

**UNAUDITED RESULTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31ST DECEMBER 2009**

TABLE OF CONTENTS

	Page
1 (a) (i) STATEMENT OF PROFIT AND LOSS	2
1 (a) (ii) STATEMENTS OF COMPREHENSIVE INCOME/(EXPENSES)	4
1 (b)(i) BALANCE SHEETS	5
1 (b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES	6
1 (c) CONSOLIDATED CASH FLOW STATEMENT	7
1 (d)(i) STATEMENTS OF CHANGES IN EQUITY	9
1 (d)(ii) CHANGES IN THE COMPANY'S SHARE CAPITAL	12
1 (d)(iii) TOTAL NUMBER OF ISSUED ORDINARY SHARES	12
1 (d)(iv) STATEMENT ON TREASURY SHARES	12
2 AUDIT	12
3 AUDITORS' REPORT	12
4 ACCOUNTING POLICIES	13
5 CHANGES IN ACCOUNTING POLICIES	13
6 EARNINGS PER ORDINARY SHARE	13
7 NET ASSET VALUE	13
8 SEGMENT ANALYSIS	14
9 REVIEW OF GROUP PERFORMANCE	19
10 VARIANCE FROM PROSPECT STATEMENT	20
11 COMMENTARY OF OPERATING CONDITIONS	21
12 REVIEW OF SEGMENT PERFORMANCE	21
13 DIVIDEND	21
14 DIVIDEND STATEMENT	22
15 TOTAL ANNUAL DIVIDEND	22
16 FIRST HALF AND SECOND HALF YEAR RESULTS	23

---

## 1. UNAUDITED RESULTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2009

The Directors of Hersing Corporation Ltd announce the following unaudited results of the Group for the 4th quarter and full year ended 31 December 2009.

### 1(a)(i) STATEMENT OF PROFIT AND LOSS

3 months				12 months		
4Q 2009 \$'000	4Q 2008 \$'000	% Change		2009 \$'000	2008 \$'000	% Change
68,217	35,681	91.2	Turnover	210,716	156,748	34.4
1,234	560	120.4	Other revenue	3,541	2,318	52.8
69,451	36,241	91.6		214,257	159,066	34.7
(55,878)	(27,919)	100.1	Direct cost	(171,802)	(126,640)	35.7
(3,568)	(2,067)	72.6	Personnel expenses	(11,458)	(9,433)	21.5
(470)	(517)	(9.1)	Marketing and promotion expenses	(1,915)	(1,745)	9.7
(3,546)	(3,978)	(10.9)	Administrative and other expenses	(12,026)	(13,575)	(11.4)
(82)	(110)	(25.5)	Interest on borrowings	(342)	(437)	(21.7)
5,907	1,650	258.0	<b>Profit from operation before impairment loss</b>	16,714	7,236	131.0
-	(2,443)	nm	Impairment loss on investment in units of quoted REIT	-	(2,443)	nm
5,907	(793)	nm	<b>Profit before taxation and minority interests</b>	16,714	4,793	248.7
(881)	(494)	78.3	Tax expense	(2,756)	(1,690)	63.1
5,026	(1,287)	nm	<b>Profit after taxation</b>	13,958	3,103	349.8
			Attributable to:			
4,726	(1,537)	nm	Equity holders of the Company	12,716	2,155	490.1
300	250	20.0	Minority interests	1,242	948	31.0
5,026	(1,287)	nm		13,958	3,103	349.8

**BREAKDOWN AND EXPLANATORY NOTES TO STATEMENT OF PROFIT AND LOSS**

3 months				12 months		
4Q 2009 \$'000	4Q 2008 \$'000	% Change		2009 \$'000	2008 \$'000	% Change
			1.1 Profit before taxation is arrived at after charging the following expenses included in the administrative and other expenses above:			
899	965	(6.8)	(i) Depreciation of property, plant and equipment and investment properties	3,578	3,368	6.2
48	48	-	(ii) Amortisation of intangible assets	192	191	0.5
255	-	nm	(iii) Impairment loss on intangible assets	255	-	nm
-	61	nm	(iv) Plant and equipment written off	-	85	nm
-	2	nm	(v) Loss on disposal of plant and equipment	1	32	(96.9)
-	-	-	(vi) Goodwill on acquisition of a subsidiary written off	7	-	nm
(8)	17	nm	(vii) (Gain)/loss in exchange	(8)	17	nm
			(viii) (Amount written back)/ allowance for doubtful debts and bad debts written off			
541	616	(12.2)		(233)	2,137	nm
			1.2 Included in other revenue:			
8	39	(79.5)	(i) Interest income	54	258	(79.1)
89	96	(7.3)	(ii) Dividend income	338	362	(6.6)
			1.3 Included in tax expense:			
198	41	382.9	(i) Over-provision in respect of prior year	230	91	152.7

