-bearing liability	18	**–**	103,028	**–**	–
Deferred tax liabilities	19	**141,605**	105,744	**53,286**	15,807
		141,605	208,772	**53,286**	15,807
CURRENT LIABILITIES					
Trade payables	20	**63,437**	49,571	**26,321**	11,342
Other payables	21	**33,156**	27,208	**13,836**	8,020
Amounts due to subsidiaries	6	**–**	–	**349,834**	246,158
Interest-bearing liability	18	**103,925**	130,612	**–**	130,612
Current tax payable		**26,612**	4,806	**–**	–
		227,130	212,197	**389,991**	396,132
Total liabilities		**368,735**	420,969	**443,277**	411,939
Total equity and liabilities		**3,127,597**	2,880,449	**2,231,718**	2,071,877

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 $'000	2009 $'000
Revenue	22	**571,666**	386,640
Cost of sales		**(242,099)**	(199,191)
Gross profit		**329,567**	187,449
Other income			
- changes in fair value on investment properties	5	**54,925**	127,718
- others	25	**2,064**	2,182
		56,989	129,900
Selling and marketing expenses		**(698)**	(211)
Administrative and corporate expenses		**(9,879)**	(8,627)
Other operating expenses			
- impairment loss on investments	9	**–**	(23,274)
- others	26	**(291)**	(171)
		(291)	(23,445)
Profit from operations		**375,688**	285,066
Finance costs	24(e)	**(60)**	(534)
Profit before taxation		**375,628**	284,532
Income tax expense	23	**(59,442)**	(22,195)
Profit for the year	24	**316,186**	262,337
EARNINGS PER SHARE			
Basic earnings per share (cents)	27	**26.42**	21.92
Diluted earnings per share (cents)	27	**26.42**	21.92

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2010

	2010 $'000	**2009** $'000
Profit for the year	**316,186**	262,337
OTHER COMPREHENSIVE INCOME		
Available-for-sale financial assets		
- net change in fair value	**54,992**	215,331
Exchange differences arising on consolidation of foreign subsidiaries	**(2)**	3
Other comprehensive income for the year, net of income tax*	**54,990**	215,334
Total comprehensive income for the year	**371,176**	477,671

* There was no tax effect on the components included in other comprehensive income.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2010

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
	NOTE	SHARE CAPITAL $'000	TRANSLATION RESERVE $'000	FAIR VALUE RESERVE $'000	RETAINED EARNINGS $'000	TOTAL EQUITY $'000
GROUP						
At 1 January 2010		**1,055,901**	**(1)**	**215,331**	**1,188,249**	**2,459,480**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year		**–**	**–**	**–**	**316,186**	**316,186**
OTHER COMPREHENSIVE INCOME						
Available-for-sale financial assets						
- net change in fair value		**–**	**–**	**54,992**	**–**	**54,992**
Exchange differences arising on consolidation of foreign subsidiaries		**–**	**(2)**	**–**	**–**	**(2)**
Total other comprehensive income		**–**	**(2)**	**54,992**	**–**	**54,990**
Total comprehensive income for the year		**–**	**(2)**	**54,992**	**316,186**	**371,176**
TRANSACTIONS WITH OWNERS OF THE COMPANY, RECORDED DIRECTLY IN EQUITY						
Distributions to owners						
Dividends to equity holders	28	**–**	**–**	**–**	**(71,794)**	**(71,794)**
Total transactions with owners		**–**	**–**	**–**	**(71,794)**	**(71,794)**
At 31 December 2010		**1,055,901**	**(3)**	**270,323**	**1,432,641**	**2,758,862**

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

	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
		SHARE CAPITAL $'000	TRANSLATION RESERVE $'000	FAIR VALUE RESERVE $'000	RETAINED EARNINGS $'000	TOTAL EQUITY $'000
GROUP						
At 1 January 2009		1,055,901	(4)	–	997,706	2,053,603
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year		–	–	–	262,337	262,337
OTHER COMPREHENSIVE INCOME						
Available-for-sale financial assets						
- net change in fair value		–	–	215,331	–	215,331
Exchange differences arising on consolidation of foreign subsidiaries		–	3	–	–	3
Total other comprehensive income		–	3	215,331	–	215,334
Total comprehensive income for the year		–	3	215,331	262,337	477,671
TRANSACTIONS WITH OWNERS OF THE COMPANY, RECORDED DIRECTLY IN EQUITY						
Distributions to owners						
Dividends to equity holders	28	–	–	–	(71,794)	(71,794)
Total transactions with owners		–	–	–	(71,794)	(71,794)
At 31 December 2009		1,055,901	(1)	215,331	1,188,249	2,459,480

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 $'000	2009 $'000
OPERATING ACTIVITIES			
Profit for the year		**316,186**	262,337
Adjustments for:			
Income tax expense		**59,442**	22,195
Depreciation of property, plant and equipment	4	**230**	230
Exchange (gain)/loss		**(2)**	3
(Gain)/Loss on disposal of property, plant and equipment	25/26	**(48)**	4
Interest expense	24(e)	**–**	502
Interest income	25(a)	**(1,490)**	(1,706)
Changes in fair value on investment properties	5	**(54,925)**	(127,718)
Impairment loss on investments		**–**	23,274
Gain on disposal of investment	25	**(17)**	–
Dividend income from investments	24	**(3,182)**	(1,009)
Operating profit before working capital changes		**316,194**	178,112
Changes in working capital:			
Development properties		**60,891**	11,616
Trade and accrued receivables		**(54,602)**	100,570
Amounts due from related corporations		**(3)**	28
Other receivables		**(1,622)**	673
Trade payables		**13,866**	(5,090)
Other payables		**5,996**	4,219
Cash generated from operations		**340,720**	290,128
Interest received		**2,731**	2,506
Income tax paid		**(1,775)**	(46,452)
Dividends paid	28	**(71,794)**	(71,794)
Cash flows from operating activities		**269,882**	174,388

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

	NOTE	2010 $'000	2009 $'000
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**86**	–
Proceeds from sale of investment		**10,345**	–
Purchase of property, plant and equipment	4	**(708)**	(99)
Expenditure on investment properties	5	**(34,162)**	(9,923)
Acquisition of investments		**(15,187)**	–
Dividends received		**3,182**	1,009
Cash flows from investing activities		**(36,444)**	(9,013)
FINANCING ACTIVITIES			
Repayment of bank loans		**(132,147)**	(162,000)
Drawdown of bank loan		**1,295**	4,041
Finance costs		**(1,311)**	(4,666)
Deposit pledged		**10,388**	–
Cash flows from financing activities		**(121,775)**	(162,625)
Net increase in cash and cash equivalents		**111,663**	2,750
Cash and cash equivalents at beginning of the year		**744,659**	741,909
Cash and cash equivalents at end of the year		**856,322**	744,659
Cash and cash equivalents in the statements of financial position	15	**860,702**	759,427
Less: Deposits pledged		**(4,380)**	(14,768)
Cash and cash equivalents in the statement of cashflows		**856,322**	744,659

Deposits pledged represent bank balances of certain subsidiaries pledged as security to obtain credit facilities.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 21 February 2011.

1 DOMICILE AND ACTIVITIES

Wheelock Properties (Singapore) Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880.

The principal activities of the Group and the Company are those relating to property owners, developers and property managers. The Company also acts as a holding company and provides management services to its subsidiaries.

The immediate holding company is Star Attraction Limited, incorporated in the British Virgin Islands. The intermediate holding company is Wheelock Properties Limited and the ultimate holding company is Wheelock and Company Limited, both of which are incorporated in Hong Kong.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group" and individually as "Group entities") and the Group's interests in an associate.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Available-for-sale financial assets are measured at fair value; and
- Investment properties are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements and that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3.14 – Measurement of profit attributable to development properties;
- Note 5 – Valuation of investment properties;
- Note 9 – Measurement of fair value and impairment loss on available-for-sale equity securities;
- Note 11 – Estimation of the percentage of completion, construction costs, attributable profits and foreseeable losses of development properties; and
- Note 23 – Estimation of provisions for current and deferred taxation.

2.5 Changes in accounting policies

Accounting for business combinations

From 1 January 2010, the Group has applied FRS 103 *Business Combinations (2009)* in accounting for business combinations. Business combinations are now accounted for using the acquisition method as at the acquisition date (refer to note 3.1(i)).

