HERSING CORPORATION LTD
Co. Reg. No. 199706986E
(Incorporated in the Republic of Singapore)

UNAUDITED RESULTS FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 JUNE 2010

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1. UNAUDITED RESULTS FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 JUNE 2010

The Directors of Hersing Corporation Ltd announce the following unaudited results of the Group for the 2nd quarter and half year ended 30 June 2010.

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

2Q 2010 $'000	2Q 2009 $'000	% Change		1H 2010 $'000	1H 2009 $'000	% Change
72,975	43,976	65.9	Turnover	135,110	76,094	77.6
891	588	51.5	Other revenue	2,076	1,465	41.7
73,866	44,564	65.8		137,186	77,559	76.9
(60,581)	(35,138)	72.4	Direct cost	(110,298)	(61,191)	80.3
(3,349)	(2,308)	45.1	Personnel expenses	(6,540)	(4,719)	38.6
(552)	(417)	32.4	Marketing and promotion expenses	(1,187)	(870)	36.4
(2,485)	(3,374)	(26.3)	Administrative and other expenses	(6,001)	(5,410)	10.9
(198)	(83)	138.6	Interest on borrowings	(320)	(174)	83.9
6,701	3,244	106.6	**Profit before taxation**	12,840	5,195	147.2
(1,170)	(668)	75.1	Tax expense	(2,259)	(1,007)	124.3
5,531	2,576	114.7	**Profit after taxation**	10,581	4,188	152.7
			Attributable to:			
5,170	2,234	131.4	Equity holders of the Company	9,900	3,554	178.6
361	342	5.6	Minority interests	681	634	7.4
5,531	2,576	114.7		10,581	4,188	152.7

BREAKDOWN AND EXPLANATORY NOTES TO STATEMENT OF PROFIT AND LOSS

2Q 2010 $'000	2Q 2009 $'000	% Change		1H 2010 $'000	1H 2009 $'000	% Change
			1.1 Profit before taxation is arrived at after charging/(crediting) the following expenses included in the administrative and other expenses above:			
15	(333)	nm	(i) Allowance/(amount written back) for doubtful debts and bad debts written off	484	(1,005)	nm
229	894	(74.4)	(ii) Depreciation of property, plant and equipment and investment properties	1,125	1,782	(36.9)
50	48	4.2	(iii) Amortisation of intangible assets	95	96	(1.0)
16	-	nm	(iv) Plant and equipment written off	26	-	nm
-	2	nm	(v) Loss on disposal of plant and equipment	4	2	100.0
-	-	-	(vi) Goodwill on acquisition of a subsidiary company written off	-	7	nm
			1.2 Included in other revenue:			
16	13	23.1	(i) Interest income	27	37	(27.0)
85	85	-	(ii) Dividend income	168	168	-
			1.3 Included in tax expense:			
65	1	nm	(i) Deferred tax provided/ (written back)	52	(43)	nm
40	(19)	nm	(ii) Under/(over) provision in respect of prior year	40	(19)	nm

nm = not meaningful

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

Group		Company			Group		Company	
2Q 2010 $'000	**2Q 2009 $'000**	**2Q 2010 $'000**	**2Q 2009 $'000**		**1H 2010 $'000**	**1H 2009 $'000**	**1H 2010 $'000**	**1H 2009 $'000**
5,531	2,576	924	1,027	Profit after taxation	10,581	4,188	5,932	2,044
148	536	148	10	Net fair value gain on available for sale financial assets	230	389	230	14
1	(14)	-	-	Exchange difference on consolidation	1	3	-	-
5,680	3,098	1,072	1,037	**Total comprehensive income for the period**	10,812	4,580	6,162	2,058
				Attributable to:				
5,319	2,756	1,072	1,037	Equity holders of the Company	10,131	3,946	6,162	2,058
361	342	-	-	Minority interests	681	634	-	-
5,680	3,098	1,072	1,037	**Total comprehensive income for the period**	10,812	4,580	6,162	2,058