nm = not meaningful

**1(a)(ii) STATEMENTS OF COMPREHENSIVE INCOME/(EXPENSES)**

3 months					12 months			
Group		Company			Group		Company	
4Q 2009 \$'000	4Q 2008 \$'000	4Q 2009 \$'000	4Q 2008 \$'000		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
5,026	(1,287)	962	3	Profit after taxation	13,958	3,103	4,007	14,013
156	1,460	2	(17)	Net fair value gain/(loss) on available for sale financial assets	1,087	(175)	31	(26)
(5)	2	-	-	Exchange difference on consolidation	(9)	1	-	-
5,177	175	964	(14)	<b>Total comprehensive income/(expenses) for the year/period</b>	15,036	2,929	4,038	13,987
4,877	(75)	964	(14)	Attributable to:				
300	250	-	-	Equity holders of the Company	13,794	1,981	4,038	13,987
				Minority interests	1,242	948	-	-
5,177	175	964	(14)	<b>Total comprehensive income/(expenses) for the year/period</b>	15,036	2,929	4,038	13,987

**1(b)(i) BALANCE SHEETS**

	Group		Company	
	31-Dec-09 \$'000	31-Dec-08 \$'000	31-Dec-09 \$'000	31-Dec-08 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	18,435	34,172	-	-
Investment properties	52,860	25,357	-	-
Intangible assets	2,592	3,048	2,591	2,507
Investment in subsidiaries	-	-	11,404	11,645
Investment in quoted securities	3,021	1,932	307	274
Trade receivables	187	429	-	-
Fixed deposits	3,697	151	2,600	-
	<b>80,792</b>	<b>65,089</b>	<b>16,902</b>	<b>14,426</b>
<b>CURRENT ASSETS</b>				
Inventories	98	9	-	-
Trade receivables	39,577	13,125	45	45
Other receivables	909	1,199	18	766
Prepaid operating expenses	329	191	5	4
Amount due from subsidiaries	-	-	21,377	18,407
Cash and cash equivalents	32,703	32,294	2,034	12,552
	<b>73,616</b>	<b>46,818</b>	<b>23,479</b>	<b>31,774</b>
<b>CURRENT LIABILITIES</b>				
Trade payables and accruals	48,568	19,017	260	236
Other payables	3,695	2,683	-	-
Deferred income	2,009	1,540	39	-
Interest bearing bank loans	5,635	2,587	-	-
Provision for income tax	3,089	1,744	50	50
	<b>62,996</b>	<b>27,571</b>	<b>349</b>	<b>286</b>
<b>NET CURRENT ASSETS</b>	<b>10,620</b>	<b>19,247</b>	<b>23,130</b>	<b>31,488</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred taxation	760	785	1	-
Interest bearing bank loans	22,917	20,294	-	-
	<b>23,677</b>	<b>21,079</b>	<b>1</b>	<b>-</b>
<b>NET ASSETS</b>	<b>67,735</b>	<b>63,257</b>	<b>40,031</b>	<b>45,914</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	23,254	23,254	23,254	23,254
Treasury shares	(2,447)	(1,262)	(2,447)	(1,262)
Fair value adjustment reserve	1,061	(26)	5	(26)
Revenue reserve	44,135	40,155	19,219	23,948
Foreign currency translation reserve	(66)	(57)	-	-
	<b>65,937</b>	<b>62,064</b>	<b>40,031</b>	<b>45,914</b>
<b>MINORITY INTERESTS</b>	1,798	1,193	-	-
<b>TOTAL EQUITY</b>	<b>67,735</b>	<b>63,257</b>	<b>40,031</b>	<b>45,914</b>

## 1(b)(i) BALANCE SHEETS (cont'd)

### Note 1 – Amendments to FRS 40

The Group has reclassified a property under development for future use as an investment property from Property, plant and equipment to Investment properties so as to comply with Amendments to FRS 40 which came into effect on 1 January 2009. The reclassification has no impact on the financial position and results of the Group.

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

### **Amount repayable in one year or less, or on demand**

As at 31 December 2009		As at 31 December 2008	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
5,635	Nil	2,587	Nil

### **Amount repayable after one year**

As at 31 December 2009		As at 31 December 2008	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
22,917	Nil	20,294	Nil

### **Details of any collateral**

#### 31st December 2009

The outstanding bank loans of \$28.6 million of a subsidiary were secured by mortgages on leasehold properties of that subsidiary with net book values of \$52.0 million and a corporate guarantee issued by the Company.