Previously, business combinations were accounted for under the purchase method. The cost of an acquisition was measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition was credited to profit or loss in the period of the acquisition. For business acquisitions that were achieved in stages, any existing equity interest in the acquiree were not remeasured to their fair value. Contingent consideration was recognised as an adjustment to the cost of acquisition only when it was probable and can be measured reliably. The application of the standard did not have any impact on the financial statements of the Group.

2 BASIS OF PREPARATION (CONT'D)

2.6 Accounting policies for new transactions and events

Distributions of non-cash assets to owners of the Company

From 1 January 2010, the Group has applied INT FRS 117 *Distributions of Non-cash Assets to Owners* in accounting for distributions of non-cash assets to owners of the Company. The new accounting policy (refer to note 3.3(iii)) has been applied prospectively. The application of the interpretation did not have any impact on the financial statements of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Associates

Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity and when the Group has representation on the Board of Directors or the Group participates in the policy-making processes of the entity.

In the Group's financial statements, the associates are accounted for using the equity method of accounting and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments to align the accounting policies of the associates with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(vi) Accounting for subsidiaries and associates by the Company

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such monetary items are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any other categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (refer to note 3.8(i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, trade and other payables.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

Where share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement dates with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transactions, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising or remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

(iii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has an useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives are as follows:

Plant and equipment	10% to 33⅓%
Furniture and fixtures	10% to 20%
Motor vehicle	20%

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets

Goodwill

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties also include properties that are being constructed for future use as investment properties. Investment properties are measured at cost on initial recognition and subsequently at fair value, with any changes therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value. The fair value is determined by management based on an independent professional valuer at least once every year. Rental income from investment properties is accounted for in the manner described in note 3.14(ii).

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Development properties

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

Cost of properties under development comprise specifically identified costs, including land acquisition costs, development expenditure, borrowing costs and other related expenditure, less any allowance for diminution in value of property considered necessary by management. Any net surplus/deficit for properties earmarked for redevelopment are capitalised as part of the development costs. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as a cost of the development property until the date of its practical completion, which is taken to be the date of issue of the Temporary Occupation Permit.

When it is probable that total development costs will exceed total revenue, an allowance is recognised as an expense immediately to profit or loss.

Development properties are classified as current assets in the financial statements except where proceeds on pre-sale received and receivable exceed amounts recoverable, they are classified as current liabilities.

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at the specific asset level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (for example: repayment by a debtor) causes the amount of the impairment losses to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the loss accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties and investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit in profit or loss in the periods during which services are rendered by employees.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Employee benefits (cont'd)

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.10 Intra-group financial guarantees

Intra-group financial guarantees are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.11 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income or where it relates to net surplus for properties earmarked for redevelopment, in which case it is capitalised as part of the development costs.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Income tax expense (cont'd)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Finance costs

Interest expense and similar charges are expensed in profit or loss in the period in which they are incurred using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.13 Government grants

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are offset against salary expenses upon receipt.

3.14 Revenue recognition

Income is recognised in the financial statements on the following bases:

(i) Sale of development properties

The Group recognises income on property development projects when the risks and rewards of ownership have been transferred to the buyer. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or an equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method, under Recommended Accounting Practice 11 *Pre-completion Contracts for the Sale of Development Property* ("RAP 11") issued by the Institute of Certified Public Accountants of Singapore in October 2005. Under RAP 11, when (a) construction is beyond a preliminary stage, (b) minimum down payment criteria are met, (c) sale prices are collectible and (d) aggregate sales proceeds and costs can be reasonably estimated, the percentage of completion method is an allowed alternative. If any of the above criteria are not met, pre-completion proceeds received are accounted for as deposits until such criteria are met.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue recognition (cont'd)

***(i) Sale of development properties** (cont'd)*

Under the percentage of completion method, the percentage of completion is measured by reference to the percentage of construction costs incurred at the reporting date to the estimated total construction costs for each project. Revenue and profits are only recognised in respect of finalised sales agreements and to the extent that such revenue and profits relate to the progress of the construction work.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividend

Dividend income is recognised in profit or loss when the Group's right to receive payment is established, which in the case of quoted equity securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues, using the effective interest method.

3.15 Inter-company interest-free loans

In the Company's financial statements, interest-free loans to subsidiaries are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Interest-free loans, where settlement is neither planned nor likely to occur in the foreseeable future, are in substance, part of the Company's net investment in the entities and are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the Group's consolidated financial statements.

3.16 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, corporate expense and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and investment properties.

3.19 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

On 20 December 2010, IAS 12 *Income Taxes* was amended to provide an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 *Investment Property*. Under the exception, the measurement of deferred tax assets and liabilities is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale.

Upon adoption of the amendments to IAS 12 by the Accounting Standards Council, any reversal of the deferred tax liability currently recognised on the fair value gain arising from the investment property of the Group will be made retrospectively against the opening retained earnings of the Group.

4 PROPERTY, PLANT AND EQUIPMENT

	PLANT AND EQUIPMENT $'000	FURNITURE AND FIXTURES $'000	MOTOR VEHICLE $'000	TOTAL $'000
GROUP				
COST				
At 1 January 2009	859	1,497	259	2,615
Additions	76	23	–	99
Disposals	(82)	(27)	–	(109)
At 31 December 2009 and 1 January 2010	**853**	**1,493**	**259**	**2,605**
Additions	**200**	**195**	**313**	**708**
Disposals	**(52)**	**(13)**	**(259)**	**(324)**
At 31 December 2010	**1,001**	**1,675**	**313**	**2,989**
ACCUMULATED DEPRECIATION				
At 1 January 2009	521	689	177	1,387
Depreciation charge for the year	145	112	52	309
Disposals	(79)	(23)	–	(102)
At 31 December 2009 and 1 January 2010	**587**	**778**	**229**	**1,594**
Depreciation charge for the year	**153**	**112**	**58**	**323**
Disposals	**(52)**	**(4)**	**(251)**	**(307)**
At 31 December 2010	**688**	**886**	**36**	**1,610**
CARRYING AMOUNT				
At 1 January 2009	338	808	82	1,228
At 31 December 2009 and 1 January 2010	**266**	**715**	**30**	**1,011**
At 31 December 2010	**313**	**789**	**277**	**1,379**

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	PLANT AND EQUIPMENT $'000	FURNITURE AND FIXTURES $'000	MOTOR VEHICLE $'000	TOTAL $'000
COMPANY				
COST				
At 1 January 2009	488	1,332	259	2,079
Additions	29	24	–	53
Disposals	(50)	(24)	–	(74)
At 31 December 2009 and 1 January 2010	**467**	**1,332**	**259**	**2,058**
Additions	**53**	**169**	**313**	**535**
Disposals	**(22)**	**(12)**	**(259)**	**(293)**
At 31 December 2010	**498**	**1,489**	**313**	**2,300**
ACCUMULATED DEPRECIATION				
At 1 January 2009	241	545	177	963
Depreciation charge for the year	90	109	52	251
Disposals	(50)	(19)	–	(69)
At 31 December 2009 and 1 January 2010	**281**	**635**	**229**	**1,145**
Depreciation charge for the year	**92**	**108**	**58**	**258**
Disposals	**(22)**	**(4)**	**(251)**	**(277)**
At 31 December 2010	**351**	**739**	**36**	**1,126**
CARRYING AMOUNT				
At 1 January 2009	247	787	82	1,116
At 31 December 2009 and 1 January 2010	**186**	**697**	**30**	**913**
At 31 December 2010	**147**	**750**	**277**	**1,174**

The depreciation charge for the year is included in the financial statements as follows:

		GROUP	
		2010	2009
	NOTE	$'000	$'000
Charged to profit or loss	22	**230**	230
Capitalised to development properties/investment property		**93**	79
		323	309

As of 1 January 2009, Scotts Square (retail development) was transferred from property, plant and equipment (refer to note 5) to investment properties as a result of the change in accounting policy with respect to property under development.