1(b)(i) BALANCE SHEETS

	Group		Company	
	30-Jun-10	**31-Dec-09**	**30-Jun-10**	**31-Dec-09**
	$'000	**$'000**	**$'000**	**$'000**
NON-CURRENT ASSETS				
Property, plant and equipment	2,070	18,435	-	-
Investment properties	40,592	52,860	-	-
Intangible assets	2,507	2,592	2,506	2,591
Investment in subsidiary companies	-	-	11,476	11,404
Investment in associated companies	488	-	-	-
Investment in quoted securities	3,298	3,021	3,298	307
Trade receivables	109	187	-	-
Fixed deposits	3,666	3,697	2,600	2,600
	52,730	**80,792**	**19,880**	**16,902**
CURRENT ASSETS				
Inventories	105	98	-	-
Trade receivables	42,882	39,577	48	45
Other receivables	658	909	8	18
Prepaid operating expenses	1,884	329	1	5
Amount due from subsidiary companies	-	-	119	21,377
Amount due from associated companies	935	-	-	-
Cash and cash equivalents	55,870	32,703	20,796	2,034
	102,334	73,616	20,972	23,479
Non-current assets held for sale (Item 5)	37,260	-	-	-
	139,594	**73,616**	**20,972**	**23,479**
CURRENT LIABILITIES				
Trade payables and accruals	53,414	48,568	355	260
Other payables	7,620	3,695	-	-
Deferred income	2,199	2,009	-	39
Interest bearing bank loans	36,014	5,635	-	-
Provision for income tax	3,726	3,089	41	50
	102,973	**62,996**	**396**	**349**
NET CURRENT ASSETS	**36,621**	**10,620**	**20,576**	**23,130**
NON-CURRENT LIABILITIES				
Deferred taxation	866	760	48	1
Interest bearing bank loans	16,556	22,917	-	-
	17,422	**23,677**	**48**	**1**
NET ASSETS	**71,929**	**67,735**	**40,408**	**40,031**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	23,254	23,254	23,254	23,254
Treasury shares	(2,447)	(2,447)	(2,447)	(2,447)
Fair value adjustment reserve	1,291	1,061	235	5
Revenue reserve	48,250	44,135	19,366	19,219
Foreign currency translation reserve	(66)	(67)	-	-
	70,282	**65,936**	**40,408**	**40,031**
MINORITY INTERESTS	1,647	1,799	-	-
TOTAL EQUITY	**71,929**	**67,735**	**40,408**	**40,031**

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

Amount repayable in one year or less, or on demand

As at 30 June 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
36,014	Nil	5,635	Nil

Amount repayable after one year

As at 30 June 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
16,556	Nil	22,917	Nil

Details of any collateral

The outstanding bank loans of $52.6 million (31 Dec 2009: $28.6 million) of a subsidiary company were secured by mortgages on leasehold properties of that subsidiary company with net book values of $69.9 million (31 Dec 2009: $52.0 million) and a corporate guarantee issued by the Company.

The bank guarantee facility of $2.6 million (31 Dec 2009: $2.6 million) of the subsidiary company was secured by a fixed deposit of $2.6 million (31 Dec 2009: $2.6 million) pledged by the Company and a corporate guarantee issued by the Company.

1(c) CONSOLIDATED CASH FLOW STATEMENT

2Q 2010 $'000	2Q 2009 $'000		1H 2010 $'000	1H 2009 $'000
		Cash flow from operating activities:		
6,701	3,244	Profit before taxation	12,840	5,195
		Adjustments for:		
50	48	Amortisation of intangible assets	95	96
229	894	Depreciation of property, plant and equipment and investment properties	1,125	1,782
16	-	Plant and equipment written off	26	-
-	2	Loss on disposal of plant and equipment	4	2
-	-	Goodwill on acquisition of a subsidiary company written off	-	7
15	(333)	Allowance/(amount written back) for doubtful debts and bad debts written off	484	(1,005)
(85)	(85)	Dividend income from quoted investments	(168)	(168)
198	83	Interest expense	320	174
(16)	(13)	Interest income	(27)	(37)
407	596		1,859	851
7,108	3,840	**Cash generated from operating activities before working capital changes**	14,699	6,046
(2,790)	(9,113)	Increase in receivables	(5,031)	(8,294)
4,901	7,583	Increase in payables	5,725	7,389
(4)	(27)	Increase in inventories	(7)	(28)
(935)	-	Increase in amount due from associated companies	(935)	-
1	(1)	Net effect of exchange rate changes on translation of subsidiary companies	1	-
1,173	(1,558)		(247)	(933)
8,281	2,282	**Cash generated from operations**	14,452	5,113
15	18	Interest income received	31	40
(201)	(81)	Interest paid	(305)	(168)
(941)	(447)	Tax paid	(1,562)	(856)
7,154	1,772	**Net cash generated from operating activities**	12,616	4,129
		Cash flow from investing activities:		
(3,918)	(2,701)	Payment for construction costs of an investment property, leasehold property held for sale and purchase of property, plant and equipment	(6,588)	(5,795)
(833)	(662)	Dividend paid to minority shareholders of a subsidiary company	(833)	(662)
(488)	-	Investment in associated companies	(488)	-
28	1	Proceeds from sale of plant and equipment	28	1
-	(49)	Decrease/(increase) in fixed deposits pledged	31	(895)
-	-	Acquisition of a subsidiary company	-	483
85	85	Dividend income from quoted investments	168	168
(5,126)	(3,326)	**Net cash used in investing activities**	(7,682)	(6,700)