The bank guarantee facility of \$2.6 million of the subsidiary was secured by a fixed deposit of \$2.6 million pledged by the Company and a corporate guarantee issued by the Company.

#### 31st December 2008

The outstanding bank loans of \$22.9 million and the bank guarantee facility of \$2.4 million of a subsidiary were secured by mortgages on leasehold properties of that subsidiary with net book values of \$39.4 million and a corporate guarantee issued by the Company.

## 1(c) CONSOLIDATED CASH FLOW STATEMENT

4Q 2009 \$'000	4Q 2008 \$'000		12 mths 2009 \$'000	12 mths 2008 \$'000
		<b>Cash flow from operating activities:</b>		
5,907	(793)	Profit before taxation	16,714	4,793
		Adjustments for:		
48	48	Amortisation of intangible assets	192	191
255	-	Impairment loss of intangible assets	255	-
899	965	Depreciation of property, plant and equipment and investment properties	3,578	3,368
-	61	Plant and equipment written off	-	85
-	2	Loss on disposal of plant and equipment	1	32
-	-	Reverse and reclass marketing and promotion expenses to investment property	-	(473)
-	-	Goodwill on acquisition of a subsidiary written off	7	-
-	2,443	Impairment loss on investment in units of quoted REIT (Amount written back)/allowance for doubtful debts and bad debts written off	-	2,443
541	616	Dividend income from quoted investments	(233)	2,137
(89)	(96)	Interest expense	(338)	(362)
82	110	Interest income	342	437
(8)	(39)		(54)	(258)
1,728	4,110		3,750	7,600
7,635	3,317	<b>Cash generated from operating activities before working capital changes</b>	20,464	12,393
7,989	4,374	(Increase)/decrease in receivables	(20,357)	5,164
(2,640)	(3,790)	Increase/(decrease) in payables	23,478	(13,922)
30	1	(Increase)/decrease in inventories	(89)	-
-	-	Decrease in amounts due from related parties	-	1
1	1	Net effect of exchange rate changes on translation of subsidiary companies	-	1
5,380	586		3,032	(8,756)
13,015	3,903	<b>Cash generated from operations</b>	23,496	3,637
6	42	Interest income received	49	303
(90)	(110)	Interest paid	(341)	(448)
(53)	80	Tax paid	(1,443)	(3,030)
12,878	3,915	<b>Net cash generated from operating activities</b>	21,761	462
		<b>Cash flow from investing activities:</b>		
(4,176)	(1,856)	Payment for construction costs of an investment property and purchase of property, plant and equipment	(13,745)	(16,817)
-	-	(Increase)/decrease in pledged fixed deposits	(3,546)	17
-	-	Dividend paid to minority shareholders of a subsidiary	(662)	-
-	-	Increase in investment in a subsidiary	(75)	-
-	-	Investment in quoted securities	-	(300)
3	4	Proceeds from sale of plant and equipment	5	316
-	-	Acquisition of a subsidiary (Note A)	483	-
89	96	Dividend income from quoted investments	338	362
(4,084)	(1,756)	<b>Net cash used in investing activities</b>	(17,202)	(16,422)

1(c) CONSOLIDATED CASH FLOW STATEMENT (cont'd)

4Q 2009	4Q 2008		12 mths	12 mths
\$'000	\$'000		2009	2008
			\$'000	\$'000
<b>Cash flow from financing activities:</b>				
-	-	Payment of dividends	(8,736)	(11,753)
-	(527)	Purchase of treasury shares	(1,185)	(1,262)
(728)	(374)	Payment of bank loans	(2,597)	(1,489)
2,659	1,410	Proceeds from bank loans	8,268	2,256
-	-	Proceeds from issuance of shares in a subsidiary	100	-
-	-	Proceeds from issuance of shares under Hersing Share option	-	136
1,931	509	<b>Net cash used in financing activities</b>	<b>(4,150)</b>	<b>(12,112)</b>
10,725	2,668	Net increase/(decrease) in cash and cash equivalents at end of year	409	(28,072)
21,978	29,626	<b>Cash and cash equivalents at beginning of year/period</b>	<b>32,294</b>	<b>60,366</b>
32,703	32,294	<b>Cash and cash equivalents at end of year/period</b>	<b>32,703</b>	<b>32,294</b>

Note A – Acquisition of a Subsidiary

The fair value of assets acquired and liabilities assumed were as follows:

