



AFP PROPERTIES LIMITED

Listed on the Singapore Exchange

BUILDING FOR A BETTER FUTURE

ANNUAL REPORT 2010





CONTENTS

Corporate Profile /	03
Network of Operations /	04
Corporate Structure /	06
Corporate Directory /	07
Board of Directors /	08
Chairman's Statement /	12

Operations Review /	16
Property Portfolio /	20

Financial Report / 25

- Shareholding Statistics
- Warrantholding Statistics
- Notice of Annual General Meeting
- Proxy Form





CORPORATE PROFILE

AFP Properties Limited, listed on the Singapore Exchange and headquartered in Singapore, is engaged in the property business through its operations in Indonesia, China, Malaysia and Singapore.

AFP has long-term investments in major commercial buildings, hotels and resorts, and is involved in property development and leasing in Indonesia, China, Malaysia and Singapore. The property division in Indonesia is a leading developer and is engaged in the development of townships, residential, commercial and industrial properties.

The Company was formerly known as Asia Food & Properties Limited and was engaged in both the property and food businesses. Following the completion of divestment of its food business, the Company changed its name on 16 September 2010.



NETWORK OF OPERATIONS



● Food ● Property

INDONESIA

SUMATRA

- Medan
- Batam

JAVA

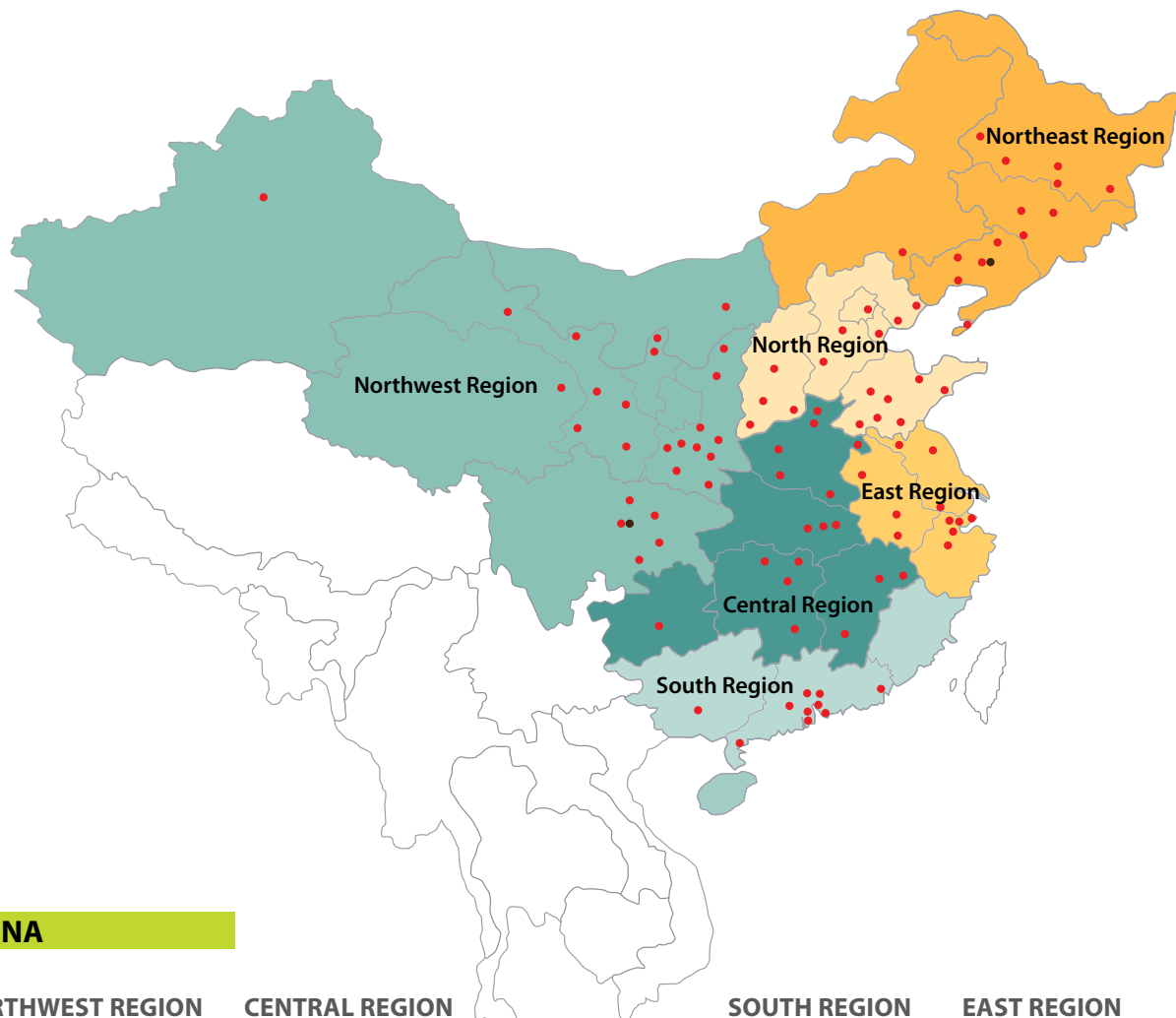
- Jakarta
- Cibubur
- Serpong
- Karawang
- Surabaya

BALI

- Pecatu

KALIMANTAN

- Balikpapan



CHINA

NORTHWEST REGION

- Ankang
- Baoji
- Baotou
- Chengdu
- Chongqing
- Dawukou
- Dingxi
- Hanzhong
- Jinchang
- Jiuquan
- Lanzhou
- Linxia
- Luzhou
- Mianyang
- Nanchong
- Shangzhou
- Tianshui
- Weibei
- Weinan
- Wulumuqi
- Xian
- Xianyang
- Xining
- Yanan
- Yinchuan
- Yulin

- Chengdu

CENTRAL REGION

- Changde
- Changsha
- Ezhou
- Guizhou
- Ganzhou
- Hengyang
- Luoyang
- Nanchang
- Nanyang
- Shangqiu
- Shangrao
- Wuhan
- Xiaogan
- Xinxiang
- Xinyang
- Yueyang
- Zhengzhou

MALAYSIA

- Senai, Johor Bahru

SINGAPORE

- Singapore

SOUTH REGION

- Dongguan
- Foshan
- Guangzhou
- Nanning
- Pingsha
- Shantou
- Shenzhen
- Zhanjiang
- Zhongshan
- Zhuhai

NORTH REGION

- Baoding
- Beijing
- Dong'e
- Heze
- Jinan
- Jining
- Jincheng
- Linfen
- Linyi
- Qingdao
- Qinghuangdao
- Shijiazhuang
- Taiyuan
- Tangshan
- Tianjing
- Weifang
- Yuncheng

EAST REGION

- Anqing
- Fuyang
- Hangzhou
- Huaian
- Hefei
- Jiaxing
- Jinhua
- Shanghai
- Wuxi
- Xinghua
- Xuzhou

NORTHEAST REGION

- Changchun
- Chifeng
- Dalian
- Daqing
- Fuxin
- Haerbin
- Jibei
- Jinzhou
- Liaobei
- Mudanjiang
- Qiqihar
- Shenyang
- Shuangcheng
- Siping
- Shenyang

CORPORATE STRUCTURE

As at 31 December 2010

INDONESIA

ACF Solutions Holding Ltd	100.00%
PT AFP Dwilestari	65.00%
PT Bumi Serpong Damai Tbk#	49.87%
PT Duta Pertiwi Tbk#	42.54%
PT Karawang Bukit Golf	98.12%
PT Karawang Tatabina Industrial Estate	48.77%
PT Ekacentra Usahamaju	84.36%
PT Paraga Artamida	84.37%
PT Royal Oriental	53.37%
PT Sinar Mas Teladan	61.83%
PT Sinar Mas Wisesa	65.39%

CHINA

Shining Gold Real Estate (Chengdu) Co., Ltd	100.00%
Shining Gold Real Estate (Shenyang) Co., Ltd	100.00%

SINGAPORE

AFP Gardens (Tanjong Rhu) Pte Ltd	100.00%
AFP Hillview Pte Ltd	100.00%
AFP Land Limited	100.00%
Golden Bay Realty (Private) Limited	100.00%

MALAYSIA

Anak Bukit Resorts Sdn Bhd	51.00%
Palm Resort Berhad	40.15%

Notes:

A simplified corporate structure of the Group showing only the main subsidiaries, directly or indirectly held by the Company.

#Listed on the Indonesia Stock Exchange.

CORPORATE DIRECTORY

Board of Directors

Franky Oesman Widjaja (Executive Chairman)
Muktar Widjaja (Chief Executive Officer)
Frankle (Djafar) Widjaja
Simon Lim
Rafael Buhay Concepcion, Jr.
Margaretha Natalia Widjaja
Foo Meng Kee
Kunihiko Naito
Rodolfo Castillo Balmater

Audit Committee

Foo Meng Kee (Chairman)
Kunihiko Naito
Rodolfo Castillo Balmater

Nominating Committee

Foo Meng Kee (Chairman)
Rodolfo Castillo Balmater
Franky Oesman Widjaja

Remuneration Committee

Rodolfo Castillo Balmater (Chairman)
Foo Meng Kee
Frankle (Djafar) Widjaja

Secretary

Kimberley Lye Chor Mei

Registered Office

108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535
Tel: (65) 6220 7720 Fax: (65) 6590 0887

Share Registrar and Transfer Office

B.A.C.S Private Limited
63 Cantonment Road
Singapore 089758
Tel: (65) 6593 4848 Fax: (65) 6593 4847

Auditors

Moore Stephens LLP
Public Accountants and Certified Public Accountants
10 Anson Road
#29-15 International Plaza
Singapore 079903
Tel: (65) 6221 3771 Fax: (65) 6221 3815
Partner-in-charge: Christopher Bruce Johnson
(Appointed during the financial year 31 December 2009)

Date and Country of Incorporation

27 January 1994, Singapore

Share Listing

The Company's shares are listed on the
Singapore Exchange Securities Trading Limited

Date of Listing

18 July 1997

BOARD OF DIRECTORS

Franky Oesman Widjaja Executive Chairman

Mr. Franky Widjaja, aged 53 was appointed as AFP Executive Chairman in December 2006 and he has been a Director of AFP since 1997. He earned his Bachelor's degree in Commerce from Aoyama Gakuin University, Japan in 1979.

Mr. Franky Widjaja has extensive management and operational experience. Since 1982, he has been involved with different businesses including pulp and paper, property, chemical, financial services and agriculture.

Mr. Franky Widjaja is a member of AFP's Executive Committee and Nominating Committee. He is Vice President Commissioner of AFP's Indonesia Stock Exchange listed property subsidiaries, PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk.

Mr. Franky Widjaja is Chairman and Chief Executive Officer of Golden Agri-Resources Ltd ("GAR"), President Commissioner of its Indonesian subsidiary, PT Sinar Mas Agro Resources and Technology Tbk, which is listed on the Indonesia Stock Exchange and Director of Bund Center Investment Ltd ("BCI"). He is a member of the Boards of several subsidiaries of AFP, GAR and BCI.

Mukhtar Widjaja Director and Chief Executive Officer

Mr. Mukhtar Widjaja, aged 56 was appointed as Chief Executive Officer of AFP in December 2006. He has been a Director of AFP since 1997. His last re-election as a Director was in 2009. He obtained his Bachelor of Commerce degree in 1976 from the University Concordia, Canada.

Since 1983, Mr. Mukhtar Widjaja has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses. Mr. Mukhtar Widjaja is a member of AFP's Executive Committee and President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk.

He is Director and President of Golden Agri-Resources Ltd ("GAR"), Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk and Director of Bund Center Investment Ltd ("BCI"). He is a member of the Boards of several subsidiaries of AFP, GAR and BCI.





Frankle (Djafar) Widjaja Director and President

Mr. Frankle Widjaja, aged 54 has been a Director since 1997. From Vice President, he became President in December 2006. His last re-election as a Director was in 2010. He graduated from the University of California, Berkeley, USA with a degree of Bachelor of Science in 1978.

Since 1979, he has been involved in the management and operations of the pulp and paper, financial services, food and agriculture and real estate businesses.

Mr. Frankle Widjaja is a member of AFP's Executive Committee and Remuneration Committee. He is Chairman and Chief Executive Officer of Bund Center Investment Ltd ("BCI"), Director of Golden Agri-Resources Ltd ("GAR") and presently a member of the Boards of several subsidiaries of AFP, GAR and BCI.



Simon Lim Director and Deputy President

Mr. Lim, aged 48 was appointed as Director in 2002, and as Deputy President in December 2006. His last re-election as a Director was in 2009. He graduated from University of Trisakti, Indonesia, majoring in Accounting and Finance in 1988. He later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with a full scholarship from ADB-Japan.

He has extensive financial, management and operational experience having worked in different industries.

Mr. Lim is a member of AFP's Executive Committee. He was Commissioner of PT Duta Pertiwi Tbk till June 2010. He is Director and Chief Financial Officer of Golden Agri-Resources Ltd ("GAR") and Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk. He is a member of the Boards of several subsidiaries of AFP, GAR and Bund Center Investment Ltd.

Rafael Buhay Concepcion, Jr.
Director and Chief Financial Officer

Mr. Concepcion, aged 44 was appointed as Director in 2004, and as Chief Financial Officer in December 2006. His last re-election as a Director was in 2010. He studied at the University of the Philippines where he obtained a Bachelor of Science in Economics in 1988. In 1992, he obtained a Master in Business Management from the Asian Institute of Management, Philippines with scholarship from SGV Philippines.

He worked on regional projects and has extensive experience in corporate and financial planning. He was with Pilipinas Shell Petroleum Corporation for 5 years before joining PT Sinar Mas Agro Resources and Technology Tbk. He is a member of AFP's Executive Committee.

He is Director of Golden Agri-Resources Ltd ("GAR") and Commissioner of PT Sinar Mas Agro Resources and Technology Tbk. He is a member of the Boards of several subsidiaries of AFP, GAR and Bund Center Investment Ltd.



Margaretha Natalia Widjaja
Director

Ms. Margaretha Natalia Widjaja, aged 29 was appointed as Director of AFP in December 2010. Ms. Widjaja graduated from Seattle University, United States of America in 1999 with a degree in Bachelor of Arts majoring in Finance, Marketing and Information Systems. She later obtained a Master of Management Information System in 2001 from the same university.

Ms. Widjaja was Deputy CEO, Forestry Division of Sinar Mas Group from 2002 to 2008. Since 2008, she is Vice Chairman, Indonesia Property division of AFP. She is also Director of Finneland Properties Pte Ltd.



Foo Meng Kee
Independent Director and Chairman of Audit Committee
and Nominating Committee

Mr. Foo, aged 61 joined AFP's Board of Directors in 2001. His last re-election as a Director was in 2010. His academic qualifications include MBA from the University of Dubuque, USA; Graduate Diploma in Marketing Management from the Singapore Institute of Management; and Bachelor of Commerce (Honors) from the Nanyang University of Singapore. Prior to setting up his consulting firm M K Capital Pte Ltd in 1998, Mr. Foo was with Hitachi Zosen Singapore Ltd where he had been working since 1976. As the Managing Director of Hitachi Zosen, he led in the listing of the company on the main board of the Singapore Stock Exchange.