5 INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
At 1 January	**1,052,500**	790,000	**258,000**	–
Additions	**34,386**	10,459	**33,811**	8,486
Transfer from property, plant and equipment	**–**	124,323	**–**	124,323
Changes in fair value	**54,925**	127,718	**–**	125,191
At 31 December	**1,141,811**	1,052,500	**291,811**	258,000

Details of the properties are:

DESCRIPTION	SITE AREA (SQ. METRE)	TENURE
Wheelock Place, comprising 16-storey office tower, 5-level office and shopping podium, 2-basement levels of shops and car parks situated at 501 Orchard Road.	7,847	99-year lease commencing 15 September 1990
Scotts Square, a residential-cum-retail development, currently under construction.	6,609	Freehold

Wheelock Place and Scotts Square (retail development) are revalued as at 31 December 2010 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Associated Property Consultants Pte. Ltd. respectively, firms of independent professional valuers that have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuers have considered the Direct Comparison Method and the Investment Method in arriving at the current open market values of the properties.

The Direct Comparison Method involves the analysis and study of recent sales evidence of similar properties in comparable developments in the subject/comparable vicinities. Adjustments are made for differences in location, catchment, age, condition, tenure, floor area/level, design, standard of finishes, date of sale, amongst other factors, before arriving at the market values of the properties.

The Investment Method involves the conversion of the net rent of the property into a capital sum at a suitable rate of return which reflects the quality of the investment. The net rent is the balance sum after deducting property tax, cost of repairs and maintenance and other outgoings; and a reasonable percentage for vacancy from the gross rent. The value of the property is thus arrived at by capitalising this net rent at a suitable rate of return. The adopted yield reflects the nature of the property, location, tenure, tenancy profile of the property, quality of investment together with the prevailing market condition.

5 INVESTMENT PROPERTIES (CONT'D)

Wheelock Place is held for rental, mainly to external customers under operating leases. Each of the leases contains an initial non-cancellable period of 2 to 4 years. Subsequent renewals are negotiated with the lessees.

As a result of the change in accounting policy with respect to the property under development as of 1 January 2009, the Group and the Company transferred property under development amounting to $124,323,000 to investment properties. The property is currently under construction.

Finance costs amounting to $224,000 (2009: $536,000) were capitalised during the year.

In 2009, an investment property with carrying value of $258,000,000 was pledged as security to obtain a bank loan (refer to note 18).

Contingent rents, representing income based on certain sales achieved by the tenants, recognised in profit or loss amounted to $287,000 (2009: $259,000).

6 AMOUNTS DUE FROM/TO SUBSIDIARIES

Amounts due from subsidiaries

	COMPANY	
	2010	**2009**
	$'000	$'000
NON-CURRENT		
Interest-free inter-company loans	**147,491**	263,830
Quasi-equity loans	**383,017**	383,017
Impairment loss	**(44,193)**	(41,850)
	486,315	604,997
CURRENT		
Interest-free inter-company loans	**52,996**	191,377
Non-trade	**1,696**	1,474
Impairment loss	**(73)**	(49)
	54,619	192,802

The amounts due from subsidiaries are interest-free, unsecured and not past due.

The interest-free inter-company loans are repayable between December 2011 and December 2015 (2009: repayable between December 2010 and December 2014).

6 AMOUNTS DUE FROM/TO SUBSIDIARIES (CONT'D)

Amounts due from subsidiaries (cont'd)

The repayment of an interest-free inter-company loan of $100,701,000 (2009: $97,543,000) is subordinated to a secured bank loan (refer to note 18) and subject to conditions stipulated in the term loan facility agreement.

The quasi-equity loans form part of the Company's net investment in subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

Impairment loss

The change in impairment loss in respect of amounts due from subsidiaries during the year is as follows:

	COMPANY	
	2010	**2009**
	$'000	$'000
At 1 January	**41,899**	157,711
Recognition of impairment loss	**2,367**	23
Write-back of impairment loss	**–**	(115,835)
At 31 December	**44,266**	41,899

For certain subsidiaries with available-for-sale financial assets, the Company assessed the recoverable amounts of the loans due from these subsidiaries using management's estimates of the fair value of the underlying available-for-sale financial assets with reference to the quoted bid prices in an active market. Based on this assessment, the Company made an impairment loss of $2,305,000 on its loans due from these subsidiaries (2009: a reversal of impairment loss of $115,835,000 was made on these loans).

Amounts due to subsidiaries

The amounts due to subsidiaries are interest-free, unsecured and repayable upon demand.

The amounts due from/to subsidiaries are denominated in the Company's functional currency.

7 INTERESTS IN SUBSIDIARIES

	COMPANY	
	2010	**2009**
	$'000	$'000
Investment in subsidiaries	**165,100**	165,100
Discount implicit in interest-free inter-company loans	**64,596**	67,864
	229,696	232,964

The following are the Company's subsidiaries:

	COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP 2010 %	2009 %
(i)	**DIRECT SUBSIDIARIES**				
[1]	Actbilt Pte Limited	Property owner and developer	Singapore	**100**	100
[1]	Ardesia Developments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1]	Belgravia Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1]	Bestbilt Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1]	Botanica Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1]	Everbilt Developers Pte Ltd	Property owner and developer	Singapore	**100**	100
[1]	Mer Vue Developments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1]	Nassim Developments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1]	Orchard Properties Pte. Ltd.	Property owner, developer and investment holding (currently dormant)	Singapore	**100**	100
[1]	Palm Valley Properties Pte. Ltd.	Property owner, developer and investment holding (currently dormant)	Singapore	**100**	–

7 INTERESTS IN SUBSIDIARIES (CONT'D)

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP 2010 %	2009 %
(i) DIRECT SUBSIDIARIES (CONT'D)				
[1] Preston Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Springfield Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Wheelock Properties (Japan) Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] WPJ Services Pte. Ltd.	Provision of real estate advisory services (currently dormant)	Singapore	**100**	100
(ii) INDIRECT SUBSIDIARIES				
Subsidiaries of Preston Properties Pte. Ltd.				
[1] Coleman Properties Pte. Ltd.	Property owner, developer and investment holding (currently dormant)	Singapore	**100**	100
[2] Wheelock Properties (UK) Limited	Property owner, developer, property management and investment holding (currently dormant)	United Kingdom	**100**	100
Subsidiary of WPJ Services Pte. Ltd.				
[2] Wheelock Services K. K.	Provision of information and advisory services relating to Japanese real estate market (currently dormant)	Japan	**100**	100

[1] Audited by KPMG LLP Singapore.

[2] No audit required as company is dormant.

8 INTERESTS IN AN ASSOCIATE

	GROUP 2010 $'000	GROUP 2009 $'000
Investment in an associate	**10**	10
Impairment loss	**(3)**	(3)
	7	7

Details of the associate are as follows:

NAME OF ASSOCIATE	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP 2010 %	EFFECTIVE EQUITY HELD BY THE GROUP 2009 %
[1] HI Agencies Limited	Property agent (currently dormant)	United Kingdom	**32.92**	32.92

[1] No audit required as company is dormant.

9 INVESTMENTS

	GROUP 2010 $'000	GROUP 2009 $'000
NON-CURRENT INVESTMENTS		
Quoted available-for-sale equity securities:		
- Hotel Properties Limited	**286,195**	223,069
- SC Global Developments Ltd	**108,076**	111,351
	394,271	334,420

Quoted equities comprise the Group's 20.36% (2009: 19.99%) interest in Hotel Properties Limited ("HPL") and 15.89% (2009: 16.47%) interest in SC Global Developments Ltd ("SC Global"), which are held in Singapore dollars. The equity interest in HPL is not classified as an associate as the Group does not have significant influence in HPL. The Group does not have representation on the Board of Directors and does not participate in the policy-making processes of HPL.

In 2009, impairment loss of $23,274,000 in respect of the Group's equity interests in HPL and SC Global was recognised due to significant or prolonged decline in the fair value of its investments in HPL and SC Global. The subsequent increase in market value of the Group's equity investments was credited to the fair value reserve.

9 INVESTMENTS (CONT'D)

Judgement is required in determining the impairment of the quoted equities at each reporting date and this requires the management to make estimates and assumptions that can affect the financial statements. Any resulting impairment loss could have an impact on the Group's financial results. While the management believes that the assumptions are appropriate and reasonable, significant changes in assumptions may materially affect the assessment of the recoverable amount of the quoted equities and may lead to future impairment charges.