	\$'000
Cash and cash equivalent	503
Receivables	5,461
Payables	(5,951)
Goodwill arising on consolidation	7
Total purchase consideration	<u>20</u>
Cost of acquisition	(20)
Net cash acquired with the subsidiary	<u>503</u>
Net cash inflow on acquisition	<u>483</u>

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

Group	< ----- Equity attributable to equity holders of the Company ----- >							
	Share capital \$'000	Treasury shares \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Currency translation reserve \$'000	Total \$'000	Minority interest \$'000	Total equity \$'000
<b>At 1 January 2008</b>	23,118	-	149	49,753	(58)	72,962	245	73,207
Issue of shares on exercise of employee share options	47	-	-	-	-	47	-	47
Total comprehensive income/(expenses)	-	-	(541)	1,289	(12)	736	217	953
Dividend paid	-	-	-	(8,815)	-	(8,815)	-	(8,815)
<b>At 31 March 2008</b>	23,165	-	(392)	42,227	(70)	64,930	462	65,392
Total comprehensive income/(expenses)	-	-	332	1,334	(5)	1,661	232	1,893
Dividend paid	-	-	-	(2,938)	-	(2,938)	-	(2,938)
<b>At 30 June 2008</b>	23,165	-	(60)	40,623	(75)	63,653	694	64,347
Issue of shares on exercise of employee share options	89	-	-	-	-	89	-	89
Purchase of treasury shares in 3Q	-	(735)	-	-	-	(735)	-	(735)
Total comprehensive income/(expenses)	-	-	(1,426)	1,069	16	(341)	249	(92)
<b>At 30 September 2008</b>	23,254	(735)	(1,486)	41,692	(59)	62,666	943	63,609
Purchase of treasury shares in 4Q	-	(527)	-	-	-	(527)	-	(527)
Total comprehensive income/(expenses)	-	-	1,460	(1,537)	2	(75)	250	175
<b>At 31 December 2008</b>	23,254	(1,262)	(26)	40,155	(57)	62,064	1,193	63,257

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**

<b>Group</b>	< ----- Equity attributable to equity holders of the Company ----- >							<b>Total equity</b>
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Fair value adjustment reserve</b>	<b>Revenue reserve</b>	<b>Currency translation reserve</b>	<b>Total</b>	<b>Minority interests</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 January 2009</b>	23,254	(1,262)	(26)	40,155	(57)	62,064	1,193	63,257
Total comprehensive income/(expenses)	-	-	(147)	1,320	17	1,190	292	1,482
<b>At 31 March 2009</b>	23,254	(1,262)	(173)	41,475	(40)	63,254	1,485	64,739
Purchase of treasury shares in 2Q	-	(671)	-	-	-	(671)	-	(671)
Total comprehensive income/(expenses)	-	-	536	2,234	(14)	2,756	342	3,098
Dividend paid	-	-	-	(5,835)	-	(5,835)	(662)	(6,497)
<b>At 30 June 2009</b>	23,254	(1,933)	363	37,874	(54)	59,504	1,165	60,669
Issue of shares by a subsidiary	-	-	-	-	-	-	25	25
Purchase of treasury shares in 3Q	-	(514)	-	-	-	(514)	-	(514)
Total comprehensive income/(expenses)	-	-	542	4,436	(7)	4,971	308	5,279
Dividend paid	-	-	-	(2,901)	-	(2,901)	-	(2,901)
<b>At 30 September 2009</b>	23,254	(2,447)	905	39,409	(61)	61,060	1,498	62,558
Total comprehensive income/(expenses)	-	-	156	4,726	(5)	4,877	300	5,177
<b>At 31 December 2009</b>	23,254	(2,447)	1,061	44,135	(66)	65,937	1,798	67,735