Mr. Foo has in the past served on the Committees of the Association of Singapore Marine Industries and the Singapore Armed Forces Reservists' Association.

He is Chairman of AFP's Audit Committee and Nominating Committee and member of its Remuneration Committee. He also sits on the Boards of Directors of public listed companies, Lee Metal Group Ltd, Jiutian Chemical Group Ltd and See Hup Seng Ltd.





Kunihiro Naito Independent Director

Mr. Naito, aged 66 re-joined AFP's Board of Directors in December 2007. His last re-election as a Director was in 2008. Prior to that, he was a Director of AFP from November 1997 to February 2006 and a Director of Golden Agri-Resources Ltd from February 2006 to December 2007.

He was with Nissho Iwai Corporation (now known as Sojitz Corporation) for 36 years, of which 14 years were with its North American operation in New York. Mr. Naito held various positions at Nissho Iwai Corporation, including that of General Manager of Machinery Department in New York, Deputy General Manager for the South East Asia region (based in Singapore), and Chief Representative for Nissho Iwai Corporation Indonesia.

He was actively involved in food and industrial/residential property development projects worldwide. Mr. Naito graduated from Waseda University, Japan, in 1967 with a Bachelor's degree in Engineering. He is the Representative Director of NSN Global Partners Ltd, Japan.

Mr. Naito is a member of AFP's Audit Committee.



Rodolfo Castillo Balmater Independent Director and Chairman of Remuneration Committee

Mr. Balmater, aged 62 joined AFP's Board of Directors in February 2006. His last re-election as a Director was in April 2009. He graduated from Araullo University, Philippines in 1969 with a degree in Bachelor of Science in Commerce majoring Accountancy (with honor), and completed a Master in Management from the Asian Institute of Management (with distinction) in 1978.

Mr. Balmater worked with international accounting firms (SGV Philippines, Arthur Andersen and Ernst & Young) from 1969 to 2006 in various capacities. Within this 37 years he was involved in audit work, financial consulting activities, and business advisory service holding various job positions as Partner and/or Director. Mr. Balmater is currently President Director of PT Balmater Consulting Company which advises family owned businesses and also provides training on finance, accounting, audit and risk management. Mr. Balmater was appointed in 2010 as the Chairman, Audit Committee of PT Molindo Raya Industrial.

Mr. Balmater is Chairman of AFP's Remuneration Committee and member of its Audit Committee and Nominating Committee.



CHAIRMAN'S STATEMENT

“The Group recorded higher revenue from core business of S\$440.6 million, with EBITDA growing by 12.5% to S\$173.9 million for the year ended 31 December 2010.”

GROUP PERFORMANCE

The year 2010 marked a major strategic reshaping of the Group, with a resulting structure and organisation that is strongly focused in growing the Group to become a leading developer in premium commercial, residential and township property developments in South-East Asia (particularly Indonesia).

In June 2010, AFP completed the distribution *in specie* of all shares held in Bund Center Investment Ltd (“BCI”), effected through a capital reduction in AFP. BCI is listed on the Official List of the SGX-ST by way of an introduction. This effectively gave AFP’s shareholders direct shareholding in BCI, while maintaining their shareholding at AFP. The BCI group own and manage hotel, retail and commercial properties in China such as The Bund Center in Shanghai and the Golden Center in Ningbo. We are very pleased with the positive results of this demerger as reflected in the share performance of AFP and BCI.

Consistent with the Group’s long-term plan of improving shareholders’ value through streamlining our core competencies in the property business, in September 2010, AFP divested the food business, which are the

manufacturers of snack noodles, instant noodles and ice sticks in China. After this divestment, the Group no longer has any non-property business, therefore we can consolidate our resources and concentrate on property business to sustain our position as one of the leading property developers in South-East Asia.

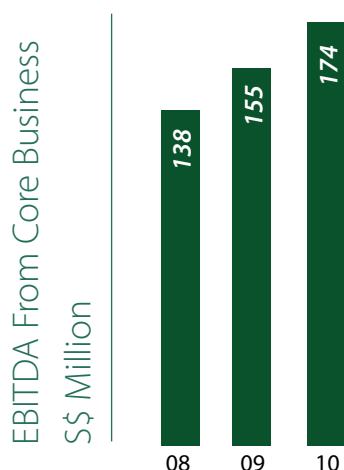
To further create the shareholders’ value, enhance AFP’s investment in real estate businesses and accelerate the growth of the Group in Indonesia, we have undertaken a restructuring exercise involving certain subsidiaries which was completed in December 2010.

Currently, the Group’s core business comprised the property business in Indonesia, Singapore, Malaysia and certain mixed developments located in Chengdu and Shenyang, China. The Group recorded higher revenue from core business of S\$440.6 million, with EBITDA growing by 12.5% to S\$173.9 million for the year ended 31 December 2010 (“FY2010”).

Our satellite city project BSD City continued to be the major revenue and profit contributor, posting higher EBITDA and operating profit for the Group in FY2010. The better operating results in FY2010 as reflected in higher EBITDA and net profit contributed by our property business in Indonesia was mainly due to implementation of effective pricing strategy, coupled with tight cost management to improve operational efficiency and productivity.

Our residential apartments and retail units in Chengdu, China have sold approximately 96% of its total residential units. The mixed development project comprise residential apartments, retail shop units and a hotel in Shenyang, China, have launched a total of 1,052 residential units, of which approximately 44% have been sold. We will further develop this project in several phases.

To reward our shareholders for continued participation and support for AFP, as well as to raise funds in the future, we have undertaken a bonus issue of warrants of the Company, which was completed in November 2010.



OUTLOOK FOR 2011

The performance of the Group will continue to be affected by various factors, including the global and financial condition, economic growth, interest rates movements, government policies on the property sector, volatility in material costs, money supply and foreign exchange movements.

The Indonesia property market outlook is stable in view of the improving overall market and business sentiment supported by strong economic fundamentals. We have one of the largest land banks around Jakarta and its surrounding area (Jabodetabek). With the completion of the restructuring exercise involving several subsidiaries in Indonesia, we expect that this will create broader economies of scale and efficiencies through aggregation of the Group's real estate businesses. We will continue to improve our competitive position to ride on the expected increase in housing demand by leveraging on the strength of our established brand name and long-standing good reputation, as well as further improving our cost efficiency.

The operating environment in China is expected to be challenging in view of the various cooling measures by the government in order to stabilize the housing market.

APPRECIATION

I wish to thank our shareholders, business associates, customers, and community for the continued support, and I would like to express my appreciation to my fellow Board members, management and staff for their dedication and contribution toward the Group's long-term vision and goal of sustainable growth and value. I also wish to welcome to the Board, our new executive director, Ms Margaretha Natalia Widjaja, who was appointed on 14 December 2010.

Franky Oesman Widjaja

Executive Chairman
18 March 2011



PERUMAH KONTAK
Corseca
151/900

OPERATIONS REVIEW

The Group's core business comprised the property business in Indonesia, Singapore, Malaysia and certain mixed developments in Chengdu and Shenyang, China.

INDONESIA

We have interests in premium commercial, hotel, residential, and township property development. Our major properties are located within the Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) area, Surabaya, and Balikpapan. As one of the leading developers in Indonesia with a strong brand name, our primary focus is on property development and property management. We have two anchor property companies in Indonesia, namely PT Duta Pertiwi Tbk ("DUTI") and PT Bumi Serpong Damai Tbk ("BSDE"). DUTI and BSDE are both listed on the Indonesia Stock Exchange. DUTI is a pioneer in the development of superblock and commercial space for small and medium-sized businesses offering strata

title ownership as well as middle-income housing with unique theme and concept, while BSDE is the largest city development company in Indonesia. BSDE was established in 1984 by consortium of shareholders to develop an integrated township namely BSD City on approximately 5,950 hectares of land located at Serpong, Tangerang, approximately 25 kilometres southwest of Jakarta. BSD City is connected to Jakarta and all parts of the Jabodetabek region through a network of primary and secondary roads and railways. BSD City is one of the largest privately developed townships in terms of location permits sanctioned in the Jabodetabek area, comprising a mix of residential and commercial include light industrial properties.

In Indonesia, we have one of the largest land banks around Jakarta and its surrounding Greater Jakarta area (Jabodetabek) and we are continuously exploring new land banks to grow our market share in Indonesia. With our established brand name and reputation in Indonesia, we are confident in maintaining our leading position in our niche market segment.

TOWNSHIP

BSD City, an integrated township, offering low to high density residential products that are equipped with retail and commercial facilities, a light and non-polluted industrial estate and public and social facilities, including schools, parks and utilities – providing "live, work and play" opportunities within the township.

According to its Master Plan, BSD City will be developed into three phases i.e. Phase I, Phase II and Phase III with total area of approximately 1,500 hectares, 2,000 hectares and 2,450 hectares respectively. Phase I was started in 1989 and in the stage of completion, while Phase II had been started since 2008, currently in the stage of development and expected to be completed in year 2020. Phase III is estimated to be started in 2020 and completed in year 2035. Development in Phase II is divided into two stages of which stage 1 covering an area of 850 hectares. Products launched in stage 1 of Phase II include Foresta (72 hectares), The Icon (74 hectares), de Park (66 hectares), BSD Green Office Park



(25 hectares) and Edutown (50 hectares). Foresta, The Icon and de Park are residential projects with target market of medium to high segment. BSD Green Office Park is green office complex intended for rental and Edutown is an area dedicated for education center.

RESIDENTIAL

As at end of 2010, Indonesia property division has been developing eight residential projects, including Grand Wisata, Kota Bunga, Kota Wisata, Banjar Wijaya, Taman Permata Buana, Legenda Wisata, Wisata Bukit Mas and Balikpapan Baru. Two other residential projects i.e. Taman Duta Mas and Vila Bukit Mas were fully completed.

Grand Wisata, strategically located in Bekasi, Greater Jakarta, occupies an area of almost 1,100 hectares. With its unique arch-shaped cable stayed bridge, Grand Wisata is now an icon of Bekasi. This project will be developed over 15 years from its commencement in 2005 and has 10 phases, each being a district divided into clusters. The project has facilities such as direct access toll road, sports club, commercial area and recreation centre.

HOTEL

The Grand Hyatt Hotel, a prestigious business hotel in Jakarta owned by our associated company, PT Plaza Indonesia Realty Tbk, managed to achieve an average occupancy rate of 65%. We own and operate Le Grandeur Mangga Dua in Jakarta and Le Grandeur Balikpapan in Balikpapan. In 2010, Le Grandeur Mangga Dua and Le Grandeur Balikpapan enjoyed quite high average occupancy rates of 77% and 51% respectively.

OFFICE

Plaza BII, a prestigious two-tower office building strategically located within the Golden Triangle CBD area in Jakarta, continued to enjoy almost full occupancy, with an average occupancy rate of 98%.

In 2010, occupancy rates of our other office buildings i.e. Wisma BII Surabaya, Wisma BII Medan and Wisma BII Jakarta, remained high with average occupancy rates of 53%, 83% and 100% respectively.

CORPORATE SOCIAL RESPONSIBILITY

Our involvement in corporate social responsibility is exemplified by working together with Palang Merah Indonesia (Indonesian Red Cross) to routinely organise blood donor activities that are always held at one of our buildings. Several members of the board of directors and key management, and staff of Indonesia property division are actively involved as blood donors.

In celebrating the World Environment Day, BSDE held the annually Green Festival with theme Water Stream of River to increase awareness towards surrounding environment including the river. BSDE also held program of trees planting around the BSD City to reduce the global warming effect.

In collaboration with the Yayasan Eka Tjipta Foundation, we set up a scholarship program for our employee's children with good academic achievements. We also raise funds for distribution to disaster victims.



CHINA

丽水金都 “LI SHUI JIN DU”

Our Chengdu project, 丽水金都 “Li Shui Jin Du”, is located in Xindu, a suburban town approximately 30 kilometres from the north of Chengdu city, Sichuan province. The Shulong Expressway, completed in April 2005, connects Xindu to Chengdu. Average commuting time from Xindu to Chengdu, *vice versa*, is approximately between 20 to 30 minutes.

With a site area of approximately 4.8 hectares, this high-rise condominium project consists of nine blocks of 1,205 residential apartments with total area of 138,278 square metres, one block of retail space with total area of 3,301 square metres; and 499 car park lots. It aims to convey a tranquil concept of a relaxed lifestyle. As such, its landscaping works include sculptures, pools and gardens planned in accordance with good feng shui.

The construction of this project was completed in March 2009 and as of 31 December 2010, about 96% of the total units of residential apartments were sold and 84% of the total retail space units were sold respectively.

丽水金阳 “LI SHUI JIN YANG”

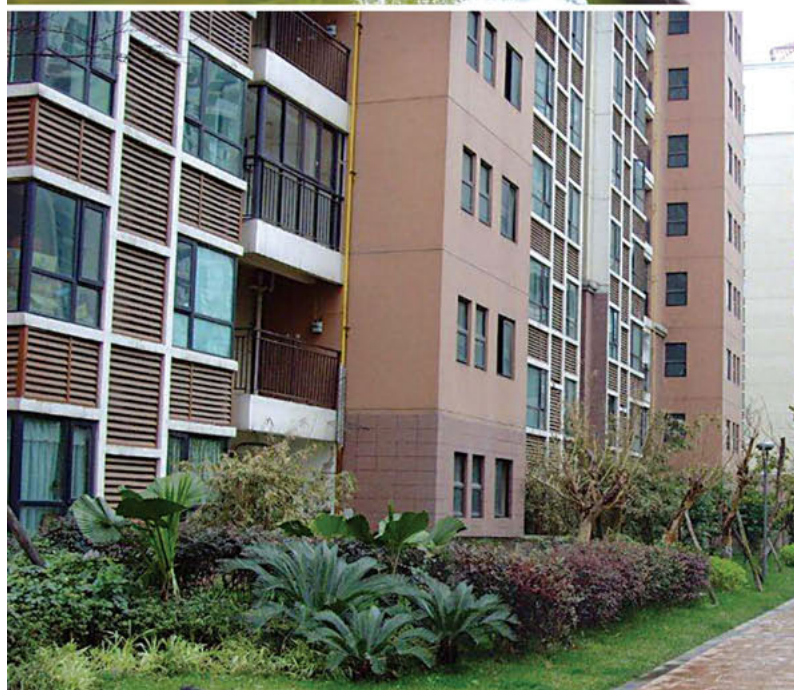
丽水金阳 “Li Shui Jin Yang” project is located in Tie Xi district, a suburban town approximately 20 kilometres from the west of Shenyang city, Liaoning province. This project is situated in the Shenyang Tie Xi Economic and Technological Development Zone.

With a site area of approximately 9 hectares, this high-rise condominium project consists of 23 blocks of 2,200 residential apartments with total area of approximately 197,000 square metres, one hotel with total area of approximately 7,000 square metres; and 51 retail shop units with total area of approximately 17,000 square metres. It aims to convey a north royal garden concept of a relaxed lifestyle with a modern concept and good feng shui.