10 OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Club memberships	**540**	540	**540**	540

11 DEVELOPMENT PROPERTIES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Properties under development:				
Costs incurred	**1,019,986**	982,217	**402,385**	312,645
Add:				
Attributable profits	**615,953**	348,520	**411,036**	177,103
Less:				
Progress billings	**(1,084,993)**	(647,017)	**(484,777)**	(296,321)
	550,946	683,720	**328,644**	193,427
Completed units, at cost	**72,853**	–	**–**	–
	623,799	683,720	**328,644**	193,427
Finance costs capitalised into development properties:				
- interest on borrowings paid and payable to banks	**1,108**	2,114	**239**	1,010
- other financing costs	**1,217**	1,323	**208**	215
Less:				
Interest income capitalised into development properties	**(1,278)**	(906)	**(1,066)**	(383)
	1,047	2,531	**(619)**	842

11 DEVELOPMENT PROPERTIES (CONT'D)

Details of the development properties are:

DESCRIPTION	SITE AREA (SQ. METRE)	TENURE
Ardmore II, Singapore, a condominium development situated at 1 & 2 Ardmore Park. The project was fully sold.	8,327	Freehold
The Temporary Occupancy Permit and Certificate of Statutory Completion were issued on 21 June 2010 and 15 December 2010 respectively.		
Ardmore Three, Singapore, a condominium development situated at 3 Ardmore Park.	5,108	Freehold
Piling work is in progress.		
Orchard View, Singapore, an apartment development situated at 29 Angullia Park. The project is 30% sold based on number of units.	2,701	Freehold
The Temporary Occupancy Permit and Certificate of Statutory Completion were issued on 18 May 2010 and 7 December 2010 respectively.		
Scotts Square, Singapore, a residential-cum-retail development situated at 6 & 8 Scotts Road. The project is 70% sold based on number of units.	6,609	Freehold
Main construction work is in progress.		

Development properties amounting to $222,302,000 (2009: $409,402,000) are pledged as security to obtain bank loans (refer to note 18).

11 DEVELOPMENT PROPERTIES (CONT'D)

The Group's current policy of recognising revenue using the percentage of completion method on its development properties in Singapore is an allowed alternative under RAP 11. The impact on the financial statements, had revenue on the projects been recognised using the completion of construction method, is as follows:

	GROUP	
	2010	**2009**
	$'000	$'000
Increase/(Decrease) in revenue	**112,713**	(341,112)
Decrease in profit for the year	**(62,171)**	(121,931)
Decrease in opening retained earnings	**(296,086)**	(174,155)
Decrease in development properties as at 31 December	**(422,037)**	(348,520)
Decrease in development properties as at 1 January	**(348,520)**	(206,079)

The Group recognises profit on sale of development properties using the percentage of completion method. The stage of completion is measured by reference to the quantity surveyor/architect's certification of the estimated construction costs incurred to-date to the estimated total construction costs for each project.

In estimating the construction costs for each project, management relied on historical experience, contractual agreements with contractors/suppliers and the work of professionals such as quantity surveyors/architects. Any change in the estimates of the construction costs, variations, omissions or the effect of a change in the estimate of the outcome of a contractual agreement could impact the computation of the percentage of completion and the amount of revenue and expenses recognised in profit or loss in the period in which the change is made and in subsequent periods.

Such changes in the estimates of the construction costs would also have an effect on the determination of provision for foreseeable loss for each project.

12 TRADE AND ACCRUED RECEIVABLES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Trade receivables	**2,993**	7,812	**2,885**	7,590
Accrued receivables	**99,444**	40,023	**4,256**	11,986
	102,437	47,835	**7,141**	19,576

Accrued receivables represent the remaining balance of sales consideration to be billed. In accordance with the Group's accounting policy, income is recognised on the progress of the construction work for development properties for sale. Upon receipt of the Temporary Occupation Permit/Architect's Certificate of Completion, the balance of sales consideration to be billed is included as accrued receivables.

The maximum exposure to credit risk for trade and accrued receivables at the reporting date by type of customer is:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Residential	**102,329**	47,673	**7,141**	19,576
Commercial	**63**	65	**–**	–
Retail	**45**	97	**–**	–
	102,437	47,835	**7,141**	19,576

The ageing of trade receivables at the reporting date is:

	GROUP		COMPANY	
	GROSS 2010	**GROSS 2009**	**GROSS 2010**	**GROSS 2009**
	$'000	$'000	$'000	$'000
Past due 1 – 30 days	**355**	158	**261**	–
Past due 31 – 60 days	**841**	2	**829**	–
Past due 61 – 90 days	**266**	61	**265**	–
Past due 91 – 120 days	**523**	–	**522**	–
Past due 121 – 150 days	**769**	–	**769**	–
Past due 151 – 180 days	**–**	1	**–**	–
Past due more than 180 days	**239**	7,590	**239**	7,590
	2,993	7,812	**2,885**	7,590

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables past due.

13 AMOUNTS DUE FROM RELATED CORPORATIONS

The amounts due from related corporations are interest-free, unsecured and repayable on demand and not past due. There is no allowance for doubtful debts arising from the outstanding balances.

14 OTHER RECEIVABLES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Deposits	**299**	245	**270**	209
Interest receivables	**368**	331	**366**	171
GST receivable	**1,064**	–	**1,064**	–
Accrued income	**587**	34	**–**	–
Prepaid expenses	**142**	204	**46**	52
Others	**167**	154	**7**	17
	2,627	968	**1,753**	449

15 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Amounts held under the "Project Account Rules – 1997 Ed" withdrawals from which are restricted to payments for expenditure incurred on projects	**228,373**	330,285	**220,233**	167,430
Fixed deposits at banks	**626,826**	425,443	**606,768**	398,740
Cash at banks and in hand	**5,503**	3,699	**3,000**	2,018
Cash and cash equivalents	**860,702**	759,427	**830,001**	568,188

The weighted average effective interest rates relating to cash and cash equivalents at the reporting date for the Group and the Company are 0.24% (2009: 0.28%) and 0.24% (2009: 0.27%) per annum respectively.

Interest rates are repriced at intervals of within one to three months.

There are no fixed deposits and cash at banks denominated in currencies other than the Company's functional currency (2009: nil).

16 SHARE CAPITAL

	GROUP AND COMPANY	
	2010 NO. OF SHARES '000	2009 NO. OF SHARES '000
Issued and fully-paid ordinary shares, with no par value:		
At beginning and end of the year	**1,196,560**	1,196,560

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and retained earnings of the Group. The Board of Directors monitors the return on capital, which the Group defines as profit attributable to equity holders of the Company divided by total shareholders' equity. The Board also recommends the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group achieved a return on shareholders' equity (based on profit for the year) of 11.5% for the year ended 31 December 2010 compared to 10.7% for the year ended 31 December 2009. There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

17 RESERVES

	GROUP	
	2010 $'000	2009 $'000
Translation reserve	**(3)**	(1)
Fair value reserve	**270,323**	215,331
	270,320	215,330
Retained earnings	**1,432,641**	1,188,249
	1,702,961	1,403,579

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

17 RESERVES (CONT'D)

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments held until the investments are derecognised or impaired.

The reserves of the Company represent retained earnings.

	COMPANY	
	2010	**2009**
	$'000	$'000
At 1 January	**604,037**	376,934
Profit for the year	**200,297**	298,897
Dividends paid	**(71,794)**	(71,794)
At 31 December	**732,540**	604,037

18 INTEREST-BEARING LIABILITIES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
NON-CURRENT LIABILITY				
Secured bank loan	**–**	103,028	**–**	–
CURRENT LIABILITY				
Secured bank loan	**103,925**	130,612	**–**	130,612
Total borrowings	**103,925**	233,640	**–**	130,612
MATURITY OF LIABILITIES				
Within 1 year	**103,925**	130,612	**–**	130,612
After 1 year but within 2 years	**–**	103,028	**–**	–
Total borrowings	**103,925**	233,640	**–**	130,612

The secured bank loans are generally secured by mortgages over the Group's development properties and an investment property in Singapore, legal assignment of all rights, titles, interests and benefits under contracts in respect of the properties and corporate guarantee issued by the Company.

The bank loans are denominated in Singapore dollars.

18 INTEREST-BEARING LIABILITIES (CONT'D)

The secured bank loans are secured on the following assets:

	NOTE	GROUP 2010 $'000	GROUP 2009 $'000
Development properties	11	**222,302**	409,402
Investment property	5	**–**	258,000
		222,302	667,402

The secured bank loans bear interest at rates ranging from 0.68% to 1.06% (2009: 0.63% to 1.73%) per annum.