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**

	Share capital	Treasury shares	Fair value adjustment reserve	Revenue reserve	Total
Company	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2008</b>	23,118	-	-	21,688	44,806
Issue of shares on exercise of employee share options	47	-	-	-	47
Total comprehensive income	-	-	-	10,033	10,033
Dividend paid	-	-	-	(8,815)	(8,815)
<b>At 31 March 2008</b>	23,165	-	-	22,906	46,071
Total comprehensive expenses	-	-	-	(52)	(52)
Dividend paid	-	-	-	(2,938)	(2,938)
<b>At 30 June 2008</b>	23,165	-	-	19,916	43,081
Issue of shares on exercise of employee share options	89	-	-	-	89
Purchase of treasury shares in 3Q	-	(735)	-	-	(735)
Total comprehensive income/(expenses)	-	-	(9)	4,029	4,020
<b>At 30 September 2008</b>	23,254	(735)	(9)	23,945	46,455
Purchase of treasury shares in 4Q	-	(527)	-	-	(527)
Total comprehensive income/(expenses)	-	-	(17)	3	(14)
<b>At 31 December 2008</b>	23,254	(1,262)	(26)	23,948	45,914
<b>At 1 January 2009</b>	23,254	(1,262)	(26)	23,948	45,914
Total comprehensive income	-	-	4	1,017	1,021
<b>At 31 March 2009</b>	23,254	(1,262)	(22)	24,965	46,935
Purchase of treasury shares in 2Q	-	(671)	-	-	(671)
Total comprehensive income	-	-	10	1,027	1,037
Dividend paid	-	-	-	(5,835)	(5,835)
<b>At 30 June 2009</b>	23,254	(1,933)	(12)	20,157	41,466
Purchase of treasury shares in 3Q	-	(514)	-	-	(514)
Total comprehensive income	-	-	16	1,000	1,016
Dividend paid	-	-	-	(2,901)	(2,901)
<b>At 30 September 2009</b>	23,254	(2,447)	4	18,256	39,067
Total comprehensive income	-	-	1	963	964
<b>At 31 December 2009</b>	23,254	(2,447)	5	19,219	40,031

## 1(d)(ii) CHANGES IN THE COMPANY'S SHARE CAPITAL

- a) The Company did not issue any shares during the year.
- b) The Company did not purchase any of its ordinary shares for the period from 1 October 2009 to 31 December 2009.

During the year, the Company purchased 5,040,000 of its ordinary shares by way of on-market purchase at prices ranging from \$0.20 to \$0.26.

- c) As at 31 December 2009, there were 60,000 shares (31 December 2008: 60,000 shares) that could be issued upon exercise of share options under the Hersing Share Option Scheme 2001.

## 1(d)(iii) TOTAL NUMBER OF ISSUED ORDINARY SHARES

Share Capital	No. of shares	\$'000
Ordinary shares issued and fully paid (excluding Treasury Shares held):		
<b>Balance as at 1 January and 31 March 2009</b>	583,515,216	21,992
Purchase of treasury shares in 2Q 2009	(3,017,000)	(671)
<b>Balance as at 30 June 2009</b>	580,498,216	21,321
Purchase of treasury shares in 3Q 2009	(2,023,000)	(514)
<b>Balance as at 30 September 2009 and 31 December 2009</b>	578,475,216	20,807

## 1(d)(iv) STATEMENT ON TREASURY SHARES

**A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current reporting period.**

	No. of shares	\$'000
Treasury Shares held as at 1 January and 31 March 2009	5,861,000	1,262
Purchase of treasury shares in 2Q 2009	3,017,000	671
Balance as at 30 June 2009	8,878,000	1,933
Purchase of treasury shares in 3Q 2009	2,023,000	514
Treasury Shares held as at 30 September 2009 and 31 December 2009	10,901,000	2,447

## 2. AUDIT

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

## 3. AUDITORS' REPORT

Not applicable

#### 4. ACCOUNTING POLICIES

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2008.

#### 5. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group adopted the new /revised Financial Reporting Standards (“FRS”) and interpretations of FRS (“INT FRS”) that are effective for annual reports beginning on or after 1 January 2009. Changes in the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 1 (Revised)	Presentation of Financial Statements – Revised presentation
FRS 108	Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group’s accounting policies nor any significant impact on the financial statements.

#### 6. EARNINGS PER ORDINARY SHARE

Group	4Q 2009	4Q 2008	FY2009	FY 2008
Earnings per ordinary share for the period:-				
Based on weighted average share issued (cents)	0.82	(0.26)	2.18	0.37
Weighted average no. of ordinary shares in issue	578,475,216	584,127,716	582,026,024	587,296,203
On a fully diluted basis based on the number of shares in issue adjusted for the effect of dilutive potential ordinary shares (cents)	0.82	(0.26)	2.18	0.37
Weighted average no. of ordinary shares in issue adjusted for the effect of dilutive potential ordinary shares	578,524,383	584,169,576	582,075,191	587,338,063

For comparative purposes, the weighted average number of ordinary shares for 4Q 2008 and FY 2008 have been adjusted to include the bonus shares issued in June 2008.