This project is developed in several phases and stages. Phase 1 stage 1 was launched in September 2009, consists of three blocks residential apartments with total 268 units. In 2010, we launched another nine blocks of residential apartments comprising total of 784 units. As of 31 December 2010, about 44% of the total units launched were sold. The construction of the apartments was about 61% completed as of 31 December 2010.

OTHERS

The Group's other properties include Orchard Towers in Singapore, Palm Resort in Malaysia and Palm Springs Golf & Beach Resort in Batam, Indonesia. These properties have not been making significant contribution to the Group's operations and performance.



BCI GROUP

Following AFP's distribution *in specie* of all shares of its shares in the share capital of Bund Center Investment Ltd ("BCI") to the shareholders of AFP by way of capital reduction on 18 June 2010, BCI and its subsidiaries ("BCI group") ceased to be subsidiaries of AFP.

The BCI group own and manage hotel, retail and commercial properties in China such as The Bund Center in Shanghai and the Golden Center in Ningbo.

The Bund Center is an integrated real estate development in Shanghai comprising one office tower, the Bund Center Office Tower, and the five-star hotel, The Westin Bund Center Shanghai, with total land area of approximately 17,576 square metres. The Bund Center Office Tower comprises 43 storeys (including podium) of premium office premises which are equipped with high quality electrical and mechanical equipment. The Westin Bund Center Shanghai hotel consists of two 22-storey towers, which have 570 guest rooms and suites, and is one of the market leaders in Shanghai known for staging large scale corporate and fashion events.

The Golden Center is located in a strategic premium location in Ningbo, Zhejiang Province. It comprises a six-storey retail complex and a one-storey basement for commercial and car parking uses, with total gross floor area of approximately 37,610 square metres.

FOOD BUSINESS

In order to streamline our operations along with our core competencies in the property development and management business, we divested the Food business in September 2010.

Our Food business manufactures and distributes a variety of economy and premium grade snack noodle and instant noodle products targeted at different segments of the market in China. In addition, it has expanded to other snack products such as ice stick and jelly by leveraging on its distribution channels. Our products are produced through eight strategically located plants and distributed via an integrated network of distributors, wholesalers, supermarket chains, convenience-stores and traditional retail outlets throughout the country.



PROPERTY PORTFOLIO

Major Properties Held by Subsidiaries and Associated Companies

COUNTRY AND TYPE OF DEVELOPMENT	TENURE	SITE AREA (SQ.M.)	APPROXIMATE NET LETTABLE AREA (SQ.M.)/ NUMBER OF ROOMS FOR HOTELS
INDONESIA			
COMMERCIAL			
Wisma BII - Jakarta A 12-storey office block, a basement level and a 7-storey carpark building. Located at Jl. M.H. Thamrin Kav. 51, Central Jakarta.	20-year lease till Jul 2026	2,691	10,317
Wisma BII - Medan A 10-storey office block and 3 basement levels. Located at Jl. Diponegoro, North Sumatra.	20-year lease till Jan 2026	4,358	11,243
Wisma BII - Surabaya A 20-storey office building, a basement level and a 11-storey carpark building. Located at Jl. Pemuda, Surabaya.	20-year lease till Nov 2023	4,104	23,196
Plaza BII (a) Tower II - a 39-storey office building (b) Tower III - a 12-storey office building Located at Jl. M.H. Thamrin Kav. 51, Central Jakarta.	30-year lease till Mar 2025	13,302	60,125 11,478

COUNTRY AND TYPE OF DEVELOPMENT	TENURE	SITE AREA (SQ.M.)	APPROXIMATE NET LETTABLE AREA (SQ.M.)/ NUMBER OF ROOMS FOR HOTELS
HOTEL			
Le Grandeur Mangga Dua Hotel A 4-star hotel, shophouses and retail kiosks. Located at Jl. Mangga Dua Raya, Jakarta.	20-year lease till Jul 2028	13,940	343
Le Grandeur Balikpapan Hotel A 4-star hotel. Located at Jl. Jenderal Sudirman, Balikpapan, East Kalimantan.	20-year lease till Apr 2028	19,100	189
Grand Hyatt Jakarta Hotel and Plaza Indonesia Shopping Center A 5-star hotel and shopping complex. Located at Jl. M.H. Thamrin, Jakarta. (Owned by associated company, PT Plaza Indonesia Realty Tbk)	20-year lease till Apr 2025	48,908	447

SINGAPORE

COMMERCIAL

Orchard Towers AFP owns approximately 21 percent of the total strata area in this complex. Located at 400 Orchard Road.	Freehold	6,130	8,375
--	----------	-------	-------

MALAYSIA

HOTEL

Le Grandeur Palm Resort Johor (formerly known as Mercure Johor) A 5-star hotel. Located on the Palm Resort Golf & Country Club at Senai, Johor Bahru.	Freehold	56,656	330
---	----------	--------	-----

PROPERTY PORTFOLIO

Major Properties Under Construction / Development

COUNTRY AND TYPE OF DEVELOPMENT	SITE AREA (SQ.M.)	GROSS FLOOR AREA (SQ.M.)	APPROXIMATE PERCENTAGE HELD (%)	EXPECTED COMPLETION DATE
INDONESIA				
INDUSTRIAL ESTATE				
KIIC				
- PT Maligi Permata Industrial Estate	1,120,000	***	42	N.A.
- PT Harapan Anang Bakri & Sons	64,000	***	37	N.A.
- PT Karawang Tatabina Industrial Estate	3,130,000	***	49	N.A.
Located at Desa Wadas, Sukaluyu, Jambé, Karawang, West Java.				
*** The site is for the development of infrastructure only.				
Sedana	440,000	N.A.	98	N.A.
(Housing, Commercial & Golf Course)				
RESIDENTIAL				
Banjar Wijaya	233,799	N.A.	43	2012
Located at Jl. Cipondoh Raya, Tangerang, West Java.				
Kota Bunga	122,552	N.A.	43	2012
Located at Jl. Hancet, Cipanas, West Java.				
Wisata Bukit Mas I	76,231	N.A.	56	2014
Wisata Bukit Mas II	85,887	N.A.	42	2014
Located at Surabaya, East Java.				
Taman Permata Buana	50,021	N.A.	34	2011
Located at Jl. Kembangan, West Jakarta.				
Grand Wisata	5,750,676	N.A.	23	2020
Located at Bekasi, Greater Jakarta.				
Kota Wisata	1,567,448	N.A.	12	2012
Located at Cibubur, Greater Jakarta.				
Balikpapan Baru	43,811	N.A.	65	2012
Located at Balikpapan, Kalimantan.				
Legenda Wisata	122,409	N.A.	43	2013
Located at Cibubur, Greater Jakarta.				

COUNTRY AND TYPE OF DEVELOPMENT	SITE AREA (SQ.M.)	GROSS FLOOR AREA (SQ.M.)	APPROXIMATE PERCENTAGE HELD (%)	EXPECTED COMPLETION DATE
TOWNSHIP				
BSD City A proposed township that include residential, and commercial development, infrastructure, public utilities, facilities and amenities. Located at Serpong, Tangerang, West Java.	31,796,040	N.A.	50	2035
Kota Deltamas A mixed development project containing residential units, commercial centres, industrial estate, business park, schools, hospital and other public facilities. Located at Bekasi Regency, West Java.	29,121,910	N.A.	49	2021

Major Properties Held for Development / Sale

COUNTRY AND TYPE OF DEVELOPMENT	SITE AREA (SQ.M.)	APPROXIMATE PERCENTAGE HELD (%)
INDONESIA		
MIXED DEVELOPMENT		
New ITC Located at southern part of Jakarta.	54,187	43
Roxy II Located at Jl. K.H. Hasyim Ashari, Central Jakarta.	145,801	43
RESIDENTIAL		
Grand City Balikpapan Located at Balikpapan, East Kalimantan.	2,135,909	65
Jati Asih Located at Jati Asih, Pondok Gede, Greater Jakarta.	833,800	43
Cibubur Located at Cibubur, Greater Jakarta.	1,575,935	43
Benowo Located at Surabaya, East Java.	2,247,652	43
RESORT		
Palm Spring Located at Batam.	1,180,000	65
Land at Pecatu Located at Bali.	803,500	84
MALAYSIA		
MIXED DEVELOPMENT		
Palm Resort Berhad Located at Senai, Johor Bahru.	505,860	40
Anak Bukit Resorts Sdn Bhd Located at Senai, Johor Bahru.	376,360	51





FINANCIAL REPORT

AFP PROPERTIES LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 DECEMBER 2010

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Registration No. 199400619R
(Incorporated in Singapore)

CONTENTS	PAGE
Report of the Directors	1 – 16
Statement by Directors	17
Independent Auditors' Report	18 – 19
Consolidated Income Statement	20
Consolidated Statement of Comprehensive Income	21
Statements of Financial Position	22 – 23
Consolidated Statement of Changes in Equity	24 – 25
Consolidated Statement of Cash Flows	26 – 27
Notes to the Financial Statements	28 – 94

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

REPORT OF THE DIRECTORS
31 DECEMBER 2010

The directors are pleased to present their report together with the audited financial statements of AFP Properties Limited ("AFP" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2010.

1 Directors

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

Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja
Simon Lim
Rafael Buhay Concepcion, Jr.
Margaretha Natalia Widjaja (appointed on 14 December 2010)
Foo Meng Kee
Kunihiko Naito
Rodolfo Castillo Balmater

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

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

3 Directors' Interest in Shares and Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse		Shareholdings in which directors are deemed to have an interest	
	At the beginning of the year or date of acquisition if later	At the end of the year	At the beginning of the year or date of acquisition if later	At the end of the year
Related Corporations				
<u>PT Bumi Serpong Damai Tbk</u>			<u>Shares of RP100 each</u>	
Franky Oesman Widjaja	-	-	43,958,650*	70,333,840*
Muktar Widjaja	-	-	43,958,650*	70,333,840*

3 Directors' Interest in Shares and Debentures (cont'd)

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse		Shareholdings in which directors are deemed to have an interest	
	At the beginning of the year or date of acquisition if later	At the end of the year	At the beginning of the year or date of acquisition if later	At the end of the year
Related Corporations				
<u>PT Duta Pertiwi Tbk</u>			<u>Shares of RP500 each</u>	
Franky Oesman Widjaja	-	-	6,307,000*	6,307,000*
Muktar Widjaja	-	-	6,307,000*	6,307,000*
<u>PT Paraga Artamida</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	139,000,000*	139,000,000*
Muktar Widjaja	-	-	139,000,000*	139,000,000*
<u>PT Bhineka Karya Pratama</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	675,000*	675,000*
Muktar Widjaja	-	-	675,000*	675,000*
<u>PT Simas Tunggal Centre</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	1,000,000*	1,000,000*
Muktar Widjaja	-	-	1,000,000*	1,000,000*
<u>PT Ekacentra Usahamaju</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*
<u>PT Sinar Mas Teladan</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	555,000*	555,000*
Muktar Widjaja	-	-	555,000*	555,000*
<u>PT Sinar Mas Wisesa</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*
<u>PT Masagi Propertindo</u>			<u>Shares of RP1,000 each</u>	
Franky Oesman Widjaja	-	-	204,000*	204,000*
Muktar Widjaja	-	-	204,000*	204,000*
<u>PT Binamaju Grahamitra</u>			<u>Shares of RP1,000,000 each</u>	
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*

3 Directors' Interest in Shares and Debentures (cont'd)

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse		Shareholdings in which directors are deemed to have an interest	
	At the beginning of the year or date of acquisition if later	At the end of the year	At the beginning of the year or date of acquisition if later	At the end of the year
Related Corporations				
<u>PT Binasarana Muliajaya</u>			<u>Shares of RP1,000,000 each</u>	
Franky Oesman Widjaja	-	-	10,000*	10,000*
Muktar Widjaja	-	-	10,000*	10,000*
<u>PT Inti Tekno Sukses Bersama</u>			<u>Shares of RP1,000,000 each</u>	
Franky Oesman Widjaja	-	-	10,000*	10,000*
Muktar Widjaja	-	-	10,000*	10,000*

* Held by corporations in which the director has an interest by virtue of Section 7 of the Singapore Companies Act.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2011.

4 Directors' Receipt and Entitlement to Contractual Benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the notes to the financial statements.

There were certain transactions (disclosed in the notes to the financial statements) with corporations in which certain directors have an interest.

5 Warrants and Share Options of the Company

On 19 November 2010, the Company issued 1,520,978,744 warrants pursuant to a bonus issue on the basis of one warrant for every two existing ordinary shares held in the capital of the Company. On 23 November 2010, the warrants were listed on SGX-ST. Each warrant carries the right to subscribe for one new ordinary share of the Company at the exercise price of S\$0.10 each. As at 31 December 2010, the number of outstanding warrants was 1,520,978,744 and may only be exercised on the fifth (5th) anniversary of the date of issuance (i.e. 18 November 2015) ("Exercise Date"). If the Exercise Date falls on a day on which the Register of Members and/or the Register of Warrantholders are closed or is not a business day, the Exercise Date shall be the next business day on which the Register of Members and Register of Warrantholders are open. Warrants remaining unexercised after the Exercise Date shall lapse and cease to be valid. Assuming all the warrants are fully exercised, the number of new ordinary shares to be issued would be 1,520,978,744.

No shares have been issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company.

6 Share Options of Subsidiaries

Details and terms of the options granted by the subsidiaries under certain Zero Percent Convertible Bonds are disclosed in Note 35 to the financial statements.

7 Report on Corporate Governance

The Company recognises the importance and is committed to attaining high standards of corporate governance. The Company is in conformity with a major part of the principles and guidelines of the Code of Corporate Governance 2005 (the “2005 Code”). Pursuant to the listing manual (“Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), this report outlines the Company’s corporate governance processes and activities with specific references to the 2005 Code, and provides explanation for deviations. For easy reference, the principles of the 2005 Code are set out in italics in this report.

The Board of Directors

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Company’s board of directors’ (the “Board”) role is:

- (a) Ensuring that the long-term interests of the shareholders are being served.
- (b) Reviewing and approving management’s strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised.
- (c) Monitoring the performance of management against plans and goals.
- (d) Reviewing and approving significant corporate actions and major transactions.
- (e) Assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks.
- (f) Ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles, and the Company’s own governing documents.
- (g) Assessing the effectiveness of the Board.
- (h) Performing such other functions as are prescribed by law, or assigned to the Board in the Company’s governing documents.

7 Report on Corporate Governance (cont'd)

All directors are expected to fulfill their duty to objectively take decisions in the interests of the Company. Matters that specifically require the Board's approval are set out in the Internal Guidelines, which include the following corporate events and actions:

- approval of results announcements.
- approval of the annual report and financial statements.
- convening of shareholders' meetings.
- material acquisitions and disposals of assets.
- annual budgets.
- interested person transactions.
- corporate governance.

Certain matters are delegated to the various Board committees (the "Board Committees") set up by the Board, which act within their respective terms of references as approved by the Board. See paragraphs (i) to (iv) on Board Committees below.