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

2Q 2010 $'000	2Q 2009 $'000		1H 2010 $'000	1H 2009 $'000
		Cash flow from financing activities:		
2,328	2,294	Proceeds from drawdown of bank loans	26,787	3,809
-	(671)	Purchase of treasury shares	-	(671)
(1,612)	(631)	Instalment repayments of bank loans	(2,769)	(1,143)
(5,785)	(5,835)	Payment of dividends	(5,785)	(5,835)
(5,069)	(4,843)	**Net cash generated from/(used in) financing activities**	18,233	(3,840)
(3,041)	(6,397)	Net increase/(decrease) in cash and cash equivalents at end of period	23,167	(6,411)
58,911	32,280	**Cash and cash equivalents at beginning of period**	32,703	32,294
55,870	25,883	**Cash and cash equivalents at end of period**	55,870	25,883

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

	< -------- Equity attributable to equity holders of the Company -------- >							
Group	Share capital $'000	Treasury shares $'000	Fair value adjustment reserve $'000	Revenue reserve $'000	Currency translation reserve $'000	Total $'000	Minority interests $'000	Total equity $'000
At 1 January 2009	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
At 31 March 2009	23,254	(1,262)	(173)	41,475	(40)	63,254	1,485	64,739
Purchase of treasury shares during the period	-	(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)
At 30 June 2009	23,254	(1,933)	363	37,874	(54)	59,504	1,165	60,669
At 1 January 2010	23,254	(2,447)	1,061	44,135	(67)	65,936	1,799	67,735
Total comprehensive income	-	-	82	4,730	-	4,812	320	5,132
At 31 March 2010	23,254	(2,447)	1,143	48,865	(67)	70,748	2,119	72,867
Total comprehensive income	-	-	148	5,170	1	5,319	361	5,680
Dividend paid	-	-	-	(5,785)	-	(5,785)	(833)	(6,618)
At 30 June 2010	23,254	(2,447)	1,291	48,250	(66)	70,282	1,647	71,929

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

Company	Share capital $'000	Treasury shares $'000	Fair value adjustment reserve $'000	Revenue reserve $'000	Total $'000
At 1 January 2009	23,254	(1,262)	(26)	23,948	45,914
Total comprehensive income	-	-	4	1,017	1,021
At 31 March 2009	23,254	(1,262)	(22)	24,965	46,935
Purchase of treasury shares during the period	-	(671)	-	-	(671)
Total comprehensive income	-	-	10	1,027	1,037
Dividend paid	-	-	-	(5,835)	(5,835)
At 30 June 2009	23,254	(1,933)	(12)	20,157	41,466
At 1 January 2010	23,254	(2,447)	5	19,219	40,031
Total comprehensive income	-	-	82	5,008	5,090
At 31 March 2010	23,254	(2,447)	87	24,227	45,121
Total comprehensive income	-	-	148	924	1,072
Dividend paid	-	-	-	(5,785)	(5,785)
At 30 June 2010	23,254	(2,447)	235	19,366	40,408

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

There is no change in the share capital of the Company for the half year ended 30 June 2010.

As at 30 June 2010, there were 60,000 shares (30 June 2009: 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):		
Balance as at 1 January, 31 March, 30 June 2010	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.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares for the half year ended 30 June 2010.