#### 7. NET ASSET VALUE

	Group		Company	
	FY 2009	FY2008	FY 2009	FY2008
Net asset value per ordinary share (cents)	11.40	10.64	6.92	7.87

## 8. SEGMENT ANALYSIS

<b>(i) Geographical areas:</b>	Singapore \$'000	Asia Pacific Region \$'000	Total \$'000
<b>4Q 2009</b>			
Turnover	68,105	112	68,217
Other revenue	1,233	1	1,234
	<hr/> 69,338	<hr/> 113	<hr/> 69,451
Profit before taxation	5,884	23	5,907
<b>4Q 2008</b>			
Turnover	35,576	105	35,681
Other revenue	548	12	560
	<hr/> 36,124	<hr/> 117	<hr/> 36,241
Profit/(loss) before taxation	(822)	29	(793)
	Singapore \$'000	Asia Pacific Region \$'000	Total \$'000
<b>2009</b>			
Turnover	210,239	477	210,716
Other revenue	3,538	3	3,541
	<hr/> 213,777	<hr/> 480	<hr/> 214,257
Profit before taxation	16,614	100	16,714
<b>2008</b>			
Turnover	156,299	449	156,748
Other revenue	2,304	14	2,318
	<hr/> 158,603	<hr/> 463	<hr/> 159,066
Profit before taxation	4,735	58	4,793

## 8. SEGMENT ANALYSIS (cont'd)

### (ii) Business segment:

	Real estate services	Financial services	Self storage services	Elimination upon consolidation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>4Q 2009</b>					
Turnover	58,167	7,225	2,825	-	68,217
Inter segment billing	-	-	1,028	(1,028)	-
	58,167	7,225	3,853	(1,028)	68,217
Other revenue	969	18	247	-	1,234
Inter segment billing	54	-	-	(54)	-
	1,023	18	247	(54)	1,234
Total revenue	59,190	7,243	4,100	(1,082)	69,451
Segment results	4,080	681	1,228	-	5,989
Finance cost	-	-	(82)	-	(82)
Profit before taxation	4,080	681	1,146	-	5,907
Taxation	(810)	(77)	6	-	(881)
Profit after taxation	3,270	604	1,152	-	5,026
Attributable to:					
Shareholders of the Company	3,270	304	1,152	-	4,726
Minority interests	-	300	-	-	300
	3,270	604	1,152	-	5,026

## 8. SEGMENT ANALYSIS (cont'd)

### (ii) Business segment: (cont'd)

	Real estate services	Financial services	Self storage services	Elimination upon consolidation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>4Q 2008</b>					
Turnover	26,419	6,894	2,368	-	35,681
Inter segment billing	-	-	432	(432)	-
	26,419	6,894	2,800	(432)	35,681
Other revenue	286	46	228	-	560
Inter segment billing	45	-	-	(45)	-
	331	46	228	(45)	560
Total revenue	26,750	6,940	3,028	(477)	36,241
Segment results	557	533	670	-	1,760
Finance cost	-	-	(110)	-	(110)
	557	533	560	-	1,650
Impairment loss on investment in units of quoted REIT	-	-	(2,443)	-	(2,443)
Profit/(loss) before taxation	557	533	(1,883)	-	(793)
Taxation	(197)	(117)	(180)	-	(494)
Profit/(loss) after taxation	360	416	(2,063)	-	(1,287)
Attributable to:					
Shareholders of the Company	360	166	(2,063)	-	(1,537)
Minority interest	-	250	-	-	250
	360	416	(2,063)	-	(1,287)

## 8. SEGMENT ANALYSIS (cont'd)

### (ii) Business segment: (cont'd)

	Real estate services	Financial services	Self storage services	Elimination upon consolidation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2009</b>					
Turnover	172,449	28,040	10,227	-	210,716
Inter segment billing	-	-	2,336	(2,336)	-
	172,449	28,040	12,563	(2,336)	210,716
Other revenue	2,604	66	871	-	3,541
Inter segment billing	244	-	-	(244)	-
	2,848	66	871	(244)	3,541
Total revenue	175,297	28,106	13,434	(2,580)	214,257
Segment results	10,939	2,933	3,184	-	17,056
Finance cost	-	-	(342)	-	(342)
Profit before taxation	10,939	2,933	2,842	-	16,714
Taxation	(1,889)	(427)	(440)	-	(2,756)
Profit after taxation	9,050	2,506	2,402	-	13,958
Attributable to:					
Shareholders of the Company	9,049	1,265	2,402	-	12,716
Minority interests	1	1,241	-	-	1,242
	9,050	2,506	2,402	-	13,958