To facilitate directors' attendance, meetings together with agenda items are scheduled in advance with Board members meeting each quarter. Ad-hoc board meetings are held whenever circumstances require. In 2010, the Board held 5 meetings with 1 held at the end of the financial year which was focused on the Group's annual budget and strategic issues. Board meetings are conducted in Singapore or overseas where participation by Board members by means of teleconference or similar communication equipment is permitted under the Company's articles of association ("Articles of Association").

7 Report on Corporate Governance (cont'd)

The attendance of directors and Board Committee members at meetings of the Board and Board Committees respectively and the number of meetings held, in 2010 are disclosed below:

Name	No. of meetings attended by members			
	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings
Franky Oesman Widjaja (Executive)	5	-	1	-
Muktar Widjaja (Executive)	5	-	-	-
Frankle (Djafar) Widjaja * (Non-executive)	5	-	-	2
Simon Lim (Executive)	4	-	-	-
Rafael Buhay Concepcion, Jr. (Executive)	5	-	-	-
Margaretha Natalia Widjaja@ (Executive)	-	-	-	-
Foo Meng Kee (Non-executive, Independent)	5	5	1	2
Kunihiko Naito (Non-executive, Independent)	5	5	-	-
Rodolfo Castillo Balmater (Non-executive, Independent)	5	5	1	2
Number of Meetings Held	5	5	1	2

* Non-executive director since 30 June 2010.

@ Appointed as a director on 14 December 2010.

Newly appointed directors are provided with a formal letter of appointment setting out the terms of appointment, duties and obligations. They are also given the relevant AFP governing documents and contact particulars of senior management. Those who do not have prior experience as a director of a Singapore listed company are required to undergo in-house and/or externally conducted training on their roles and responsibilities as a director of a listed company in Singapore.

Newly appointed non-executive directors who are not familiar with the Group's business, may, upon the Executive Chairman/Nominating Committee's ("NC") recommendation, be given orientation through overseas trips to familiarise them with the Group's operations. The Company has a training budget to fund any director's participation/attendance at seminars and training programmes that are relevant to his/her duties as a director, if he/the Executive Chairman/the NC deems it necessary.

7 Report on Corporate Governance (cont'd)

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently consists of 9 directors. There are 5 executive directors and 4 non-executive directors of whom 3 are independent directors. Please refer to pages 8 to 11 of this Annual Report containing key information regarding each director. For information on whether each director is executive/non-executive/independent/non-independent, please refer to page 6 of this report.

Guidelines in the 2005 Code on the various relationships that would deem a director not to be independent, have been adopted by the Board. Each director is required to complete an independence checklist form at the time of appointment and annually based on these guidelines. The NC then considers and determines the independence of each director bearing in mind the completed form and any other salient factors.

The Board currently examines its size and, taking into account the scope and nature of operations, considers that the current board size of 9 directors is appropriate to facilitate effective decision making. Board members come from different industries, who, as a group with vast experience and knowledge provide the core competencies for the leadership of the Company.

There is a strong and independent element on the Board, with independent directors making up one-third of the Board. Non-executive directors are encouraged, in line with the Board's role, to constructively challenge and help develop proposals on strategy; and review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Our Executive Chairman is Mr. Franky Oesman Widjaja, and our Chief Executive Officer is Mr. Muktar Widjaja. Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are brothers. We believe that the independent directors have demonstrated a high commitment in their roles as directors and have ensured that there is a good balance of power and authority. In view that the Executive Chairman and Chief Executive Officer are related by close family ties, the chairman of the Audit Committee ("AC") acts as the lead independent director.

7 Report on Corporate Governance (cont'd)

The Executive Chairman presides over Board meetings and ensures proper procedure is adhered to in the decision-making process. He is also responsible to:

- (a) lead the Board to ensure its effectiveness on all aspects of its role and set its agenda.
- (b) ensure that the directors receive accurate, timely and clear information.
- (c) ensure effective communication with shareholders.
- (d) encourage constructive relations between the Board and management.
- (e) facilitate the effective contribution of non-executive directors in particular.
- (f) encourage constructive relations between executive directors and non-executive directors.
- (g) promote high standards of corporate governance.

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

In order to ensure that the Board is able to fulfil its responsibilities, management provides the Board with complete and adequate information in a timely manner. Such information extend to documents on matters to be brought up before the Board at Board meetings, which are circulated to Board members in advance as a general rule, for their review and consideration. Senior staff and professionals who can provide additional insights into the matters to be discussed at Board meetings, are also invited to be present at meetings, where relevant. As directors may have further enquiries on the information provided, they have separate and independent access to the Company's senior management. Senior management accordingly addresses individual directors' request for information/documents.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanation is given by management for material variance (if any) between the projections in the budget and actual results.

The directors also have separate and independent access to the company secretary who attends all Board meetings. The latter's role is defined which include responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Where the directors, either individually or as a group, in the furtherance of their duties, require professional advice, the company secretary can assist them in obtaining independent professional advice, at the Company's expense.

7 Report on Corporate Governance (cont'd)

Board Committees

<i>Principle 4:</i>	<i>There should be a formal and transparent process for the appointment of new directors to the Board.</i>
<i>Principle 5:</i>	<i>There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.</i>

(i) **Nominating Committee**

The Company has established a Nominating Committee to, *inter alia*, make recommendations to the Board on all Board appointments. There are 3 directors in the NC, 2 of whom including the chairman, are non-executive and independent. Members of the NC are as follows:

Foo Meng Kee (NC Chairman)
Rodolfo Castillo Balmater
Franky Oesman Widjaja

The NC has written terms of reference that describes the responsibilities of its members, ie, to:

- (a) identify and nominate for the approval of the Board, all Board appointments including candidates to fill Board vacancies as and when they arise.
- (b) reviewing the independent element on the Board annually.
- (c) deciding how the Board's performance may be evaluated.

The NC is also responsible to make recommendations to the Board:

- (a) as regards the re-appointment, re-election and re-nomination of any director.
- (b) concerning the Board having a strong and independent element.
- (c) concerning the re-appointment of any director having multiple board representations.
- (d) concerning the Board's performance criteria.
- (e) concerning any matters relating to the continuation in office as a director of any director at any time.

The Board believes that each director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to ensure that he/she can allocate sufficient time and attention to the affairs of each company, and therefore does not adopt internal guidelines for multiple board representations.

All new Board appointments are channeled to the NC first before being channeled to the Board for approval. Potential candidates to fill casual vacancies or as an additional director are sourced with suggestions from directors, management or external consultants. The NC then evaluates the suitability of the potential candidate for the position taking into account, *inter alia*, his/her knowledge, skills, experience and his/her ability to contribute to the Board's effectiveness. Upon the NC's recommendation, the Board approves the new appointment. In the event that the membership of the NC falls below the minimum number of 3 members, it shall be dissolved, and any new nominations are channeled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

7 Report on Corporate Governance (cont'd)

Pursuant to the Articles of Association, save for the position of Executive Chairman, all directors are to submit themselves for re-election at regular intervals. In particular, one-third of the directors retire from office by rotation at the annual general meeting ("AGM"), and newly appointed directors must submit themselves for re-election at the AGM immediately following his/her appointment. The Board is satisfied with the current practice.

Mr. Muktar Widjaja, Mr. Simon Lim and Mr. Kunihiko Naito retire from office by rotation at the forthcoming AGM under Article 91 of the Articles of Association, and have offered themselves for re-election. Ms. Margaretha Natalia Widjaja who retires under Article 97 of the Articles of Association, has offered herself for re-election at the forthcoming AGM. The NC has recommended their re-election at the forthcoming AGM.

The NC is tasked to carry out the processes as implemented by the Board for the purpose of assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board.

The Company has in place a system to assess the effectiveness/performance of the Board and acts, where appropriate, on feedback from Board members, on improvements.

During the evaluation process, each director is required to complete the respective forms for self-assessment as well as for assessment of the Board's performance, based on pre-determined performance criteria.

<i>Principle 11:</i>	<i>The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.</i>
<i>Principle 12:</i>	<i>The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.</i>
<i>Principle 13:</i>	<i>The company should establish an internal audit function that is independent of the activities it audits.</i>

(ii) **Audit Committee**

The Company has established an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties. There are 3 directors in the AC, all of whom including the chairman, are non-executive and independent. Members of the AC are as follows:

Foo Meng Kee (AC Chairman)
Rodolfo Castillo Balmater
Kunihiko Naito

The Board is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities.

The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation of management and full discretion to invite any director or executive officer to attend its meetings. Reasonable resources are made available to enable it to discharge its functions properly.

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board.

7 Report on Corporate Governance (cont'd)

In particular, the duties of the AC include:

- (a) Reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money.
- (b) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance.
- (c) Reviewing the adequacy of the Company's internal controls established by management.
- (d) Reviewing the effectiveness of the Company's internal audit function.
- (e) Making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor.

The AC reviews with management, and where relevant, the auditors, the results announcements, annual reports and accounts, interested person transactions and corporate governance, before submission to the Board for approval or adoption.

The AC reviews the independence of the external auditors.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by management to the auditors. Where necessary, the AC also meets with the internal and external auditors without the presence of management. The internal and external auditors have unrestricted access to the AC.

During the course of the audit, the external auditors carried out a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during their audit are reported to the AC together with their recommendations. The AC has reviewed the Group's risk assessment, and, based on the audit reports and management controls in place, is satisfied that there are adequate internal controls in the Group.

Internal Audit

The role of the internal auditor is to assist the AC to ensure that the Company maintains a sound system of internal controls. The Company's internal audit functions are serviced in-house. The Chief Internal Auditor reports to the chairman of the AC. On administrative matters, he/she reports to the Executive Chairman. The Chief Internal Auditor has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. It also ensures the adequacy of the internal audit function.

Given that the internal audit function as a strong independent control unit within the Company reports to the AC, the Board is satisfied that the system is in place for any concerns to be reported to the members of the AC.

7 Report on Corporate Governance (cont'd)

Internal Controls

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy of the Company's internal financial controls, operation and compliance controls, and risk management policies and systems established by management. In this review, the AC had been assisted by both the external auditors and the internal auditors, and that this review is conducted at least once every year.

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

(iii) Remuneration Committee

The Company has established a Remuneration Committee ("RC") with specified terms of reference, including the review of compensation policy. There are 3 directors in the RC and currently all 3 are non-executive. A majority of the directors, including the chairman, are independent. Members of the RC are as follows:

Rodolfo Castillo Balmater (RC Chairman)
Foo Meng Kee
Frankle (Djafar) Widjaja (Became non-executive director on 30 June 2010)

The RC's role is to review and recommend to the Board, an appropriate and competitive framework of remuneration or compensation policy for the Board and key executives within the Group.

Currently, the Company does not have long-term incentive schemes, including share schemes.

7 Report on Corporate Governance (cont'd)

Remuneration of directors of the Company in the relevant bands for the year ended 31 December 2010 is as follows:

Remuneration Band/ Name of Directors	Fixed Salary	Bonus/Benefit	Directors' Fees	Total
S\$1,750,000 to below S\$2,000,000 Muktar Widjaja	22.5%	77.5%	-	100%
S\$1,000,000 to below S\$1,250,000 Franky Oesman Widjaja	6.4%	93.6%	-	100%
S\$250,000 to below S\$500,000 Frankle (Djafar) Widjaja ⁽¹⁾ Simon Lim Rafael Buhay Concepcion, Jr.	64.4% 43.2% 62.8%	35.6% 56.8% 37.2%	- - -	100% 100% 100%
Below S\$250,000 Foo Meng Kee Kunihiko Naito Rodolfo Castillo Balmater	- - -	- - -	100% 100% 100%	100% 100% 100%
Nil Margaretha Natalia Widjaja ⁽²⁾	-	-	-	-

⁽¹⁾ Non-executive director since 30 June 2010.

⁽²⁾ Appointed on 14 December 2010.

Variable bonus is based on performance in the same financial year.

The top 5 key executives of the AFP Group who are not directors of the Company ("Key Executives") are as follows:

Harry Budi Hartanto
Welly Setiawan
Ridwan Darmali
Lim Kheng Chye
Tan Yean San

The Key Executives' remuneration for the year ended 31 December 2010 falls within the bands as set out below:

<u>Key Executives' Remuneration Band</u>	<u>Number of Key Executives</u>
S\$250,000 to below S\$500,000	4
Below S\$250,000	1

The remuneration of an employee who is an immediate family member of an executive director and whose remuneration exceed S\$150,000 for the year ended 31 December 2010 is as follows:

Remuneration Band	Fixed Salary	Bonus/ Benefit	Total
Below S\$250,000	87.9%	12.1%	100%

7 Report on Corporate Governance (cont'd)

Mr. Franky Oesman Widjaja, Mr. Muktar Widjaja and Mr. Frankle (Djafar) Widjaja are brothers and Ms. Margaretha Natalia Widjaja is the daughter of Mr. Muktar Widjaja. For the year ended 31 December 2010, other than disclosed above, none of the directors had immediate family members who were employees and whose remuneration exceeded S\$150,000.

(iv) **Executive/Board Committee**

The Board has established a committee of directors ("BC") to supervise the management of the business and affairs of the Group. The BC, which comprises the following members, assists the Board in the discharge of its duties by, *inter alia*, approving the opening, closing of banking accounts and acceptance of banking facilities up to certain limits:

Group A

Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja

Group B

Simon Lim
Rafael Buhay Concepcion, Jr.

Communication with Shareholders

<i>Principle 10:</i>	<i>The Board should present a balanced and understandable assessment of the company's performance, position and prospects.</i>
<i>Principle 14:</i>	<i>Companies should engage in regular, effective and fair communication with shareholders.</i>
<i>Principle 15:</i>	<i>Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.</i>

Since 2003, the Company announces its results on a quarterly basis. The Company does not practice selective disclosure of material information. The Company conveys material information and its quarterly results through announcements made on SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results and annual reports are announced or issued within the specified/stipulated period.

All shareholders of the Company receive the annual reports and notice of AGM. The notice is also advertised in the newspapers. At the AGM, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Group. Members of the NC, AC and RC and the external auditors are asked to be present to address questions at the AGM.

7 Report on Corporate Governance (cont'd)

The Articles of Association allows a member of the Company to appoint one or two proxies to attend and vote instead of the member at general meetings.

At general meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted.

Dealings in Securities

The Company complies with the SGX-ST best practices on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealing in the Company's securities by the Company, its directors and officers.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results and (ii) one month before the announcement of the Company's full year results, and ending on the date of the announcement of the results. Such dealings in the Company as well as other listed companies' securities are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.

8 Interested Person Transactions Disclosure

The aggregate value of all interested person transactions during the financial year ended 31 December 2010 is as follows:

<u>Name of interested person</u>	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than S\$100,000)
	<u>FY2010</u> S\$	<u>FY2010</u> S\$
PT Bank Sinarmas	-	90,574,476 ^a
PT Bank Sinarmas	-	393,333 ^b
PT Sinar Mas Agro Resources and Technology Tbk	-	7,122,186
Shining Gold Foodstuffs (Ningbo) Co., Ltd	-	2,028,508
Golden Agri International Pte Ltd	486,000	-
Golden Agri-Resources Ltd	191,117,244 ^c	-
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd	-	4,437,863
Total	191,603,244	104,556,366

Notes:

^a Principal amount of placements as at 31 December 2010 is approximately S\$31.7 million.