	No. of shares	$'000
Treasury Shares held as at 1 January, 31 March and 30 June 2010	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 Item 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 2009.

5. CHANGES IN THE ACCOUNTING POLICIES

The Group had adopted Amendments to Financial Reporting Standards ("FRS") 105, Non-current Assets Held for Sale and Discontinued Operations which became effective for annual periods beginning on or after 1 July 2009.

On 16 April 2010, the Group announced that it had entered into a joint venture ("JV") agreement with Cap Store Pte Ltd, a wholly owned subsidiary of CapitaLand Limited to expand and develop the self storage business under the "StorHub" brand. The JV agreement was completed on 31 July 2010.

With the adoption of Amendments to FRS 105, the Group had re-classified all the assets including the leasehold properties of the four self storage facilities to be disposed off from Non-Current Assets to Current Assets in the Group's Balance Sheet since 31 March 2010.

Other than adoption of this FRS 105, there were no changes in the accounting policies and methods of computation adopted in the financial statements for the period as compared with those of the audited financial statements as at 31 December 2009.

The adoption of FRS 105 is assessed to have no material impact to the results of the Group and of the Company for 1H 2010.

6. EARNINGS PER ORDINARY SHARE

Group	2Q 2010	1H 2010	2Q 2009	1H 2009
Earnings per ordinary share for the period:-				
Based on weighted average share issued (cents)	0.89	1.71	0.38	0.61
Weighted average no. of ordinary shares in issue	578,475,216	578,475,216	582,755,049	583,298,026
On a fully diluted basis based on the number of shares in issue adjusted for the effect of dilutive potential ordinary shares (cents)	0.89	1.71	0.38	0.61
Weighted average no. of ordinary shares in issue adjusted for the effect of dilutive potential ordinary shares	578,521,768	578,521,768	582,798,799	583,341,776

7. NET ASSET VALUE

	Group		Company	
	1H 2010	FY 2009	1H 2010	FY 2009
Net asset value per ordinary share (cents)	12.15	11.40	6.99	6.92

8. SEGMENT ANALYSIS

(i) Geographical areas:	Singapore $'000	Asia Pacific Region $'000	Total $'000
2Q 2010			
Turnover	72,871	104	72,975
Other revenue	891	-	891
	73,762	104	73,866
Profit before taxation	6,690	11	6,701
2Q 2009			
Turnover	43,845	131	43,976
Other revenue	587	1	588
	44,432	132	44,564
Profit before taxation	3,211	33	3,244

8. SEGMENT ANALYSIS (cont'd)

(i) Geographical areas:

	Singapore $'000	Asia Pacific Region $'000	Total $'000
1H 2010			
Turnover	134,795	315	135,110
Other revenue	2,075	1	2,076
	136,870	316	137,186
Profit before taxation	12,747	93	12,840
1H 2009			
Turnover	75,830	264	76,094
Other revenue	1,464	1	1,465
	77,294	265	77,559
Profit before taxation	5,129	66	5,195

(ii) Business segment:

	Real estate services $'000	Financial services $'000	Self storage services $'000	Elimination upon consolidation $'000	Total $'000
2Q 2010					
Turnover	63,156	7,349	2,470	-	72,975
Inter segment billing	-	-	757	(757)	-
	63,156	7,349	3,227	(757)	72,975
Other revenue	687	17	187	-	891
Inter segment billing	54	-	-	(54)	-
	741	17	187	(54)	891
Total revenue	63,897	7,366	3,414	(811)	73,866
Segment results	4,459	853	1,587	-	6,899
Finance cost	-	-	(198)	-	(198)
Profit before taxation	4,459	853	1,389	-	6,701
Taxation	(767)	(128)	(275)	-	(1,170)
Profit after taxation	3,692	725	1,114	-	5,531
Attributable to:					
Shareholders of the Company	3,693	363	1,114	-	5,170
Minority interests	(1)	362	-	-	361
	3,692	725	1,114	-	5,531