## 8. SEGMENT ANALYSIS (cont'd)

### (ii) Business segment: (cont'd)

	Real estate services	Financial services	Self storage services	Elimination upon consolidation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2008</b>					
Turnover	123,066	24,913	8,769	-	156,748
Inter segment billing	-	-	1,717	(1,717)	-
	123,066	24,913	10,486	(1,717)	156,748
Other revenue	1,367	198	753	-	2,318
Inter segment billing	180	-	-	(180)	-
	1,547	198	753	(180)	2,318
Total revenue	124,613	25,111	11,239	(1,897)	159,066
Segment results	3,051	2,233	2,389	-	7,673
Finance cost	-	-	(437)	-	(437)
	3,051	2,233	1,952	-	7,236
Impairment loss on investment in units of quoted REIT	-	-	(2,443)	-	(2,443)
Profit/(loss) before taxation	3,051	2,233	(491)	-	4,793
Taxation	(636)	(409)	(645)	-	(1,690)
Profit/(loss) after taxation	2,415	1,824	(1,136)	-	3,103
Attributable to:					
Shareholders of the Company	2,415	876	(1,136)	-	2,155
Minority interest	-	948	-	-	948
	2,415	1,824	(1,136)	-	3,103

## **9. REVIEW OF GROUP PERFORMANCE**

**A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **(A) INCOME STATEMENT**

#### **REVIEW OF 4Q PERFORMANCE**

The Singapore economy continued to perform satisfactorily during 4Q 2009 resulting in the Group recording a turnover of \$68.2 million for the quarter, almost doubling the \$35.7 million reported for the corresponding quarter in 2008. All three segments of the Group showed growth in 4Q 2009 as compared to the same quarter in the previous year. Recovery in the local property market which began in 2Q 2009 continued into 4Q 2009 which benefited Group's real estate segment materially. This segment registered an increase in turnover of about 120%, up from \$26.4 million in 4Q 2008 to \$58.2 million in 4Q 2009. The financial services and self storage segments reported turnover of \$7.2 million (increase of 5% over 4Q 2008) and \$3.9 million (increase of 38%) for 4Q 2009, respectively. As a consequence, Group's attributable profit in 4Q 2009 amounted to \$4.7 million as compared to a loss of \$1.5 million in the previous year.

#### **REVIEW OF PERFORMANCE – 2009 vs 2008**

##### **Turnover**

The Group had a good year in 2009. Total turnover for 2009 amounted to \$210.7 million as compared to \$156.7 million in 2008, an increase of \$54.0 million or 34%. All three segments showed double digit growth over 2008. The real estate, financial services and self storage segments had respective revenue growth of \$49.4 million (40%); \$3.1 million (13%) and \$2.1 million (20%).

##### **Earnings**

With the increase in turnover, the Group recorded higher attributable profit of \$12.7 million as compared to \$2.2 million in 2008, a near six fold improvement. In 2008, the Self Storage segment suffered an impairment loss of \$2.4 million for its holding of quoted units in a real estate investment trust. Excluding this impairment loss, the Group still reported an almost three fold increase in attributable profit in 2009. The real estate segment, at \$9.0 million, accounted for more than two-third of the Group's profit. The financial services and self storage segments recorded attributable profit of \$1.3 million and \$2.4 million, respectively.

Group's activities are based principally in Singapore. Turnover and profit before tax from the Asia Pacific Region is insignificant at less than 1% for 2009 and 2008.

##### **Depreciation and Amortisation**

The two self storage properties were first occupied during 1H08. Therefore, depreciation charges for the properties were higher in 2009 as compared to 2008.

##### **Marketing and promotion expenses**

Marketing and promotion expenses for 2009 and 2008 remained at about 1% of turnover for both years although in absolute amounts, there was an increase of \$0.2 million or 9.7% over 2008.

### **Administrative Expenses**

The lower administration expenses incurred in 2009 was due mainly to a net write back in provision for doubtful debts of \$0.2 million against a provision made in 2008 of \$2.1 million. Prior to the Group's acquisition of Electronic Realty Associates Pte Ltd ("EPL") as a wholly owned subsidiary in February 2009, all debtors outstanding for more than three months (totalling \$2.1 million, the profit thereon, net of agents' commission, of approximately \$147,000) were fully provided for as doubtful debts by EPL. A write back was made when the debts were subsequently recovered and corresponding payments were made to the agents for their share of the commission.

### **Interest on borrowings**

The lower interest expense in 2009 was due to lower bank loans for the 3 operating self storage locations as a result of loan repayments. Interest on the bank loan for the self storage facility at the Tampines site under construction was capitalized as part of the construction cost.

## **(B) BALANCE SHEET**

### **Non Current Assets**

The increase in non current assets as at 31 December 2009 as compared to 31 December 2008 was due to the construction cost incurred on the Tampines self storage site for the year, an increase in fixed deposits pledged to secure bankers' guarantees issued as well as an appreciation in value of quoted investments held.