^b Related to the leasing contract signed with PT Bank Sinarmas as lessee.

^c Divestment of Florentina International Holdings Limited to Golden Agri-Resources Ltd which was completed on 16 September 2010.

* Renewed at the AGM on 27 April 2010 pursuant to Rule 920 of the Listing Manual.

9 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

18 March 2011

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

STATEMENT BY DIRECTORS
31 DECEMBER 2010

In the opinion of the directors, the accompanying statement of financial position of the Company and the consolidated financial statements of the Group set out on pages 20 to 94 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended.

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

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

18 March 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AFP PROPERTIES LIMITED**
Company Registration No. 199400619R
(Incorporated in Singapore)

We have audited the accompanying financial statements of AFP Properties Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 20 to 94, which comprise the statements of financial position of the Company and of the Group as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and 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.

(cont'd)

Opinion

In our opinion, the statement of financial position of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

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

MOORE STEPHENS LLP
Public Accountants and
Certified Public Accountants

Singapore

18 March 2011

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Core Business			
Revenue	6	440,631	401,968
Cost of sales		(189,708)	(183,766)
Gross profit		<u>250,923</u>	<u>218,202</u>
Operating expenses			
Selling expenses		(35,373)	(25,381)
General and administrative expenses		(89,375)	(82,313)
Total operating expenses		<u>(124,748)</u>	<u>(107,694)</u>
Operating profit		<u>126,175</u>	<u>110,508</u>
Other (expenses)/income			
Finance income	7	19,272	22,090
Finance costs	8	(39,660)	(49,515)
Foreign exchange (loss)/gain, net		(40,030)	36,823
Share of results of associated companies, net of tax		14,052	1,074
Other operating income, net	9	<u>10,606</u>	<u>4,120</u>
Other (expenses)/income, net		<u>(35,760)</u>	<u>14,592</u>
Exceptional items			
Negative goodwill		16,612	-
Loss on dilution of interest in a subsidiary		-	(5,138)
Exceptional items, net		<u>16,612</u>	<u>(5,138)</u>
Profit before income tax	10	107,027	119,962
Income tax	11	<u>(23,330)</u>	<u>(21,505)</u>
Profit from core business		<u>83,697</u>	<u>98,457</u>
Profit from BCI group	12	13,561	31,973
Profit from FIH group	13	<u>224,784</u>	<u>23,031</u>
Total profit for the year		<u><u>322,042</u></u>	<u><u>153,461</u></u>
Attributable to:			
Owners of the Company		265,372	113,047
Non-controlling interests		<u>56,670</u>	<u>40,414</u>
		<u><u>322,042</u></u>	<u><u>153,461</u></u>
Earnings per share (cents)			
Basic	14	<u>8.72</u>	<u>3.72</u>
Diluted	14	<u>8.32</u>	<u>3.72</u>

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Total profit for the year	322,042	153,461
Other comprehensive (loss)/income:		
Foreign currency translation differences on consolidation	(27,450)	84,276
Equity portion of bonds	(5,213)	(5,240)
Other comprehensive (loss)/income, net of income tax	(32,663)	79,036
Total comprehensive income for the year	<u>289,379</u>	<u>232,497</u>
Total comprehensive income attributable to:		
Owners of the Company	261,740	144,617
Non-controlling interests	<u>27,639</u>	<u>87,880</u>
	<u>289,379</u>	<u>232,497</u>

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
		S\$'000	S\$'000	S\$'000	S\$'000
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	16	575,193	334,573	16,528	14,706
Short-term investments	17	1,531	1,196	-	-
Trade receivables	18	14,826	10,067	-	-
Other current assets	19	54,350	38,484	535,937	649,014
Inventories, at cost		1,040	1,702	-	-
Properties held for sale	20	426,693	466,749	-	-
		<u>1,073,633</u>	<u>852,771</u>	<u>552,465</u>	<u>663,720</u>
Non-Current Assets					
Subsidiaries	21	-	-	1,426,068	1,505,959
Associated companies	22	444,635	420,681	-	-
Long-term investments	24	11,976	13,504	-	-
Properties under development for sale	25	668,147	654,684	-	-
Investment properties	26	171,670	178,988	-	-
Property, plant and equipment	27	144,755	164,591	269	520
Long-term receivables	28	204,342	202,208	-	-
Deferred charges	29	176	151	-	-
Deferred tax assets	30	343	5,412	-	-
Goodwill	31	1,784	1,784	-	-
		<u>1,647,828</u>	<u>1,642,003</u>	<u>1,426,337</u>	<u>1,506,479</u>
Assets held by BCI group	12	<u>-</u>	<u>625,453</u>	<u>-</u>	<u>-</u>
Total Assets		<u>2,721,461</u>	<u>3,120,227</u>	<u>1,978,802</u>	<u>2,170,199</u>

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2010

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
<u>Liabilities and Equity</u>					
Current Liabilities					
Short-term borrowings	32	65,515	58,634	-	-
Trade payables	33	19,629	33,625	-	-
Other payables	34	264,088	288,387	70,304	10,954
Bonds payables	35	83,712	8,283	-	-
Obligations under finance leases	36	124	126	118	120
Income taxes payable		436	563	-	-
		<u>433,504</u>	<u>389,618</u>	<u>70,422</u>	<u>11,074</u>
Non-Current Liabilities					
Bonds payables	35	111,197	210,946	-	-
Obligations under finance leases	36	390	514	369	487
Long-term borrowings	37	55,002	258,277	-	-
Long-term liabilities	38	189,623	166,785	-	-
		<u>356,212</u>	<u>636,522</u>	<u>369</u>	<u>487</u>
Liabilities incurred by BCI group	12	-	190,879	-	-
Total Liabilities		<u>789,716</u>	<u>1,217,019</u>	<u>70,791</u>	<u>11,561</u>
Equity attributable to owners of the Company					
Issued capital	39	1,907,108	2,317,772	1,907,108	2,317,772
Foreign currency translation deficit		(901,862)	(814,467)	-	-
Goodwill on consolidation		(62,122)	(105,023)	-	-
Option reserve		18,606	23,819	-	-
Asset revaluation reserve		9,758	74,933	-	-
Other reserve		17,518	-	-	-
Retained earnings/ (Accumulated losses)		372,685	(3,649)	903	(159,134)
Legal reserve		-	4,364	-	-
		<u>1,361,691</u>	<u>1,497,749</u>	<u>1,908,011</u>	<u>2,158,638</u>
Non-controlling interests		<u>570,054</u>	<u>405,459</u>	<u>-</u>	<u>-</u>
Total Equity		<u>1,931,745</u>	<u>1,903,208</u>	<u>1,908,011</u>	<u>2,158,638</u>
Total Liabilities and Equity		<u><u>2,721,461</u></u>	<u><u>3,120,227</u></u>	<u><u>1,978,802</u></u>	<u><u>2,170,199</u></u>

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Attributable to Owners of the Company										
	Capital Reserves						Revenue Reserves			Non-controlling Interests	Total Equity
	Issued capital	Foreign currency translation deficit	Goodwill on consolidation	Option reserve	Asset revaluation reserve	Other reserve	Retained earnings/ (Accumulated losses)	Legal reserve	Total		
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2010	2,317,772	(814,467)	(105,023)	23,819	74,933	-	(3,649)	4,364	1,497,749	405,459	1,903,208
Total comprehensive income/(loss) for the year	-	1,581	-	(5,213)	-	-	265,372	-	261,740	27,639	289,379
Capital reduction	(410,664)	-	-	-	-	-	-	-	(410,664)	-	(410,664)
Capital returned to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(2,250)	(2,250)
Deconsolidation of BCI group	-	(53,145)	(16,335)	-	(65,175)	-	110,962	-	(23,693)	(16,242)	(39,935)
Divestment of FIH group (Note 13)	-	(35,831)	59,236	-	-	-	-	(4,364)	19,041	-	19,041
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(5,498)	(5,498)
Capital subscription pursuant to rights issue in a subsidiary, net	-	-	-	-	-	-	-	-	-	179,958	179,958
Change in interest in subsidiaries	-	-	-	-	-	17,518	-	-	17,518	(19,012)	(1,494)
Balance at 31.12.2010	1,907,108	(901,862)	(62,122)	18,606	9,758	17,518	372,685	-	1,361,691	570,054	1,931,745

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010

	Attributable to Owners of the Company									
	Capital Reserves					Revenue Reserves			Non-controlling Interests	Total Equity
	Issued capital	Foreign currency translation deficit	Goodwill on consolidation	Option reserve	Asset revaluation reserve	Accumulated losses	Legal reserve	Total		
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2009	2,317,772	(851,277)	(105,023)	29,059	74,933	(116,696)	4,364	1,353,132	290,593	1,643,725
Total comprehensive income/(loss) for the year	-	36,810	-	(5,240)	-	113,047	-	144,617	87,880	232,497
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	-	32,498	32,498
Capital returned to non-controlling shareholders	-	-	-	-	-	-	-	-	(2,099)	(2,099)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(3,413)	(3,413)
Balance at 31.12.2009	2,317,772	(814,467)	(105,023)	23,819	74,933	(3,649)	4,364	1,497,749	405,459	1,903,208

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Cash flows from operating activities			
Profit before income tax		350,153	181,383
Adjustments for:			
Depreciation of property, plant and equipment	27	20,168	30,737
Depreciation of investment properties	26	12,591	21,006
Amortisation expense	29	76	37
Interest expense		41,800	58,764
Gain on disposal of:			
Property, plant and equipment		(2,185)	(189)
Investment properties		(164)	(1,023)
Available-for-sale financial assets	9	(161)	(1,021)
Gain on divestment of FIH group	13	(88,491)	-
Property, plant and equipment written off		6	10
Negative goodwill		(16,612)	-
Loss on dilution of interest in a subsidiary		-	5,138
Share of results of associated companies, net of tax		(14,052)	(1,074)
(Write-back)/Allowance of impairment loss on:			
FIH group	13	(122,538)	-
Available-for-sale financial assets	9	(2,954)	-
Trade and non-trade receivables		-	226
Changes in fair value of short-term investments	9	260	-
Unrealised foreign exchange loss/(gain), net		61,423	(47,887)
Interest income		(19,496)	(22,967)
Operating cash flows before working capital changes		219,824	223,140
Changes in working capital:			
Short-term investments		(659)	10,202
Trade receivables		(8,153)	561
Other current assets		(17,542)	5,305
Inventories		(2,748)	(328)
Trade payables		11,158	(10,938)
Other payables		3,641	40,512
Cash generated from operations		205,521	268,454
Interest paid		(44,748)	(59,584)
Interest received		18,759	20,328
Tax paid		(28,052)	(50,207)
Net cash generated from operating activities		151,480	178,991

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

AFP PROPERTIES LIMITED AND ITS SUBSIDIARIES
Company Registration No. 199400619R
(Incorporated in Singapore)

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Cash flows from investing activities			
Proceeds from capital reduction in associated companies		750	1,425
Proceeds from disposal of interest in a subsidiary		-	27,360
Proceeds from divestment of FIH group, net of cash disposed	13	166,972	-
Proceeds from disposal of investment properties		362	2,476
Proceeds from disposal of property, plant and equipment		6,757	306
Acquisition of interest in associated companies	47(5),47(6)	(4,589)	-
Capital expenditure on investment properties	26	(2,825)	(702)
Capital expenditure on property, plant and equipment	27	(8,434)	(21,007)
Payments for deferred expenditure	29	(95)	(154)
Capital expenditure on properties under development and held for sale		(25,515)	(5,771)
Proceeds from disposal of long-term investments		2,281	1,982
Acquisition of subsidiaries, net of cash acquired	44	1,349	-
Cash and cash equivalents held by BCI group	12	-	(47,871)
Cash flow effect arising from deconsolidation of BCI group	12	12,130	-
Dividends from associated companies		117	-
Net cash generated from/(used in) investing activities		<u>149,260</u>	<u>(41,956)</u>
Cash flows from financing activities			
Acquisition of additional interest in a subsidiary	46(7)	(3,000)	-
Repayment of borrowings, net		(207,613)	(103,106)
(Repayment)/Proceeds from issuance of bonds, net		(12,107)	869
Increase in time deposits pledged		(526)	(7,408)
Dividend payment to non-controlling shareholders		(5,498)	(3,413)
Payments of obligations under finance leases		(126)	(147)
Capital returned to non-controlling shareholders		(2,250)	(2,099)
Cash subscribed by non-controlling shareholders		179,958	-
Net cash used in financing activities		<u>(51,162)</u>	<u>(115,304)</u>
Net increase in cash and cash equivalents		249,578	21,731
Cash and cash equivalents at the beginning of the year		<u>321,200</u>	<u>299,469</u>
Cash and cash equivalents at the end of the year	16	<u>570,778</u>	<u>321,200</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2010

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

1 General

AFP Properties Limited (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The Company’s registered office and principal place of business is at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535.

The Company is principally an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are involved in property business, through its investments in Indonesia, China, Malaysia and Singapore.

Pursuant to a special resolution passed by the shareholders of the Company at the Extraordinary General Meeting (“EGM”) held on 23 August 2010, the name of the Company has been changed from Asia Food & Properties Limited to AFP Properties Limited with effect from 16 September 2010.

The subsidiaries and associated companies, including their principal activities, countries of incorporation, and the extent of the Company’s equity interests in those subsidiaries and associated companies are set out in Notes 46 and 47 to the financial statements respectively.

The statement of financial position of the Company and the consolidated financial statements of the Group as at and for the year ended 31 December 2010 were authorised for issue by the Board of Directors on 18 March 2011.

2 New and Revised Financial Reporting Standards (“FRSs”)

(I) Adoption of New and Revised FRSs and Interpretations of FRSs (“INT FRSs”)

During the current financial year, the Group has adopted all the revised FRSs and INT FRSs that are relevant to its operations and mandatory for annual periods beginning on 1 January 2010. The adoption of these revised FRSs and INT FRSs has had no material financial impact on the financial statements of the Group and the Company. They did however give rise to additional disclosures including, in some cases, revisions to accounting policies.

(i) *FRS 103 (Revised)* *Business Combinations*

FRS 103 (Revised) affects the accounting for business combinations in the current financial year. The impact of the revision is as follows:

- to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as “minority” interests) either at fair value or at the non-controlling interests’ share of the fair value of the identifiable net assets of the acquiree;
- where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require the recognition of a settlement gain or loss;
- to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in the income statement as incurred, whereas previously they were accounted for as part of the cost of the acquisition; and

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

2 New and Revised Financial Reporting Standards (“FRSs”) (cont’d)

(I) Adoption of New and Revised FRSs and Interpretations of FRSs (“INT FRSs”) (cont’d)

(i) *FRS 103 (Revised)* *Business Combinations* (cont’d)

- to change the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. The revision requires contingent consideration be measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the “measurement period” (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in the income statement.

(ii) *FRS 27 (Revised)* *Consolidated and Separated Financial Statements*

FRS 27 (Revised) principally affects the accounting for transactions or events that result in a change in the Group’s interests in its subsidiaries that do not result in a change in control.

Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in the income statement. Under FRS 27 (Revised), all such increases or decreases are dealt with in equity, with no impact on goodwill or the income statement.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, FRS 27 (Revised) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in the income statement.

(iii) *INT FRS 117* *Distributions of Non-cash Assets to Owners*

INT FRS 117 provides guidance on accounting for non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners where an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. It also provides guidance when an entity distributes assets other than cash as dividends to its owners acting in their capacity as owners, or when the distributions give owners a choice of receiving either non-cash assets or cash alternative. The interpretation requires that an entity should recognise such distributions as dividend payable when it is appropriately authorised and is no longer at the discretion of the entity. The dividend payable should be measured at the fair value of the non-cash assets to be distributed.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

2 New and Revised Financial Reporting Standards (“FRSs”) (cont’d)

(I) Adoption of New and Revised FRSs and Interpretations of FRSs (“INT FRSs”) (cont’d)

(iv) *Annual Improvements to FRSs (April 2009)*

- *FRS 1 (Amendment) Presentation of Financial Statements*

The amendment clarifies that for the current/non-current classification of convertible instruments, the terms of a liability that could at anytime result in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

- *FRS 7 (Amendment) Statement of Cash Flows*

The amendment requires that only expenditure that results in a recognised asset can be classified as a cash flow from investment activities.

- *FRS 17 (Amendment) Leases*

The amendment removed the specific guidance on classifying land as a lease so that only the general guidance remains.

- *FRS 36 (Amendment) Impairment of Assets*

The amendment requires that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment defined in FRS 108 before aggregation for reporting purposes.

- *FRS 38 (Amendment) Intangible Assets*

The amendment states that if an intangible asset acquired in a business combination is identifiable with another intangible asset, the acquirer may recognise the group of intangibles as a single asset provided the individual assets have similar useful lives.

- *FRS 102 (Amendment) Share-based Payment*

The amendment clarifies that the contribution of a business or formation of a joint venture and combination under common control are not within the scope of FRS 102.

- *FRS 108 (Amendment) Operating Segments*

The amendment requires segment assets and liabilities only be reported when those assets and liabilities are included in measures used by the chief operating decision maker.

- *INT FRS 9 (Amendment) Reassessment of Embedded Derivatives*

The amendment states that it does not apply to reassessment at the date of acquisition of embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

2 New and Revised Financial Reporting Standards (“FRSs”) (cont’d)

(II) New and Revised FRSs and INT FRSs issued but not yet effective

As at the date of these financial statements, the Group has not adopted the following FRSs and INT FRSs that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
<i>Amendments to FRS 12, Deferred tax: Recovering of Underlying Assets</i>	1 January 2012
<i>Amendments to FRS 107 Disclosure- Transfer of Financial Assets</i>	1 July 2011
<i>Amendments to INT FRS 114- Prepayments of a Minimum Funding Requirement</i>	1 January 2011
<i>FRS 24, Related Party Disclosures (Revised)</i>	1 January 2011
<i>INT FRS 115, Agreements for the Construction of Real Estate</i>	1 January 2011
<i>INT FRS 119, Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2010
<i>The Conceptual Framework for Financial Reporting 2010 (Chapter 1 and 3)</i>	1 March 2011
Other amendments resulting from improvements to FRSs 2010:	
- <i>FRS 1, Presentation of Financial Statements</i>	1 January 2011
- <i>FRS 27, Consolidated and Separate Financial Statements</i>	1 July 2010
- <i>FRS 103, Business Combinations</i>	1 July 2010
- <i>FRS 107, Financial Instruments: Disclosures</i>	1 January 2011

The directors expect that the adoption of the FRSs and INT FRSs above will have no material impact on the financial statements in the period of initial application.

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements, which are expressed in Singapore dollar, are prepared in accordance with the historical cost convention, except as discussed in the accounting policies below. The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and FRSs.

As part of the Restructuring Exercise in 1997 whereby the Company acquired from the Sinar Mas Group its subsidiaries and associated companies (“Restructuring Exercise 1997”), certain property, plant and equipment, investment properties and properties held for development and sale have been revalued by independent professional valuers as at 30 September 1996. Accordingly, the revalued amount is deemed to be the cost to the Group.

The preparation of financial statements requires the use of accounting estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and contingent liabilities. Although these estimates are based on management’s best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement or complexity, are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(b) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Singapore dollar, which is the Company’s functional and presentation currency that reflects the primary economic environment in which the Company operates. The financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated.

(c) Foreign Currency Transactions and Translation

Foreign currency transactions are translated into the respective functional currencies of the entities in the Group using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and arising from the translation of foreign currency denominated monetary assets and liabilities at the exchange rates prevailing at the end of the reporting period are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates prevailing at the date of transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date that the fair value was determined. Currency translation differences on non-monetary items are recognised as part of the fair value gain or loss in the income statement, except for translation differences on available-for-sale financial assets, which are recognised in other comprehensive income.

In the preparation of the consolidated financial statements, the financial statements of those subsidiaries whose functional currency is not Singapore dollar (i.e. foreign entities) are translated into Singapore dollar, the presentation currency of the Company, as follows:

- i) assets and liabilities are translated at the closing rate at the end of the reporting period;
- ii) share capital and reserves are translated at historical exchange rates; and
- iii) revenue and expenses are translated at average exchange rates for the period which approximate the exchange rates prevailing on the transactions dates.

Exchange differences arising from the above translations are recognised in other comprehensive income and these are accumulated in foreign currency translation reserve. On consolidation, exchange differences arising from the translation of net investments in foreign entities (including monetary items that in substance form part of the net investment in foreign entities) are recognised in other comprehensive income. On disposal, the accumulated translation differences are reclassified to the income statement as part of the gain or loss on disposal in the period in which the foreign entity is disposed of.

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to 31 December, after elimination of material balances, transactions and any unrealised profit or loss on transactions between the Group entities. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation (cont'd)

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred in a business combination is measured at fair value at the date of acquisition, which is sum of the fair values of the assets transferred, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer. Acquisition related costs are to be expensed through the income statement as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values. Any non-controlling interest at the date of acquisition in the acquiree is measured at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

(e) Subsidiaries

Subsidiaries are entities in which the Company, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors, or is able to govern the financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiaries in the financial statements of the Company are stated at cost or valuation referred to in Note 3(a), less any impairment losses.

(f) Associated Companies

Associated companies are entities in which the Group, directly or indirectly holds not less than 20% but not more than 50% of the issued equity voting capital held as a long-term investment or over which the Group is in a position to exercise a significant influence on the financial and operating policy decisions.

Investments in associated companies in the financial statements of the Company are stated at cost or valuation referred to in Note 3(a), less any impairment losses.

The associated companies are accounted for by the Group using the equity method. At the end of the reporting period, the Group's investments in associated companies are stated at cost of investment or valuation referred to in Note 3(a), less any impairment losses, plus the Group's share of undistributed post-acquisition reserves.

Losses of an associated company in excess of the Group's interest in that associated company (which includes any long-term receivables, in substance, form part of the Group's net investment in that associated company) are not recognised.

Goodwill arising from the acquisition of an associated company is included as part of the carrying amount of the investment, and is assessed for impairment as part of the investment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(g) Joint Venture Operations

A joint venture operation is a contractual agreement whereby the Group and other parties undertake economic activities which are subject to a joint contract. The proportionate consolidation accounting method is used for joint venture operations whereby the Group's share of each of the assets, liabilities, income and expense is combined on a line-by-line basis with similar items in the consolidated financial statements.

(h) Deferred Charges

Deferred charges are stated at cost less accumulated amortisation. They comprise certain expenditures, whose benefits extend over a period of more than one year, are being deferred and amortised, over the periods benefited using the straight-line method.

(i) Goodwill

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value at the date of acquisition of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired is initially recognised as "Goodwill" in the consolidated financial statements. Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets and liabilities exceeds the consideration transferred and the non-controlling interest in the acquiree, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is recognised as an income immediately.

Goodwill on acquisition arising prior to 1 January 2001 has been charged in full to equity; such goodwill has not been retrospectively capitalised and amortised, as allowed under revised SAS 22, *Business Combinations (revised 2003)*. Goodwill arising from business combinations occurring between 1 January 2001 and 1 July 2004 has been carried at net carrying value and subjected to an impairment test, while negative goodwill arising from business combinations occurring between 1 January 2001 and 1 July 2004 has been credited to retained earnings.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(j) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the depreciable amount of assets, other than freehold land which is not depreciated, using the straight-line method, over the following estimated useful lives:

	<u>No. of years</u>
Freehold buildings	- 20 to 50
Leasehold land, buildings and improvements	- 5 to 50
Plant, machinery and equipment	- 5 to 10
Motor vehicles, furniture and fixtures	- 3 to 10

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of maintenance and repairs is charged to the income statement as incurred; significant renewals and improvements are capitalised. When assets are retired or otherwise disposed of, their carrying amounts are derecognised and any resulting gains or losses are recognised in the income statement.

The cost of construction in progress represents all costs (including borrowing costs on such borrowings) attributable to bringing the constructed asset to its working condition and getting it ready for its intended use. The accumulated costs will be reclassified to the appropriate asset class when the construction is completed. No depreciation charge is provided for construction in progress until the assets are transferred and used in operations.

(k) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are carried at cost less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 20 to 60 years.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(l) Properties Under Development For Sale and Held For Sale

Properties under development for sale consisting land held for development and properties under development, which include houses, shops and strata title buildings under construction, are stated at cost or valuation referred to in Note 3(a), less any impairment losses when the recoverable amount of the assets is estimated to be lower than its carrying amount.

Land held for development consists of land acquired which will be developed in more than one year. Upon commencement of development, the cost of land held for development will be transferred to properties under development.

Each property under development is accounted for as a separate project. The cost of properties under development include land cost, direct development and construction costs, capitalised interest and other indirect costs incurred during the period of development. The cost is determined and/or allocated using the specific identification method. Allowances are recognised in the income statement for any foreseeable losses.

Cost estimated and allocation are reviewed and adjusted as appropriate, at the end of each reporting period.

On the completion of the development, the accumulated cost will be reclassified as properties held for sale under current assets whereas properties held for investment purposes will be reclassified as investment properties under non-current assets.

Properties held for sale are stated at the lower of cost and/or net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

(m) Financial Assets

The Group classifies its non-derivative financial assets in the following categories: loans and receivables, fair value through profit or loss and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. The Group's loans and receivables comprise trade and other receivables. Loans and receivables are recognised initially at fair value which is normally the original invoiced amount plus, any directly attributable transaction costs, and subsequently carried at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets at fair value through profit or loss are initially recognised at fair value with subsequent changes in fair value recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(m) Financial Assets (cont'd)

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. Available-for-sale financial assets are recognised initially at fair value plus, any directly attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the previous gain or loss that have been recognised in other comprehensive income is reclassified from equity to the income statement. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. Impairment losses recognised in the income statement for investments in equity instruments classified as available-for-sale are not subsequently reversed through the income statement.

(n) Cash and Cash Equivalents

Cash and cash equivalents classified under current assets comprise cash on hand, cash in banks and time deposits which are short-term, highly liquid assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents for the consolidated statement of cash flows purpose, include cash and cash equivalents as defined above less time deposits pledged as security.

(o) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Consumables are stated at cost using the FIFO (first-in first-out) method.

(p) Impairment of Non-Financial Assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets excluding goodwill to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less cost to sell.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(p) Impairment of Non-Financial Assets excluding Goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any depreciation) had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the Group and the holder are classified as liabilities.

Significant financial liabilities include finance lease obligations, interest-bearing borrowings, bonds payables and trade and other payables. The accounting policies adopted for finance lease obligations and convertible bonds are outlined in Note 3(r) and Note 3(s) respectively.

Interest-bearing borrowings and bonds payables are recorded at the proceeds received, net of direct issue costs. Direct issue costs are amortised over the period of the bonds. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future of goods and services received. Interest-bearing trade and other payables are recognised initially at cost less attributable transaction costs and subsequently stated at amortised cost using the effective interest method.

Ordinary shares are classified as equity. Equity is recorded at the proceeds received, net of direct issue costs.

(r) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the statement of financial position at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the income statement in equal annual amounts over the period of the leases.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(s) Convertible Financial Instruments

Convertible financial instruments are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible financial instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in capital reserves (equity) if the option is converted into a fixed number of equity shares or as a financial liability if the option is converted into a variable number of equity shares based on an exercise price of a prescribed percentage of the net tangible assets at the exercise date. Correspondingly, a discount on the financial instruments is recorded and amortised over the period of the financial instruments. Gains and losses arising from changes in fair value of the embedded option are included in the income statement.

(t) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

(u) Borrowing Costs

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

Certain subsidiaries capitalise borrowing costs, including interest and other finance charges on borrowings used to finance the construction of fixed assets and development of properties. Capitalisation ceases when substantially all the activities necessary to prepare the related assets for their intended use or sale are completed. The capitalised costs are depreciated over the same periods and on the same basis as the underlying assets.

(v) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred income tax is also dealt with in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. The amount of deferred income tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(v) Income Tax (cont'd)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(w) Post-Employment Benefits

Certain subsidiaries have unfunded defined benefit retirement plans covering substantially all of their eligible permanent employees in accordance with the Indonesian Labor Law No. 13/2003 dated 25 March 2003 (Law 13/2003). The obligation for Law 13/2003 has been accounted for using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Current service costs, interest costs and effects of curtailments and settlements (if any) are recognised directly in the current year's income statement. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised over the average period until the benefits become vested. Actuarial gains or losses are amortised over the expected average remaining working lives.

The retirement plan obligations recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in the future contributions to the plan.

Fixed contributions paid to state-managed post-employment benefits schemes, such as the Central Provident Fund, on a mandatory, contractual or voluntary basis are recognised as an expense in the income statement in the period in which services are rendered by employees. The Group has no further payment obligation once the contributions have been paid.

(x) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(y) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the income statement as follows:

- (i) Revenue from the sale of properties held for sale such as houses, shops and other similar buildings is recognised when the Group's risks and ownership in the properties have been transferred to the customers and the Group does not have a substantial continuing involvement with the properties.

Revenue from the sale of properties held for sale which are completed in more than one year (condominiums, apartments, shopping centres and other similar buildings) are recognised by reference to the percentage of completion method. Under the percentage of completion method, the percentage of completion is measured by reference to the work performed, based on the ratio of costs incurred to-date to the estimated total costs for each contract.

Revenue from the sale of land, wherein the buildings are constructed by customers without involvement by the Group, is recognised when the Group's equitable interest in the land has been transferred to the customers as the development of the environment is complete and the Group is not obliged to perform any significant acts after the transfer of equitable interest.

- (ii) Revenue from rental of investment properties under operating leases is recognised over the terms of the lease contracts.
- (iii) Hotel room revenue is recognised based on room occupancy while other hotel revenues are recognised when the goods are delivered or the services are rendered to the customers.
- (iv) Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.
- (v) Dividend income from investments is recognised on the date the dividends are declared payable by the investees.
- (vi) Revenue arising from sales of goods is recognised when the products are delivered to the customers and collectibility of the related receivables is probable.
- (vii) Club membership revenue is recognised over the term of the membership period.