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
2Q 2009					
Turnover	34,830	6,823	2,323	-	43,976
Inter segment billing	-	-	436	(436)	-
	34,830	6,823	2,759	(436)	43,976
Other revenue	370	13	205	-	588
Inter segment billing	82	-	-	(82)	-
	452	13	205	(82)	588
Total revenue	35,282	6,836	2,964	(518)	44,564
Segment results	1,937	819	571	-	3,327
Finance cost	-	-	(83)	-	(83)
Profit before taxation	1,937	819	488	-	3,244
Taxation	(398)	(130)	(140)	-	(668)
Profit after taxation	1,539	689	348	-	2,576
Attributable to:					
Shareholders of the Company	1,539	347	348	-	2,234
Minority interest	-	342	-	-	342
	1,539	689	348	-	2,576

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
1H 2010					
Turnover	114,990	14,573	5,547	-	135,110
Inter segment billing	-	-	1,335	(1,335)	-
	114,990	14,573	6,882	(1,335)	135,110
Other revenue	1,599	34	443	-	2,076
Inter segment billing	108	-	-	(108)	-
	1,707	34	443	(108)	2,076
Total revenue	116,697	14,607	7,325	(1,443)	137,186
Segment results	9,132	1,606	2,422	-	13,160
Finance cost	-	-	(320)	-	(320)
Profit before taxation	9,132	1,606	2,102	-	12,840
Taxation	(1,541)	(254)	(464)	-	(2,259)
Profit after taxation	7,591	1,352	1,638	-	10,581
Attributable to:					
Shareholders of the Company	7,592	670	1,638	-	9,900
Minority interests	(1)	682	-	-	681
	7,591	1,352	1,638	-	10,581

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
1H 2009					
Turnover	57,859	13,595	4,640	-	76,094
Inter segment billing	-	-	871	(871)	-
	57,859	13,595	5,511	(871)	76,094
Other revenue	1,051	33	381	-	1,465
Inter segment billing	136	-	-	(136)	-
	1,187	33	381	(136)	1,465
Total revenue	59,046	13,628	5,892	(1,007)	77,559
Segment results	2,554	1,541	1,274	-	5,369
Finance cost	-	-	(174)	-	(174)
Profit before taxation	2,554	1,541	1,100	-	5,195
Taxation	(483)	(246)	(278)	-	(1,007)
Profit after taxation	2,071	1,295	822	-	4,188
Attributable to:					
Shareholders of the Company	2,071	661	822	-	3,554
Minority interest	-	634	-	-	634
	2,071	1,295	822	-	4,188

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 2Q PERFORMANCE

Group turnover in 2Q 2010 amounted to $73.0 million. The $29.0 million (66%) increase over 2Q 2009 was almost entirely accounted for by the real estate segment which was active in Singapore during 2Q 2010, particularly in the area of marketing of new developments. As a result, the real estate segment more than double its contribution from $1.9 million in 2Q 2009 to $4.5 million in 2Q 2010. The financial services and self storage segments also recorded satisfactory, although more moderate growth in 2Q 2010 over the corresponding period. Group profit before tax rose 107% from $3.2 million in 2Q 2009 to $6.7 million in 2Q 2010 while attributable profit rose from $2.2 million in 2Q 2009 to $5.2 million, a 131% improvement.

9. REVIEW OF GROUP PERFORMANCE (cont'd)

REVIEW OF 1H PERFORMANCE

Turnover

Group turnover for 1H 2010 amounted to $135.1 million which was 78% or $59.0 million higher than that of the corresponding period in the previous year. The real estate segment is the biggest contributor, accounting for an increase of $57.1 million. The other two segment recorded modest growth of almost $1.0 million each.

Earnings

Consequent to the increase in Group turnover in 1H 2010 the Group reported a higher profit before tax of $12.8 million as compared to $5.2 million in 1H 2009. Attributable profit rose from $3.6 million in 1H 2009 to $9.9 million in 1H 2010; an increase of $6.3 million of which the real estate segment accounted for $5.5 million of the improved performance.

As in previous period, Group activities centred almost entirely in Singapore.

Depreciation and amortisation

The Group had adopted FRS 105 and had reclassifed all assets including the leasehold properties of the four self storage facilities disposed off on 31 July 2010, from Non Current Assets to Current Asests and had ceased to depreciate these assets effective 1 April 2010; the date on which the Sale & Purchase Agreement became legally binding. Therefore, the charge for depreciaton and amortisation for 1H 2010 and 2Q 2010 was lower than the charge in the previous year.