19 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities during the year are as follows:

	AT 1 JANUARY 2009 $'000	RECOGNISED IN PROFIT OR LOSS (NOTE 23) $'000	AT 31 DECEMBER 2009 $'000	RECOGNISED IN PROFIT OR LOSS (NOTE 23) $'000	AT 31 DECEMBER 2010 $'000
GROUP					
DEFERRED TAX LIABILITIES					
Property, plant and equipment	7	(9)	(2)	**(38)**	**(40)**
Investment property	64,462	(2,771)	61,691	**9,442**	**71,133**
Development properties	13,712	29,926	43,638	**26,772**	**70,410**
Others	89	328	417	**(315)**	**102**
Total	78,270	27,474	105,744	**35,861**	**141,605**
COMPANY					
DEFERRED TAX LIABILITIES					
Property, plant and equipment	3	(9)	(6)	**(53)**	**(59)**
Development property	526	14,997	15,523	**37,822**	**53,345**
Others	–	290	290	**(290)**	**–**
Total	529	15,278	15,807	**37,479**	**53,286**

Deferred tax assets have not been recognised in respect of deductible temporary differences amounting to $8.1 million (2009: $6.6 million) and nil (2009: nil) for the Group and the Company respectively. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the deductible temporary differences because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

20 TRADE PAYABLES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Expected cash flows on the payment of trade payables in the next:				
1 – 30 days	**17,889**	7,764	**11,059**	2,452
31 – 60 days	**5,927**	12,635	**4,328**	2,396
61 – 90 days	**2,078**	6,859	**–**	243
More than 90 days	**37,543**	22,313	**10,934**	6,251
	63,437	49,571	**26,321**	11,342

Trade payables of the Group and the Company comprise mainly amounts owing to contractors for the construction of the development properties.

21 OTHER PAYABLES

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Accrued expenses	**7,744**	6,357	**5,390**	4,602
Deposits	**14,602**	13,349	**1,172**	19
Income received in advance	**1,683**	1,011	**350**	–
Property tax payable	**8,046**	5,374	**6,043**	2,623
Deferred income, interest payable and others	**1,081**	1,117	**881**	776
	33,156	27,208	**13,836**	8,020

There are no other payables denominated in currencies other than the Company's functional currency (2009: nil).

22 OPERATING SEGMENTS

Business Segments

The Group has three reportable segments as described below. For each of the reportable segment, the Group's chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Property development: The development, construction and sale of development properties.

Property investment: The holding and management of investment properties.

Investments: The holding of investments in equity securities.

Other operations include investment holding company and provision of management services.

22 OPERATING SEGMENTS (CONT'D)

Business Segments (cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	PROPERTY DEVELOPMENT $'000	PROPERTY INVESTMENT $'000	INVESTMENTS $'000	OTHER OPERATIONS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL $'000
YEAR ENDED 31/12/2010						
Total revenue from external customers	**521,847**	**46,637**	**3,182**	**–**	**–**	**571,666**
Inter-segment revenue	**–**	**2,322**	**–**	**5,195**	**(7,517)**	**–**
Interest income	**1,406**	**77**	**–**	**7,547**	**(7,540)**	**1,490**
Interest expense	**(982)**	**(1,008)**	**–**	**–**	**1,990**	**–**
Depreciation	**(10)**	**(53)**	**–**	**(167)**	**–**	**(230)**
Reportable segment profit before taxation	**279,624**	**91,769**	**3,162**	**2,659**	**(1,586)**	**375,628**
Reportable segment assets	**1,890,332**	**1,157,766**	**421,749**	**1,090,720**	**(1,432,970)**	**3,127,597**
Capital expenditure*	**29**	**34,318**	**–**	**523**	**–**	**34,870**
Reportable segment liabilities	**514,745**	**212,017**	**326,753**	**327,955**	**(1,180,952)**	**200,518**
YEAR ENDED 31/12/2009						
Total revenue from external customers	341,112	44,519	1,009	–	–	386,640
Inter-segment revenue	–	2,028	–	9,555	(11,583)	–
Interest income	1,654	51	1	9,764	(9,764)	1,706
Interest expense	–	(502)	–	–	–	(502)
Depreciation	(9)	(44)	–	(177)	–	(230)
Reportable segment profit/(loss) before taxation	126,807	163,147	(22,288)	9,918	6,948	284,532
Other material non-cash item:						
- impairment loss on quoted available-for-sale equity securities	–	–	(23,274)	–	–	(23,274)
Reportable segment assets	1,689,870	1,064,900	363,586	1,261,234	(1,499,141)	2,880,449
Capital expenditure*	8	9,965	–	49	–	10,022
Reportable segment liabilities	537,289	252,231	326,744	439,597	(1,245,442)	310,419

* Comprises property, plant and equipment of $708,000 (2009: $99,000) and expenditure on investment properties of $34,162,000 (2009: $9,923,000).

22 OPERATING SEGMENTS (CONT'D)

Reconciliation of reportable segment liabilities

	GROUP	
	2010	**2009**
	$'000	$'000
LIABILITIES		
Total liabilities for reportable segments	**200,518**	310,419
Unallocated liabilities	**168,217**	110,550
Consolidated total liabilities	**368,735**	420,969

Geographical Segments

The operations of the Group are principally located in Singapore.

Major customers

There are no major customers which solely account for 10% or more of the Group's revenue.

23 INCOME TAX EXPENSE

	GROUP	
	2010	**2009**
	$'000	$'000
CURRENT TAX EXPENSE		
Current year	**27,038**	6,488
Over provided in prior years	**(3,457)**	(11,767)
	23,581	(5,279)
DEFERRED TAX EXPENSE		
Origination and reversal of temporary differences	**36,400**	24,408
Reduction in tax rate	**–**	(4,783)
(Over)/Under provided in prior years	**(539)**	7,849
	35,861	27,474
Income tax expense	**59,442**	22,195

23 INCOME TAX EXPENSE (CONT'D)

	GROUP	
	2010	**2009**
	$'000	$'000
RECONCILIATION OF EFFECTIVE TAX RATE		
Profit for the year	**316,186**	262,337
Total income tax expense	**59,442**	22,195
Profit excluding income tax	**375,628**	284,532
Income tax using Singapore tax rate of 17% (2009: 17%)	**63,857**	48,370
Reduction in tax rate	**–**	(4,783)
Income exempted from income tax	**(806)**	(21,592)
Utilisation of deferred tax assets previously unrecognised	**(67)**	(29)
Deferred tax assets unrecognised	**320**	–
Expenses not deductible for tax purposes	**187**	4,393
Over provided in prior years	**(3,996)**	(3,918)
Others	**(53)**	(246)
	59,442	22,195

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made. As at 31 December 2010, the current tax payable and deferred tax liabilities are $26,612,000 (2009: $4,806,000) and $141,605,000 (2009: $105,744,000) respectively.

24 PROFIT FOR THE YEAR

The following items have been charged or (credited) in arriving at profit for the year:

	NOTE	GROUP 2010 $'000	GROUP 2009 $'000
Audit fees paid to auditors of the Company	24(a)	**316**	250
Non-audit fees paid to auditors of the Company	24(b)	**148**	107
Direct operating costs for income-generating investment property		**9,161**	7,596
Dividend income from investments		**(3,182)**	(1,009)
Staff costs	24(c)	**9,284**	8,374
(a) Audit fees paid to auditors of the Company:		**398**	341
- capitalised into development properties/ investment property		**(82)**	(91)
- charged to profit or loss		**316**	250
(b) Non-audit fees paid to auditors of the Company:		**224**	157
- capitalised into development properties/ investment property		**(76)**	(50)
- charged to profit or loss		**148**	107
(c) Staff costs:			
- wages, salaries and benefits-in-kind		**14,460**	13,243
- Jobs Credit Scheme		**(60)**	(336)
- contributions to defined contribution plans		**819**	724
		15,219	13,631
- capitalised into development properties/ investment property		**(5,935)**	(5,257)
- charged to profit or loss		**9,284**	8,374
(d) Directors' remuneration:		**6,465**	6,180
- capitalised into development properties/ investment property		**(1,867)**	(1,555)
- charged to profit or loss		**4,598**	4,625

24 PROFIT FOR THE YEAR (CONT'D)

	GROUP 2010 $'000	GROUP 2009 $'000
(e) Finance costs:		
- interest on borrowings paid and payable to banks	**1,248**	3,066
- other financing costs	**1,361**	1,441
	2,609	4,507
- interest on borrowings paid and payable to banks capitalised into development properties/ investment property	**(1,248)**	(2,564)
- other financing costs capitalised into development properties/investment property	**(1,301)**	(1,409)
- charged to profit or loss	**60**	534
Finance costs charged to profit or loss:		
- interest on borrowings paid and payable to banks	**–**	502
- finance costs	**60**	32
	60	534

Borrowing costs were capitalised at rates between 0.68% and 1.06% (2009: 0.63% and 1.73%) per annum.