(z) Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the attributable results and financial position are presented or disclosed separately. The comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period, while the comparative statement of financial position is not required to be re-presented.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

3 Summary of Significant Accounting Policies (cont'd)

(aa) Segment Reporting

The chief operating decision maker has been identified as the Executive Committee of the Group, which consists of the Executive Chairman, the Chief Executive Officer and Executive Directors. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Operating segments are reported in a manner consistent with the internal reporting.

The Executive Committee assess the performance of the operating segments based on a measure of adjusted earnings before income tax, non-controlling interests, interest on borrowings, foreign exchange gain/(loss), depreciation and amortisation, exceptional item and share of results of associated companies ("EBITDA"). All inter segment sales and transfers are accounted for as if the sales or transfers were to a third party, i.e. at current market prices.

4 Financial Risk Management

(a) Capital Risk Management

The Group manages its capital to safeguard the Group's ability to continue as a going concern in order to maximise return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged since 2009.

The capital structure of the Group consists of total equity of the Company, comprising issued capital, reserves, retained earnings and non-controlling interests and net debt, which includes the borrowings net of cash and cash equivalents.

Neither the Group nor the Company is subject to any externally imposed capital requirements.

The net debt-to-equity ratio as at 31 December 2010 and 2009 are as follows:

	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Total borrowings incurred by:		
Core Business	315,940	536,780
BCI group	-	148,698
	<u>315,940</u>	<u>685,478</u>
Less total cash and cash equivalents held by:		
Core Business	575,193	334,573
BCI group	-	47,871
	<u>575,193</u>	<u>382,444</u>
Net (cash)/debt	<u>(259,253)</u>	<u>303,034</u>
Total equity	<u>1,931,745</u>	<u>1,903,208</u>
Net debt-to-equity ratio (times)	<u>-*</u>	<u>0.16</u>

* As at 31 December 2010, the Group has net cash of \$259,253,000.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4 Financial Risk Management (cont'd)

(a) Capital Risk Management (cont'd)

The directors review the capital structure on a semi-annual basis. As a part of the review, the directors consider the cost of capital and the risks associated with each class of capital. Accordingly, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debt or the redemption of existing debt.

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including interest rate risk, currency risk, price risk), credit risk, liquidity risk and cash flow risks. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group may use relevant financial instruments to manage certain risks. Such financial instruments are not held for trade or speculative purposes.

(i) Interest Rate Risk

The Group is exposed to interest rate risk primarily on its existing long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The interest rate that the Group will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates the Group has secured currently.

At 31 December 2010, if interest rates on all variable rate borrowings had been 0.5% higher/lower with all other variables held constant, profit before income tax for the year and total equity would have been \$592,000 (2009: \$710,000) and \$469,000 (2009: \$576,000) lower/higher respectively, mainly as a result of higher/lower interest expense on variable rate borrowings net of applicable income taxes. This analysis is prepared assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

The interest rates and repayment terms of interest-bearing financial instruments are disclosed in the respective notes to the financial statements. The interest rate profile of the Group's interest-bearing financial instruments as at the end of the reporting period was as follows:

	<u>2010</u> S\$'000	<u>2009</u> S\$'000
<u>Financial assets</u>		
Fixed rate	204,342	218,750
Variable rate	580,624	324,338
Non-interest bearing	<u>27,707</u>	<u>19,148</u>
	812,673	562,236
Financial assets held by BCI group (Note 12)	<u>-</u>	<u>53,275</u>
	<u>812,673</u>	<u>615,511</u>
<u>Financial liabilities</u>		
Fixed rate	155,906	350,767
Variable rate	118,417	164,265
Non-interest bearing	<u>77,680</u>	<u>127,282</u>
	352,003	642,314
Financial liabilities incurred by BCI group (Note 12)	<u>-</u>	<u>175,734</u>
	<u>352,003</u>	<u>818,048</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk

The Group operates in several countries. Entities within the Group may transact in currencies other than their respective functional currency ("foreign currency") such as the United States Dollar ("USD"), the Indonesian Rupiah ("IDR"), the Japanese Yen ("JPY"), the Malaysian Ringgit ("RM") and the Singapore Dollar ("SGD") which is also the Company's presentation currency.

The Group faces foreign exchange risk as its borrowings and cost of certain key purchases are either denominated in foreign currencies or whose price is influenced by their benchmark price movements in foreign currencies (especially USD) as quoted on international markets.

The Group does not have any formal hedging policy for its foreign exchange exposure and did not actively engage in activities to hedge its foreign currency exposures during the financial year. The Group seeks to manage the foreign currency risk by constructing natural hedges where it matches revenue and expenses in any single currency.

The Group is also exposed to currency translation risks arising from its net investments in foreign operations. These net investments are not hedged as currency positions in these foreign operations are considered long-term in nature.

The entities within the Group have different functional currencies depending on the currency of their primary economic environment. A 5% strengthening of the functional currency of these entities against the following currencies at the reporting date would (decrease)/increase the Group's profit before taxation by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
SGD against functional currencies of USD and RM	(176)	(256)
USD against functional currencies of SGD, RM and IDR	(30,229)	(35,147)
IDR against functional currencies of SGD and USD	(10,687)	(10,970)
JPY against functional currency of SGD and USD	<u>(10,430)</u>	<u>(9,270)</u>

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to price risk arising from its investments held that are classified as available-for-sale and fair value through profit or loss. The Group monitors the market closely to ensure that the risk exposure to the volatility of the investments is kept to a minimum. As at the end of the reporting period, the Group has no significant exposure to price risk.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iv) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents.

Trade debtors comprise mainly the Group's customers who bought properties and tenants of investment properties. The tenants of investment properties and purchasers of development properties may default on their obligations to pay the amount owing to the Group. The Group manages credit risks by requiring the customers/tenants to furnish cash deposits, and/or bankers' guarantees. The Group also performs regular credit evaluations of its customers' financial conditions and only entered into contracts with customers with an appropriate credit history.

For sales of development properties, the Group generally has certain recourse, which include forfeiture of deposit and/or installments paid and re-sale of the re-possessed properties and rights to claim against the customers for any shortfall from the re-sale.

Cash and cash equivalents mainly comprise deposits with reputable banks with high credit ratings.

The maximum exposure to credit risk in the event that the counter-parties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the statement of financial position.

(v) Significant Concentrations of Credit Risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect counter-parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group has no significant concentration of credit risks with exposure spread over a large number of counter-parties and customers.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(vi) Liquidity Risk

To manage liquidity risk, the Group maintains a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements. The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows.

	Less than 1 year S\$'000	1 to 5 years S\$'000	Over 5 years S\$'000	Total S\$'000
<u>At 31 December 2010</u>				
Borrowings	149,669	181,887	38	331,594
Other financial liabilities	36,063	-	-	36,063
Total Financial Liabilities	185,732	181,887	38	367,657
<u>At 31 December 2009</u>				
Borrowings	67,340	488,855	105	556,300
Other financial liabilities	105,534	-	-	105,534
	172,874	488,855	105	661,834
Financial liabilities incurred by BCI group	43,825	47,835	84,074	175,734
Total Financial Liabilities	216,699	536,690	84,179	837,568

5 Critical Accounting Estimates, Assumptions and Judgements

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

(a) Critical Judgement in Applying Accounting Policy

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, 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 based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expense and income tax payable in the period in which such determination is made. As of 31 December 2010, the Group's income tax payable and income tax expenses amounted to \$436,000 (2009: \$563,000) and \$23,330,000 (2009: \$21,505,000) (Note 11) respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

5 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Accounting Estimates and Assumptions

Estimated Useful Lives of Investment Properties and Property, Plant and Equipment

The Group estimates the useful lives of investment properties and property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed at the end of each reporting period and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the investment properties and property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

There is no change in the estimated useful lives of investment properties and property, plant and equipment during the year. The carrying amount of investment properties and property, plant and equipment as of 31 December 2010 amounted to \$171,670,000 (2009: \$178,988,000) and \$144,755,000 (2009: \$164,591,000) respectively (Notes 26 and 27).

6 Revenue

	<u>2010</u>	<u>Group</u> <u>2009</u>
	S\$'000	S\$'000
Sale of properties	321,297	293,649
Rental income	60,474	53,498
Hotel revenue	16,680	15,017
Golf and resort operations	22,659	23,332
Others	19,521	16,472
	<u>440,631</u>	<u>401,968</u>

7 Finance Income

	<u>2010</u>	<u>Group</u> <u>2009</u>
	S\$'000	S\$'000
Interest income from:		
Cash and cash equivalents	16,871	15,810
Available-for-sale financial assets	1,066	1,479
Fair value through profit or loss financial assets	19	1,616
Loan receivables	1,316	3,185
	<u>19,272</u>	<u>22,090</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

8 Finance Costs

	<u>Note</u>	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Interest expense on:			
Obligation under finance leases		30	31
Short-term and long-term borrowings		14,461	24,305
Bonds payables			
- bond interest		23,991	23,160
- amortisation of discount on bonds	35	5,126	5,220
- amortisation of deferred bond charges	35	699	669
Write back of option reserve		(4,647)	(3,870)
		<u>39,660</u>	<u>49,515</u>

9 Other Operating Income, Net

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Income from water supply and building management, net	5,473	3,484
Write-back of impairment loss on available-for-sale financial assets	2,954	-
Management and lease co-ordination fees	781	699
Gain on disposal of property, plant and equipment	657	177
Changes in fair value of short-term investments	(260)	-
Gain on disposal of available-for-sale financial assets	161	1,021
Estate management expenses, net	(3,050)	(4,551)
Others	3,890	3,290
	<u>10,606</u>	<u>4,120</u>

10 Profit Before Income Tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Non-audit services paid/payable to:		
Auditors of the Company	110	-
Auditors of the subsidiaries	-	-
Cost of inventories recognised as an expense (included in cost of sales)	<u>3,898</u>	<u>3,795</u>

11 Income Tax

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Tax expense is made up of:		
Current income tax	23,742	21,481
Deferred income tax	(111)	(243)
	<u>23,631</u>	<u>21,238</u>
(Over)/Under-provision for current income tax in respect of prior years	(301)	267
	<u>23,330</u>	<u>21,505</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

11 Income Tax (cont'd)

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesia statutory tax rate is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate. During the financial year, the Indonesian corporate tax rate was reduced from 28% to 25%.

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Indonesian statutory rate of income tax to profit before income tax from core business due to the following factors:

	Group	
	2010	2009
	S\$'000	S\$'000
Profit before income tax	107,027	119,962
Less: Share of results of associated companies, net of tax	(14,052)	(1,074)
	<u>92,975</u>	<u>118,888</u>
Tax calculated at a tax rate of 25% (2009: 28%)	23,244	33,289
Non-taxable items	(9,298)	(18,313)
Non-deductible items	15,477	16,909
Effect of different tax rate categories	(12,834)	(13,033)
Effect of changes in tax rate	(29)	(52)
Utilisation of previously unrecognised tax losses	(70)	(78)
Unrecognised deferred tax assets	7,307	2,621
(Over)/Under-provision in prior years' income tax	(301)	267
Others	(166)	(105)
	<u>23,330</u>	<u>21,505</u>

At the end of the reporting period, unrecognised tax losses and capital allowances available for offsetting against future taxable profits are as follows:

	Group	
	2010	2009
	S\$'000	S\$'000
Unutilised tax losses	265,886	308,120
Unabsorbed capital allowances	73,696	70,300
	<u>339,582</u>	<u>378,420</u>

The availability of the unrecognised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. As at the end of the financial year 2010, the deferred tax benefit arising from unrecognised tax losses and unabsorbed capital allowances of \$339,582,000 (2009: \$378,420,000) has not been recognised in the financial statements.

Deferred tax liabilities of \$48,151,000 (2009: \$49,713,000) have not been recognised for taxes that would be payable on the remittance to Singapore of unremitted retained earnings of \$283,241,000 (2009: \$292,430,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

12 Bund Center Investment Ltd (“BCI”) and its subsidiaries (“BCI group”)

On 24 September 2009, the Company announced the proposed demerger of substantially all of its China commercial property business to be held under a wholly-owned subsidiary, BCI, from the Company (the “Demerger”) and the proposed listing of BCI on SGX-ST by way of an introduction (“Introduction”). The Demerger was to be effected through a capital reduction in the Company and a distribution *in specie* of all the shares in the capital of BCI held or to be held by the Company to its entitled shareholders on the basis of one BCI share for every two AFP shares held as at the books closure date (the “Distribution”). Pursuant to a special resolution passed by the shareholders of the Company at the EGM held on 6 May 2010, the Demerger, Distribution and Introduction were approved. The capital reduction undertaken by the Company in relation to the Demerger and the Distribution was effected on 18 June 2010. Following the completion of the Demerger and the Distribution during the financial year 2010, the companies within the BCI group are no longer subsidiaries of the Company. Accordingly, the Company has consolidated the BCI group results up to 31 May 2010, being the latest monthly management accounts available then and thereafter ceased to consolidate the financial statements of BCI group.

The results of BCI group for the 5-month period ended 31 May 2010 are reflected separately in the Group’s income statement with comparative results of BCI group re-presented accordingly. As at 31 December 2009, the financial position of BCI group was reflected as assets held for/liabilities incurred by BCI group in the Group’s statement of financial position.

An analysis of the results of BCI group is as follows:

	<u>2010</u> S\$’000	<u>2009</u> S\$’000
Revenue	53,853	135,328
Cost of sales	(26,403)	(69,543)
Operating expenses	(9,302)	(21,235)
Other income/(expenses), net	151	(5,474)
Profit before income tax	18,299	39,076
Income tax	(4,738)	(7,103)
Profit from BCI group	<u>13,561</u>	<u>31,973</u>
Attributable to:		
Owners of the Company	12,776	30,727
Non-controlling interests	785	1,246
	<u>13,561</u>	<u>31,973</u>

An analysis of the net cash flows incurred by BCI group was as follows:

	<u>2010</u> S\$’000	<u>2009</u> S\$’000
Net cash inflow/(outflow) from:		
Operating activities	27,444	43,663
Investing activities	358	1,222
Financing activities	(39,932)	(53,042)
	<u>(12,130)</u>	<u>(8,157)</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

12 Bund Center Investment Ltd (“BCI”) and its subsidiaries (“BCI group”) (cont’d)

The major classes of assets and liabilities of BCI group as at 31 December 2009 were:

	<u>2009</u> S\$’000
Assets	
Cash and cash equivalents	47,871
Short-term investment	1,078
Trade and other receivables	4,326
Inventory	284
Investment properties	316,440
Property, plant and equipment	247,853
Deferred charges	778
Deferred tax assets	6,823
Assets held by BCI group	<u>625,453</u>
Liabilities	
Short-term borrowings	16,789
Trade and other payables	27,036
Income tax payable	1,265
Long-term borrowings	131,909
Long-term liabilities	13,880
Liabilities incurred by BCI group	<u>190,879</u>

As at 31 December 2009, the short-term and long-term borrowings incurred interest at rates of 2.2% - 5.9% per annum and were secured by certain cash in bank, investment properties and property, plant and equipment held by BCI group. The repayment terms of these short-term and long-term borrowings were as follows:

	<u>2009</u> S\$’000
Less than 1 year	16,789
Within 1 to 5 years	47,835
After 5 years	84,074
	<u>148,698</u>

The interest rate profile of all interest-bearing financial instruments as at 31 December 2009 was as follows:

	<u>2009</u> S\$’000
<u>Financial assets</u>	
Variable rate	47,687
Non-interest bearing	5,588
	<u>53,275</u>
<u>Financial liabilities</u>	
Variable rate	148,698
Non-interest bearing	27,036
	<u>175,734</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

13 Florentina International Holdings Limited (“FIH”) and its subsidiaries (“FIH group”)

On 17 June 2010, the Company entered into a conditional sale and purchase agreement with Golden Agri-Resources Ltd, a related party, to divest the entire issued and paid-up share capital of its wholly-owned subsidiary, FIH, for a cash consideration of RMB976 million (or US\$142.8 million) (the “Divestment”). The FIH group carried out all of the Group’s food business operations. The Divestment is consistent with the Group’s long-term plan of streamlining its operations along its core competencies in the property development and management businesses. The Divestment was approved by shareholders at the EGM held on 23 August 2010 and was completed on 16 September 2010. Hence, the results of FIH group for the 9-month period ended 30 September 2010 are reflected separately in the Group’s income statement with comparative results of FIH group re-presented accordingly.