Marketing and promotion expenses

Marketing and promotion expenses for 1H 2010 and 1H 2009 were at around 1% of turnover for the respective period although in monetary terms, expenses were about $0.3 million higher in 1H 2010.

Administrative expenses

The higher administration expenses experienced in 1H 2010 was due mainly to provision for doubtful debts of $0.5 million being made compared to a write back of $1.0 million in 1H 2009. 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 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 and bank charges

The higher interest expense in 1H 2010 was due to additional bank loans obtained for the three operating self storage facilities. These loans were fully drawn down on 26 February 2010 and fully redeemed on 31 July 2010.

(B) BALANCE SHEET

Non Current Assets

The decrease in Non Current Assets as at 30 June 2010 as compared to 31 December 2009 was due to the reclassification of the assets of the four self storage facilities to Current Assets as explained under Item 5 above.

Current Assets

(i) Prepaid operating expenses

The increase in prepaid operating expenses as at 30 June 2010 when compared to 31 December 2009 was due mainly to stamp duties paid for the Sales and Purchase Agreements for the disposal of the four self storage premises. Upon completion in July 2010, these expenses would be charged off as cost of disposals when computing the surplus on the disposals.

9. REVIEW OF GROUP PERFORMANCE (cont'd)

(ii) Amount due from associated companies

The amount due from associated companies represents loans granted during 1H 2010 to three associated companies to supplement their working capital. Two of the associated companies relate to the self storage joint venture companies while the third represents investment in a property development company in Philippines. These loans are interest free, unsecured and repayable on demand.

Current Liabilities

(i) Other payables

Increase in other payables as at 30 June 2010 when compared to 31 December 2009 was due mainly to the inclusion of deposits received by a subsidiary company for the disposal of its four self storage facilities.

(ii) Bank loans

The increase was due to additional loans drawn down on 26 February 2010 as well as loans drawn down for financing the development of the Tampines facility.

As the bank loans for the four self storage facilites were fully redeemed in July 2010, the total loans were classified under Current Liability. As at 31 December 2009, only the portion of loan repayable within the next 12 months were classified under Current Liability.

(C) CASH FLOW STATEMENT

The cash inflows and outflows are detailed in the Group's Cash Flow Statement on page 7. Cash generated from operations in 1H 2010 more than double that in 1H 2009 as a result of the significant increases in business volume. The higher closing bank balances were also due to additional loans drawn down in preparation for construction progress payments.

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.

Improvement in investment sentiment in the Sinapore real estate sector since the middle of 2009 continued in the first half of this year, underpinned by the strong performace of the local economy. Although the increase in real estate prices and activities are expected to moderate in the coming months, the Group expects a satisfactory year.

The financial services segment is expected to register steady growth from the anticipated continuing increase in the number of foreign workers in Singapore.

The disposal of the four self storage facilities to the newly formed joint venture associated companies was completed on 31 July 2010. The surplus realised, excluding the 38% share still retained by the Group, on these facilities will be reported as a capital gain in 3Q 2010. The Group has also ceased to consolidate the turnover and results of these four facilities from that date, although the Group will account for 38% of their net results. Therefore, the contribution of the self storage segment to Group turnover for the year will be lower. The Group continues to own the remaining self storage business at the leased premises at Kallang Way. Expansion plans are in place for expanding the self storage business throughout Asia but the effect is not likely to be realised during this financial year.

12. DIVIDEND

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	One-Tier Tax-Exempt of 0.5 cent per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

(c) Date payable for interim dividend

8 September 2010.

(d) Books closure date for interim 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 26 August 2010 to 27 August 2010 (both dates inclusive) for the preparation of dividend warrants for One-Tier Tax-Exempt Interim 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 26 August 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 26 August 2010 will be entitled to the proposed dividend.

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

See item 12 above.

14. REVIEW OF SEGMENT PERFORMANCE

Explained under item 8 above.

BY ORDER OF THE BOARD

CHUA KHEE HAK
Director
12 August 2010

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board has confirmed that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated statement of profit and loss, statements of comprehensive income/(expenses) (Group and Company), statements of changes in equity (Group and Company), and consolidated cash flow statement for the 2nd quarter and half year ended 30 June 2010 to be false or misleading in any material aspect.

HARRY CHUA WAH ENG Chairman & CEO	CHUA KHEE HAK Director

12 August 2010