### **Current Assets**

#### **(i) Trade receivables**

The increase in trade receivables as at 31 December 2009 when compared to 31 December 2008 was due mainly to the inclusion of EPL which became a subsidiary in February 2009 as well as increase in volume of the real estate segment.

#### **(ii) Other receivables**

The reduction in other receivables as at 31 December 2009 when compared to 31 December 2008 was due mainly to the repayment by the main contractor of the Tampines site for the advance made in 2008.

### **Current Liabilities**

#### **(i) Trade payables and accruals**

Increase in trade payables and accruals as at 31 December 2009 when compared to 31 December 2008 was due mainly to the inclusion of EPL which became a subsidiary in February 2009 as well as increase in volume of the Real Estate Segment.

#### **(ii) Bank Loans**

The increase was due to loans drawn down for financing the development of the Tampines site.

## **(C) CASH FLOW STATEMENT**

The cash inflows and outflows are detailed in the Group's Cash Flow Statement. The net inflow noted in 2009 was mainly due to proceeds from bank loans offset against:

- (i) Payment for the portion of construction cost not financed by bank loans of the Tampines site.
- (ii) Funds utilized to place fixed deposits which were pledged to the banks as securities for bankers' guarantees issued.
- (iii) Payments of dividends.
- (iv) Repayment of bank loans.

## **10. VARIANCE FROM PROSPECT STATEMENT**

Not applicable

## 11. COMMENTARY OF OPERATING CONDITIONS

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

The new year began well for the real estate segment where Group's activities were significantly higher than the same period in the previous year. However, the recently announced measures aimed at cooling the property market is likely to affect some of the speculative sentiment but this is not thought to have a material impact on fundamental demand. The Group continues to expand its network of agents for money transfer services which should help to increase the segment's turnover and margin. Occupancy rate of facilities for self storage is also showing growth which should result in a better performance.

The Group also announced on 14 January 2010 that it is in discussion to form a joint venture with Capital Commercial Ltd to expand the self storage business in Asia Pacific region.

## 12. REVIEW OF SEGMENT PERFORMANCE

Explained under item 9 above.

## 13. DIVIDEND

### (a) Current Financial Period Reported On – 12 months ended 31 December 2009

Any dividend paid/declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	0.5 cent per ordinary share (One-Tier Tax-Exempt)
Date paid	8 September 2009

To be declared at the forthcoming Annual General Meeting.

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share (One-Tier Tax-Exempt)

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

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

(i) Name of Dividend	Special Interim
Dividend Type	Cash
Dividend Rate	3 cent per ordinary share (One-Tier Tax-Exempt)
Date paid	25 March 2008
(ii) Name of Dividend	Final for 2007
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share (One-Tier Tax-Exempt)
Date paid	8 May 2008

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

(iii) Name of Dividend	Final for 2008
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share (One-Tier Tax-Exempt)
Date paid	8 May 2009

**(c) Date payable for the Final Dividend**

If approved by shareholders at the forthcoming Annual General Meeting to be held on 21 April 2010, the proposed Final Dividend will be paid on 7 May 2010.

**(d) Books closure date for Final Dividend**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 28 April 2010 to 29 April 2010 (both dates inclusive) for the preparation of dividend warrants for One-Tier Tax-Exempt Final Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 28 April 2010 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 28 April 2010 will be entitled to the proposed dividend.

**14. DIVIDEND STATEMENT  
(if no dividend has been declared/recommended)**

No dividend has been declared for 4Q 2009.

**15. TOTAL ANNUAL DIVIDEND**

	<b>Paid in 2009</b>		<b>Paid in 2008</b>
	\$		\$
Ordinary :		Ordinary :	
Final for year 2008	5,835,152	Final for year 2007	2,938,331
Interim for year 2009	<u>2,901,321</u>	Special interim for year 2008	<u>8,814,993</u>
	8,736,473		11,753,324
Preference	-	Preference	-
Total:	<u>8,736,473</u>	Total:	<u>11,753,324</u>

## 16. FIRST HALF AND SECOND HALF YEAR RESULTS

	2009	Group 2008	% Change
	\$'000	\$'000	
Turnover reported for first half year	76,094	76,533	(0.6)
Other revenue	1,465	1,272	15.2
	<u>77,559</u>	<u>77,805</u>	<u>(0.3)</u>
Net profit after tax reported for first half year	4,188	3,072	36.3
Turnover reported for second half year	134,622	80,215	67.8
Other revenue	2,076	1,046	98.5
	<u>136,698</u>	<u>81,261</u>	<u>68.2</u>
Net profit after tax reported for second half year	9,770	31	nm

### BY ORDER OF THE BOARD

CHUA KHEE HAK  
Director  
25 February 2010