25 OTHER INCOME

	NOTE	GROUP 2010 $'000	GROUP 2009 $'000
Exchange gain		**382**	252
Gain on disposal of investment		**17**	–
Gain on disposal of property, plant and equipment		**48**	–
Interest income	25(a)	**1,490**	1,706
Others		**127**	224
		2,064	2,182
(a) Interest income:			
- fixed deposits		**1,833**	2,415
- others		**935**	198
		2,768	2,613
- capitalised into development properties/ investment property		**(1,278)**	(907)
- credited to profit or loss		**1,490**	1,706

26 OTHER OPERATING EXPENSES

	GROUP	
	2010	**2009**
	$'000	$'000
Irrecoverable GST expense	**291**	167
Loss on disposal of property, plant and equipment	**–**	4
	291	171

27 EARNINGS PER SHARE

	GROUP	
	2010	**2009**
	$'000	$'000
Basic and diluted earnings per share is based on:		
i) Net profit attributable to ordinary shareholders	**316,186**	262,337
	'000	'000
ii) Issued ordinary shares at beginning and end of the year	**1,196,560**	1,196,560

28 DIVIDENDS

The following dividends were declared and paid by the Company:

	COMPANY	
	2010	**2009**
	$'000	$'000
First and final tax exempt (one-tier) dividend paid of 6.0 cents per share (2009: first and final tax exempt (one-tier) dividend paid of 6.0 cents per share)	**71,794**	71,794

After the reporting date, the directors proposed the following dividends. The dividends have not been provided for and there are no income tax consequences:

	COMPANY	
	2010	**2009**
	$'000	$'000
First and final tax exempt (one-tier) dividend proposed of 6.0 cents per share (2009: first and final tax exempt (one-tier) dividend proposed of 6.0 cents per share)	**71,794**	71,794

29 COMMITMENTS

(i) Operating lease

The Group leases out its investment property, Wheelock Place, held under operating leases during the financial year. The future minimum lease payments receivable under non-cancellable leases are as follows:

	GROUP	
	2010	**2009**
	$'000	$'000
Within 1 year	**38,090**	39,490
After 1 year but within 2 years	**26,097**	32,445
After 2 years but within 3 years	**9,580**	18,145
After 3 years but within 4 years	**2,043**	2,770
After 4 years but within 5 years	**–**	749
	75,810	93,599

The lease typically runs for an initial period from 2 to 4 years. The non-cancellable operating lease receivables have not taken into account the potential new and renewal of leases and revision of rental rates after the expiry of these leases.

During the year ended 31 December 2010, $46,637,000 (2009: $44,519,000) was recognised as rental income in profit or loss by the Group.

(ii) Commitments

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
Commitments in respect of:				
- development and capital expenditure contracted for the construction of/ additions to the investment properties but not provided for	**8,450**	34,971	**7,980**	34,581
- development expenditure contracted for the construction of the development properties but not provided for	**36,500**	119,998	**33,519**	99,147
	44,950	154,969	**41,499**	133,728

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related party transactions

During the year, apart from directors' remuneration disclosed in note 24(d), there were no other significant related party transactions.

The key management personnel compensation comprised:

	GROUP	
	2010	**2009**
	$'000	$'000
Short-term employee benefits	**6,443**	6,158
Contributions to defined contribution plans	**22**	22
	6,465	6,180

In 2009, one unit (the "Unit") of the Group's residential project, Scotts Square, was sold to the spouse of a director on the basis of the same pricing offered to the public and no special or preferential items were accorded. The Audit and Risk Management Committee and the Board of Directors (with the director abstaining in respect of the sale) had reviewed and approved the terms of the sale. The Audit and Risk Management Committee and the Board of Directors were of the view that the terms of the sale of the Unit were fair and reasonable and were not prejudicial to the interests of the Company and its minority shareholders. Details were set out in the annual report for the financial year ended 31 December 2009.

31 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for overseeing the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other parties to settle their financial and contractual obligations to the Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Monies due from the customers are followed up, reviewed on a regular basis to understand the reasons of non-payment or delay in payment, if any, so that appropriate actions can be implemented promptly.

The principal risk to which the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued to banks for credit facilities granted to its subsidiaries. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the subsidiaries. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 32.

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables. The main component of this allowance is specific loss that relates to individually significant exposure.

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisified that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions of significant standing. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities which are placed with a diversity of creditworthy financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure. The Group's and Company's maximum exposure to credit risk at the reporting date was:

		GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
		2010	**2009**	**2010**	**2009**
	NOTE	$'000	$'000	$'000	$'000
Amounts due from subsidiaries	6	**–**	–	**202,110**	456,632
Investments	9	**394,271**	334,420	**–**	–
Trade and accrued receivables	12	**102,437**	47,835	**7,141**	19,576
Amounts due from related corporations	13	**24**	21	**24**	21
Other receivables*	14	**2,485**	764	**1,707**	397
Cash and cash equivalents	15	**860,702**	759,427	**830,001**	568,188
		1,359,919	1,142,467	**1,040,983**	1,044,814

* Excludes prepaid expenses of $142,000 (2009: $204,000) and $46,000 (2009: $52,000) for the Group and the Company respectively.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. All the properties under development have adequate cash or credit facilities to ensure availability of funding till project completion.

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturity of the Group's and the Company's financial liabilities, including estimated interest payments:

	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	WITHIN 1 YEAR $'000	AFTER 1 YEAR BUT WITHIN 5 YEARS $'000
GROUP				
2010				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Variable rate bank loan	**103,925**	**104,063**	**104,063**	**–**
Trade payables	**63,437**	**63,437**	**63,437**	**–**
Other payables*	**31,473**	**31,473**	**31,473**	**–**
	198,835	**198,973**	**198,973**	**–**
2009				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Variable rate bank loans	233,640	237,138	133,046	104,092
Trade payables	49,571	49,571	49,571	–
Other payables*	26,197	26,197	26,197	–
	309,408	312,906	208,814	104,092
COMPANY				
2010				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Trade payables	**26,321**	**26,321**	**26,321**	**–**
Other payables*	**13,486**	**13,486**	**13,486**	**–**
Amounts due to subsidiaries	**349,834**	**349,834**	**349,834**	**–**
	389,641	**389,641**	**389,641**	**–**
2009				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Variable rate bank loan	130,612	131,941	131,941	–
Trade payables	11,342	11,342	11,342	–
Other payables*	8,020	8,020	8,020	–
Amounts due to subsidiaries	246,158	246,158	246,158	–
	396,132	397,461	397,461	–

* Excludes income received in advance of $1,683,000 (2009: $1,011,000) and $350,000 (2009: nil) for the Group and the Company respectively.

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations and fixed deposits with financial institutions. Interest rates on borrowings and fixed deposits are determined based on floating market rates. The Group does not use derivative financial instruments to hedge interest rate risk.

At the reporting date, the interest rate profile of the Group's and Company's interest-bearing financial instruments were:

	GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
	2010	**2009**	**2010**	**2009**
	$'000	$'000	$'000	$'000
VARIABLE RATE INSTRUMENTS				
Financial assets	**853,429**	755,446	**825,401**	566,125
Financial liabilities	**(103,925)**	(233,640)	**–**	(130,612)
	749,504	521,806	**825,401**	435,513

Sensitivity analysis

In view of the current market conditions, the Group and the Company have re-examined and revised the sensitivity analysis for interest rate risk from 180 basis points ("bp") in 2009 to 90 bp in 2010. A change of 90 bp in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP PROFIT OR (LOSS)		COMPANY PROFIT OR (LOSS)	
	90 BP INCREASE	**90 BP DECREASE**	**90 BP INCREASE**	**90 BP DECREASE**
	$'000	$'000	$'000	$'000
2010				
Variable rate instruments	**6,745**	**(6,745)**	**7,429**	**(7,429)**
2009				
Variable rate instruments	4,685	(4,685)	3,917	(3,917)

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Effective interest rates and repricing analysis/maturing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they are repriced.

		2010		2009	
	NOTE	EFFECTIVE INTEREST RATES %	WITHIN 1 YEAR $'000	EFFECTIVE INTEREST RATES %	WITHIN 1 YEAR $'000
GROUP					
FINANCIAL ASSET					
Cash and cash equivalents	15	**0.08 – 0.33**	**853,429**	0.10 – 1.00	755,446
FINANCIAL LIABILITY					
Bank loans (secured)	18	**0.73**	**(103,925)**	0.83 – 1.06	(233,640)
Total			**749,504**		521,806
COMPANY					
FINANCIAL ASSET					
Cash and cash equivalents	15	**0.13 – 0.33**	**825,401**	0.13 – 0.47	566,125
FINANCIAL LIABILITY					
Bank loan (secured)	18	**–**	**–**	0.83	(130,612)
Total			**825,401**		435,513

Foreign currency risk

As at 31 December 2010 and 31 December 2009, the Group is not exposed to significant foreign currency risk as sales, purchases and borrowings are denominated in Singapore dollars.

In respect of non-monetary and monetary assets and liabilities held in currency other than Singapore dollars, the Group uses forward exchange contracts to hedge certain of its foreign currency risk. Most of the forward exchange contracts would have maturities of less than 3 months after the reporting date. Where necessary, the forward exchange contracts are rolled over at maturity.

As at 31 December 2010, the Group has no forward exchange contracts (2009: nil).

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity analysis – equity price risk

The Group has investment in quoted equity securities. A 2% increase/(decrease) in the underlying equity prices at the reporting dates would increase/(decrease) equity by the following amounts:

	2010 $'000	**2009** $'000
	7,885	6,688

This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 31 December 2009.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Investments in equity securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date.

Derivatives

The fair value of financial derivatives instruments are based on their market prices.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2010 and 2009.

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Estimation of fair values (cont'd)

Other financial assets and liabilities *(cont'd)*

The aggregate net fair values of financial assets and liabilities which are not carried at fair values in the statements of financial position at the reporting dates are represented in the following table:

	2010		2009	
	CARRYING VALUE $'000	FAIR VALUE $'000	CARRYING VALUE $'000	FAIR VALUE $'000
COMPANY				
Interest-free inter-company loans	**147,491**	**160,410**	263,830	276,613
Unrecognised gain		**12,919**		12,783

For quasi-equity loans to subsidiaries which in substance form part of the Company's net investment in the subsidiaries, it is not practical to estimate the fair value due principally to a lack of repayment terms and without incurring excessive costs.

Fair values versus carrying amounts

The fair values of financial assets and liabilities together with the carrying amounts shown in the statements of financial position, are as follows:

	NOTE	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL CARRYING AMOUNT $'000	FAIR VALUE $'000
GROUP						
2010						
ASSETS						
Investments	9	**–**	**394,271**	**–**	**394,271**	**394,271**
Trade and accrued receivables	12	**102,437**	**–**	**–**	**102,437**	**102,437**
Amounts due from related corporations	13	**24**	**–**	**–**	**24**	**24**
Other receivables*	14	**2,485**	**–**	**–**	**2,485**	**2,485**
Cash and cash equivalents	15	**860,702**	**–**	**–**	**860,702**	**860,702**
		965,648	**394,271**	**–**	**1,359,919**	**1,359,919**
LIABILITIES						
Interest-bearing liability	18	**–**	**–**	**103,925**	**103,925**	**103,925**
Trade payables	20	**–**	**–**	**63,437**	**63,437**	**63,437**
Other payables**	21	**–**	**–**	**31,473**	**31,473**	**31,473**
		–	**–**	**198,835**	**198,835**	**198,835**

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair values versus carrying amounts (cont'd)

	NOTE	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL CARRYING AMOUNT $'000	FAIR VALUE $'000
GROUP						
2009						
ASSETS						
Investments	9	–	334,420	–	334,420	334,420
Trade and accrued receivables	12	47,835	–	–	47,835	47,835
Amounts due from related corporations	13	21	–	–	21	21
Other receivables*	14	764	–	–	764	764
Cash and cash equivalents	15	759,427	–	–	759,427	759,427
		808,047	334,420	–	1,142,467	1,142,467
LIABILITIES						
Interest-bearing liabilities	18	–	–	233,640	233,640	233,640
Trade payables	20	–	–	49,571	49,571	49,571
Other payables**	21	–	–	26,197	26,197	26,197
		–	–	309,408	309,408	309,408
COMPANY						
2010						
ASSETS						
Amounts due from subsidiaries	6	**202,110**	**–**	**–**	**202,110**	**215,029**
Trade and accrued receivables	12	**7,141**	**–**	**–**	**7,141**	**7,141**
Amounts due from related corporations	13	**24**	**–**	**–**	**24**	**24**
Other receivables*	14	**1,707**	**–**	**–**	**1,707**	**1,707**
Cash and cash equivalents	15	**830,001**	**–**	**–**	**830,001**	**830,001**
		1,040,983	**–**	**–**	**1,040,983**	**1,053,902**
LIABILITIES						
Trade payables	20	**–**	**–**	**26,321**	**26,321**	**26,321**
Other payables**	21	**–**	**–**	**13,486**	**13,486**	**13,486**
Amounts due to subsidiaries	6	**–**	**–**	**349,834**	**349,834**	**349,834**
		–	**–**	**389,641**	**389,641**	**389,641**

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair values versus carrying amounts (cont'd)

	NOTE	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL CARRYING AMOUNT $'000	FAIR VALUE $'000
COMPANY						
2009						
ASSETS						
Amounts due from subsidiaries	6	456,632	–	–	456,632	469,415
Trade and accrued receivables	12	19,576	–	–	19,576	19,576
Amounts due from related corporations	13	21	–	–	21	21
Other receivables*	14	397	–	–	397	397
Cash and cash equivalents	15	568,188	–	–	568,188	568,188
		1,044,814	–	–	1,044,814	1,057,597
LIABILITIES						
Interest-bearing liability	18	–	–	130,612	130,612	130,612
Trade payables	20	–	–	11,342	11,342	11,342
Other payables**	21	–	–	8,020	8,020	8,020
Amounts due to subsidiaries	6	–	–	246,158	246,158	246,158
		–	–	396,132	396,132	396,132

* Excludes prepaid expenses of $142,000 (2009: $204,000) and $46,000 (2009: $52,000) for the Group and the Company respectively.

** Excludes income received in advance of $1,683,000 (2009: $1,011,000) and $350,000 (2009: nil) for the Group and the Company respectively.

For quasi-equity loans to subsidiaries which in substance form part of the Company's net investment in the subsidiaries, it is not practical to estimate the fair value due principally to a lack of repayment terms and without incurring excessive costs.

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy

The following defines the fair value hierarchy of financial instruments carried at fair value, by valuation method:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: input other than quoted prices included within Level 1 that is observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: input for the asset or liability that is not based on observable market data (unobservable input).

During the financial year ended 31 December 2010, available-for-sale quoted equity securities with carrying amount of $394,271,000 (2009: $334,420,000) were analysed as Level 1 as the fair values are determined by the quoted prices in active market.

32 FINANCIAL GUARANTEE CONTRACT

There are no terms and conditions attached to the financial guarantee that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. The Company issued financial guarantee to certain banks in respect of banking facilities granted to a subsidiary amounting to $202,000,000 (2009: $202,000,000), of which the amount utilised at the reporting date was $122,000,000 (2009: $122,000,000). The periods in which the financial guarantee will expire are as follows:

	2010 $'000	**2009** $'000
Within 1 year	**202,000**	–
After 1 year but within 5 years	**–**	202,000
	202,000	202,000

PROPERTY SUMMARY

PROPERTY NAME/ LOCATION	HELD BY	SITE AREA (SQ. METRE)	TENURE	APPROXIMATE GROSS FLOOR AREA (SQ. METRE)	TOTAL NUMBER OF UNITS	DATE OF COMPLETION	EFFECTIVE GROUP INTEREST (%)
COMMERCIAL							
Wheelock Place comprising 16-storey office tower, 5-level office and shopping podium, 2-basement levels of shops & car parks situated at 501 Orchard Road	Everbilt Developers Pte Ltd	7,847	99 years lease commencing from 15.09.1990	43,200	–	Completed	100
RESIDENTIAL							
Ardmore II a condominium development situated at 1 & 2 Ardmore Park	Actbilt Pte Limited	8,327	Freehold	23,315	118	Completed	100
Ardmore Three a condominium development situated at 3 Ardmore Park	Botanica Pte. Ltd.	5,108	Freehold	15,826	84	2014	100
Orchard View an apartment development situated at 29 Angullia Park	Bestbilt Pte. Ltd.	2,701	Freehold	7,564	30	Completed	100
MIXED							
Scotts Square a residential-cum-retail development situated at 6 & 8 Scotts Road	Wheelock Properties (Singapore) Limited	6,609	Freehold	29,518 (Residential) 12,129 (Retail)	338 (Residential)	2011	100

SHAREHOLDING STATISTICS

AS AT 10 MARCH 2011

Issued and fully paid-up Capital	:	$1,055,901,224
Number of Ordinary Shares Issued	:	1,196,559,876
Voting Rights	:	One vote per Ordinary Share

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

NAME OF SHAREHOLDERS	NO. OF SHARES DIRECT INTERESTS	NO. OF SHARES DEEMED INTERESTS	%
Star Attraction Limited	902,254,746	-	75.40
Wheelock Properties Limited	-	902,254,746	75.40
Wheelock and Company Limited	-	902,254,746	75.40

Notes:

(i) Star Attraction Limited ("SAL") is a wholly-owned subsidiary of Wheelock Properties Limited ("WPL"). Accordingly, pursuant to Section 7 of the Companies Act, Cap. 50, WPL is deemed to be interested in the 902,254,746 Ordinary Shares by virtue of its interest in SAL.

(ii) WPL is a wholly-owned subsidiary of Wheelock and Company Limited ("WCL"). In accordance with Section 7 of the Companies Act, Cap. 50, WCL, by virtue of its interest in WPL, is deemed to be interested in the 902,254,746 Ordinary Shares, over which WPL has a deemed interest.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARES
1 to 999	392	4.96	92,459	0.01
1,000 to 10,000	5,624	71.13	25,498,355	2.13
10,001 to 1,000,000	1,859	23.51	77,897,969	6.51
1,000,001 and above	32	0.40	1,093,071,093	91.35
Total	7,907	100.00	1,196,559,876	100.00

Approximately 24% of the Company's Ordinary Shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

20 LARGEST SHAREHOLDERS

(as shown in the Register of Members)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	Star Attraction Limited	907,229,746	75.82
2	BNP Paribas Securities Services Singapore	37,039,000	3.10
3	Citibank Nominees Singapore Pte Ltd	27,335,234	2.28
4	Western Properties Pte Ltd	18,651,000	1.56
5	HSBC (Singapore) Nominees Pte Ltd	14,723,832	1.23
6	DBS Nominees Pte Ltd	14,658,842	1.23
7	United Overseas Bank Nominees (Pte) Ltd	11,175,071	0.93
8	Domitian Investment Pte Ltd	7,398,000	0.62
9	DBSN Services Pte Ltd	6,680,035	0.56
10	DBS Vickers Securities (Singapore) Pte Ltd	4,714,000	0.39
11	Raffles Nominees (Pte) Ltd	4,478,556	0.37
12	Starich Investments Pte Ltd	3,050,000	0.26
13	Lee Seng Tee	2,750,000	0.23
14	CIMB Securities (Singapore) Pte Ltd	2,596,511	0.22
15	Oversea Chinese Bank Nominees Pte Ltd	2,486,000	0.21
16	Tecity Management Pte Ltd	2,437,000	0.20
17	Hong Leong Enterprises Pte Ltd	2,429,000	0.20
18	Chong Kah Min	2,240,000	0.19
19	Soo Eng Hiong	1,845,000	0.15
20	BNP Paribas Nominees Singapore Pte Ltd	1,837,000	0.15
	Total	1,075,753,827	89.90

NOTICE OF ANNUAL GENERAL MEETING

WHEELOCK PROPERTIES (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197201797H)

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of the Company will be held at Ballroom 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on Friday, 29 April 2011 at 11.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

1. To receive and adopt the reports of the Directors and Auditors and the Audited Accounts for the financial year ended 31 December 2010. **Resolution 1**

2. To approve a first and final dividend of 6 cents tax exempt (one-tier) dividend per share for the financial year ended 31 December 2010. **Resolution 2**

3. To approve the payment of Directors' fees of $248,000 (2009: $278,852*) for the financial year ended 31 December 2010. **Resolution 3**

4. To re-elect the following Directors retiring pursuant to Article 109 of the Articles of Association of the Company:

   a) Mr Peter Kwong Ching Woo **Resolution 4**
   b) Mr Paul Yiu Cheung Tsui **Resolution 5**

5. To re-appoint Mr Frank Yung-Cheng Yung as a Director retiring pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office until the next Annual General Meeting of the Company. **Resolution 6**

6. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

* This amount differs from the amount approved at the last AGM as Mr Peter K. C. Woo declined the director's fees for the year ended 31 December 2009.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

7. That, pursuant to Section 161 of the Companies Act, Cap. 50 and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to: **Resolution 8**

   (i) issue shares in the capital of the Company ("**shares**"); or
   (ii) convertible securities; or
   (iii) additional convertible securities issued pursuant to adjustments; or
   (iv) shares arising from the conversion of the securities in (ii) and (iii) above,

   (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority or thereafter) 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 (notwithstanding the authority conferred by this Resolution may have ceased to be 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 convertible securities made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), provided that 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 convertible securities made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of Issued Shares;

2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued shares (excluding treasury shares) 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; 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 rules, guidelines and measures issued by 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 9

8. That authority be and is hereby given to the Directors of the Company to make purchases from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of ordinary shares up to ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of this Resolution or as at the date of the last Annual General Meeting of the Company (whichever is the higher) at any price to be determined by the Indirect Investments Committee up to but not exceeding the Maximum Price (as defined in the Addendum dated 7 April 2011 to Shareholders of the Company, being an addendum to the Annual Report of the Company for the year ended 31 December 2010), in accordance with the Guidelines on Share Purchases set out in Appendix II of the Company's Circular to Shareholders dated 30 June 2002 as supplemented by the amendments contained in the addendum to Shareholders dated 3 July 2006 (the "**Guidelines on Share Purchases**") and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier (the "**Share Purchase Mandate**").

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

BY ORDER OF THE BOARD

TAN LING LING
Company Secretary

Singapore
7 April 2011

NOTES:

1. A Member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Member of the Company.

2. Where a Member appoints two proxies, he shall specify the percentage of shares to be represented by each proxy.

3. A Member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or under the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880 not less than 48 hours before the time appointed for the Meeting.

EXPLANATORY NOTE ON ORDINARY BUSINESS TO BE TRANSACTED:

Resolution 6

Mr Frank Yung-Cheng Yung, if re-appointed as Director of the Company, will remain as Chairman of the Company's Audit & Risk Management Committee and a member of the Remuneration Committee. Mr Yung is considered by the Board of Directors to be independent and non-executive. The profile of Mr Yung is set out on page 21 of the Annual Report.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

Resolution 8

The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to issue shares and/or convertible securities in the capital of the Company and to issue shares in pursuance of such convertible securities, without seeking any further approval from Shareholders in general meeting, up to a number not exceeding in total fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per cent. (20%) of the total number of issued shares (excluding treasury shares) may be issued other than on a pro rata basis to Shareholders.

Resolution 9

The Ordinary Resolution 9 proposed above, if passed, renews the Share Purchase Mandate and will authorise the Directors, from time to time, to purchase shares subject to and in accordance with the Guidelines on Share Purchases, the SGX-ST Listing Manual and such other laws and regulations as may for the time being be applicable.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance its purchase or acquisition of shares.

An illustration on the financial impact of a purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate on the audited accounts of the Group and the Company for the financial year ended 31 December 2010 is set out in Section 5 of the Addendum.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that subject to Shareholders' approval for the proposed first and final dividend of 6 cents tax exempt (one-tier) dividend per share for the financial year ended 31 December 2010, the Register of Transfers and Register of Members will be closed from 11 May 2011 to 12 May 2011, both days inclusive, for the purpose of determining Shareholders' entitlement to the proposed dividend.

Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 10 May 2011 will be registered to determine Shareholders' entitlement to the proposed dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the shares as at 10 May 2011 will be entitled to the proposed dividend.

The proposed dividend, if approved by Shareholders at the Annual General Meeting to be held on 29 April 2011, will be paid on 26 May 2011.

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WHEELOCK PROPERTIES (SINGAPORE) LIMITED
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Company Registration No. 197201797H