An analysis of results from FIH group is as follows:

	<u>2010</u> S\$’000	<u>2009</u> S\$’000
Revenue	172,568	232,012
Cost of sales	(145,236)	(183,910)
Operating expenses	(18,186)	(30,878)
Other income, net	4,652	5,121
Gain on divestment of FIH group	88,491	-
Write back of impairment loss on FIH group	122,538	-
Profit before income tax	<u>224,827</u>	<u>22,345</u>
Income tax	(43)	686
Profit from FIH group	<u><u>224,784</u></u>	<u><u>23,031</u></u>
Attributable to:		
Owners of the Company	224,784	23,034
Non-controlling interests	-	(3)
	<u><u>224,784</u></u>	<u><u>23,031</u></u>

An analysis of assets and liabilities of FIH group as at the date of divestment is as follows:

	<u>2010</u> S\$’000
Cash and cash equivalents	24,145
Other current assets	31,033
Non-current assets	88,026
Current liabilities	(57,649)
Non-current liabilities	(1,970)
Net assets disposed	<u>83,585</u>
Transfer from:	
Foreign currency translation reserve	(35,831)
Legal reserve	(4,364)
Goodwill on consolidation	59,236
Gain on divestment	88,491
Cash consideration	191,117
Less: Cash and cash equivalents disposed	(24,145)
Net cash inflow from divestment of FIH group	<u><u>166,972</u></u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

14 Earnings Per Share and Net Asset Value Per Share

a) Basic Earnings Per Share

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

	<u>Note</u>	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Net profit attributable to owners of the Company from:			
Core business		27,812	59,286
BCI group	12	12,776	30,727
FIH group	13	224,784	23,034
Total		<u>265,372</u>	<u>113,047</u>
Weighted average number of ordinary shares ('000)		<u>3,041,959</u>	<u>3,041,959</u>
Basic earnings per share (cents per share):			
Core business		0.91	1.95
BCI group		0.42	1.01
FIH group		<u>7.39</u>	<u>0.76</u>
Total		<u>8.72</u>	<u>3.72</u>

b) Diluted Earnings Per Share

Diluted earnings per share is calculated by dividing net profit attributable to the owners of the Company by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be in issue on the conversion of all the dilutive potential ordinary shares into ordinary shares. The outstanding warrants issued pursuant to the bonus issue in 2010 of 1,520,978,744 have been included in the calculation of diluted earnings per share in the current financial year.

	<u>Note</u>	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Net profit attributable to owners of the Company from:			
Core business		27,812	59,286
BCI group	12	12,776	30,727
FIH group	13	224,784	23,034
Total		<u>265,372</u>	<u>113,047</u>
Weighted average number of ordinary shares ('000)		<u>3,188,970</u>	<u>3,041,959</u>
Diluted earnings per share (cents per shares):			
Core business		<u>0.87</u>	<u>1.95</u>
Total		<u>8.32</u>	<u>3.72</u>

c) Net Asset Value Per Share

As at 31 December 2010, the net asset value per ordinary share based on the existing issued share capital of 3,041,959,437 (2009: 3,041,959,437) ordinary shares is \$0.45 (2009: \$0.49).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

15 Staff Costs and Retirement Benefit Obligations

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Staff costs:		
Wages and salary	57,219	61,869
Employer's contribution to defined contribution plans	1,701	3,994
Retirement benefit expenses	3,657	2,926
	<u>62,577</u>	<u>68,789</u>
Less: Staff costs for:		
BCI group	(6,037)	(13,507)
FIH group	(16,965)	(20,108)
	<u>39,575</u>	<u>35,174</u>

Retirement Benefit Obligations

Certain subsidiaries in Indonesia recorded liabilities for unfunded defined benefits retirement plans in order to meet the minimum benefits required to be paid to the qualified employees as required under the Indonesian Labor Law 13/2003.

The amount of such obligations was determined based on actuarial valuations prepared by independent actuaries, PT Padma Radya Aktuaria and PT Kis Aktuaria. The principal actuarial assumptions used by the actuaries were as follows:

	<u>2010</u> %	<u>Group</u> <u>2009</u> %
Discount rate	8.0	10.0 – 12.0
Salary growth rate	<u>7.0 – 8.0</u>	<u>6.0 – 8.0</u>

The amount of such retirement benefits obligations recognised in the statement of financial position is determined as follows:

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Present value of unfunded defined benefits obligations	18,743	17,349
Unrecognised actuarial gains	93	2,127
Retirement benefits obligations	<u>18,836</u>	<u>19,476</u>
Current	1,146	537
Non-current	<u>17,690</u>	<u>18,939</u>
	<u>18,836</u>	<u>19,476</u>

The component of the retirement benefit expenses recognised in the income statement is as follows:

	<u>2010</u> S\$'000	<u>Group</u> <u>2009</u> S\$'000
Current service costs	1,907	1,619
Past service costs	(127)	(198)
Interest costs	1,877	1,650
Recognised actuarial gains	-	(145)
Retirement benefit expenses	<u>3,657</u>	<u>2,926</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

15 Staff Costs and Retirement Benefit Obligations (cont'd)

Movements in the above retirement benefits obligations are as follows:

	Group	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000
At the beginning of the year	19,476	16,019
Retirement benefit expenses for the year	3,657	2,926
Effect of employees transferred out, net	(1,288)	(803)
Payments made during the year	(1,683)	(1,171)
Currency realignment	(1,326)	2,505
At the end of the year	<u>18,836</u>	<u>19,476</u>

16 Cash and Cash Equivalents

	Group		Company	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Cash on hand and in banks	43,017	41,805	1,225	696
Time deposits	<u>532,176</u>	<u>292,768</u>	<u>15,303</u>	<u>14,010</u>
	<u>575,193</u>	<u>334,573</u>	<u>16,528</u>	<u>14,706</u>

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Indonesian Rupiah	498,399	253,377	-	-
United States Dollar	52,846	47,573	16,017	14,430
Chinese Renminbi	20,394	30,308	-	-
Singapore Dollar	2,303	1,631	511	276
Malaysian Ringgit	1,221	1,658	-	-
Others	<u>30</u>	<u>26</u>	<u>-</u>	<u>-</u>
	<u>575,193</u>	<u>334,573</u>	<u>16,528</u>	<u>14,706</u>

The above time deposits earn interest at the following rates per annum:

	Group		Company	
	<u>2010</u> %	<u>2009</u> %	<u>2010</u> %	<u>2009</u> %
Indonesian Rupiah	5.0 – 14.0	6.0 – 16.0	-	-
United States Dollar	0.05 – 3.0	0.05 – 6.0	0.05 – 0.2	0.2 – 0.3
Chinese Renminbi	-	0.4 – 2.3	-	-
Singapore Dollar	0.04 – 0.3	0.3	0.04 – 0.2	-
Others	<u>-</u>	<u>2.1 – 3.5</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

16 Cash and Cash Equivalents (cont'd)

Cash and cash equivalents include balances with a related party of \$31,680,000 (2009: \$11,715,000). For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Cash and cash equivalents (as above)	575,193	334,573
Less: Time deposits pledged as security for credit facilities granted to the subsidiaries (Notes 32, 35 and 37)	<u>(4,415)</u>	<u>(13,373)</u>
	<u>570,778</u>	<u>321,200</u>

17 Short-Term Investments

Short-term investments which represent placements in quoted mutual funds with a maturity of less than one year are detailed as follows:

	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
	<u>Group</u>		<u>Company</u>	
Financial assets at fair value through profit or loss denominated in Indonesian Rupiah	<u>1,531</u>	<u>1,196</u>	<u>-</u>	<u>-</u>

18 Trade Receivables

	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
	<u>Group</u>		<u>Company</u>	
Third parties	29,107	26,965	-	-
Related parties (Note 41(a))	<u>751</u>	<u>1,512</u>	<u>-</u>	<u>-</u>
	29,858	28,477	-	-
Allowance for impairment on trade receivables from:				
Related parties	(36)	(36)	-	-
Third parties	<u>(14,996)</u>	<u>(18,374)</u>	<u>-</u>	<u>-</u>
	<u>(15,032)</u>	<u>(18,410)</u>	<u>-</u>	<u>-</u>
	<u>14,826</u>	<u>10,067</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

18 Trade Receivables (cont'd)

Movements in the allowance for impairment during the financial year are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
At the beginning of the year	18,410	18,367	-	-
Impairment loss included as general and administrative expenses during the year	-	196	-	-
Written off against allowance	(23)	(14)	-	-
Arising from divestment of FIH group	(3,227)	-	-	-
Currency realignment	(128)	(139)	-	-
At the end of the year	<u>15,032</u>	<u>18,410</u>	<u>-</u>	<u>-</u>

As at 31 December 2010, 34% (2009: 45%) and 9% (2009: 12%) of the Group's trade receivables are past due for less than 3 months and more than 3 months respectively. The above allowances for impairment on trade receivables mainly related to certain receivables that are past due for more than 3 months and the recovery of these amounts is impossible.

Trade receivables are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Indonesian Rupiah	12,673	6,179	-	-
Malaysian Ringgit	1,180	1,182	-	-
Singapore Dollar	529	466	-	-
United States Dollar	282	109	-	-
Chinese Renminbi	162	2,131	-	-
	<u>14,826</u>	<u>10,067</u>	<u>-</u>	<u>-</u>

19 Other Current Assets

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Receivable from:				
Holding company (Note 40)	-	1	-	1
Subsidiaries (a)	-	-	535,881	648,828
Related parties (b) (Note 41(a))	45	49	-	-
Third parties	4,704	411	-	-
Interest receivable from:				
Associated companies	56	62	-	-
Related parties (Note 41(a))	-	165	-	-
	<u>4,805</u>	<u>688</u>	<u>535,881</u>	<u>648,829</u>
Prepayments	18,389	19,501	13	19
Purchase advances	30,186	17,079	-	-
Deposits	387	488	43	133
Recoverables	-	135	-	-
Others - net (b)	583	593	-	33
	<u>54,350</u>	<u>38,484</u>	<u>535,937</u>	<u>649,014</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

19 Other Current Assets (cont'd)

Other current assets are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Indonesian Rupiah	51,758	32,926	-	-
Singapore Dollar	1,305	1,578	56	172
Chinese Renminbi	634	3,341	-	-
Malaysian Ringgit	544	426	-	-
United States Dollar	53	151	535,881	648,842
Others	56	62	-	-
	<u>54,350</u>	<u>38,484</u>	<u>535,937</u>	<u>649,014</u>

(a) The unsecured amount receivable from subsidiaries includes \$479,123,000 (2009: \$449,155,000) which bears interest at a rate of 3% (2009: 2.3% to 3.5%) per annum and are repayable on demand.

(b) These balances are shown net of allowances for impairment on receivables. Movements in allowance for impairment are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
At the beginning of the year	31,683	31,674	-	-
Impairment loss included as general and administrative expenses during the year	-	30	-	-
Arising from divestment of FIH group	(789)	-	-	-
Currency realignment	(83)	(21)	-	-
At the end of the year	<u>30,811</u>	<u>31,683</u>	<u>-</u>	<u>-</u>

20 Properties Held for Sale

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Properties held for sale	<u>426,693</u>	<u>466,749</u>	<u>-</u>	<u>-</u>

Properties held for sale of the Group amounting to \$1,240,000 (2009: \$3,575,000) have been pledged to certain banks to secure credit facilities for the subsidiaries (Notes 32 and 37).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

21 Subsidiaries

	<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Unquoted equity shares:		
At cost	462,036	462,036
At valuation	811,891	1,025,718
	<u>1,273,927</u>	<u>1,487,754</u>
Loans receivable	252,141	218,105
	<u>1,526,068</u>	<u>1,705,859</u>
Less: Impairment loss	<u>(100,000)</u>	<u>(199,900)</u>
	<u>1,426,068</u>	<u>1,505,959</u>

In the opinion of the directors, the recoverable amount of the investment in unquoted equity shares is not less than the net carrying amount of the investment, on the basis that the fair value of certain subsidiaries which is determined by the current market value of non-financial assets held by the subsidiaries is not less than the net carrying amount. Particulars of the subsidiaries are disclosed in Note 46 to the financial statements. The loans receivable from subsidiaries are unsecured, interest-free and not expected to be repaid within the next 12 months.

22 Associated Companies

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Quoted equity shares:				
At cost	2,208	2,208	-	-
At valuation	62,045	62,045	-	-
Unquoted equity shares:				
At cost	473,930	468,992	-	-
At valuation	14,330	14,330	-	-
	<u>552,513</u>	<u>547,575</u>	<u>-</u>	<u>-</u>
Currency realignment	(112,339)	(100,808)	-	-
Capital reserve on acquisition	(12,636)	(29,248)	-	-
Share of post-acquisition accumulated profit, net of dividend received	17,097	3,162	-	-
	<u>444,635</u>	<u>420,681</u>	<u>-</u>	<u>-</u>
Market value:				
Quoted equity shares	<u>174,277</u>	<u>234,579</u>	<u>-</u>	<u>-</u>

Particulars of the associated companies are disclosed in Note 47 to the financial statements. Summarised financial information in respect of the Group's associated companies is set out below:

	<u>2010</u> S\$'000	<u>2009</u> S\$'000
<u>Assets and liabilities</u>		
Total assets	2,073,586	2,114,076
Total liabilities	(945,439)	(1,075,101)
Net assets	<u>1,128,147</u>	<u>1,038,975</u>
Revenue	<u>243,279</u>	<u>129,021</u>
Profit for the year	<u>99,442</u>	<u>20,560</u>

As at 31 December 2010, the accumulated losses not recognised for an associated company amounted to IDR7,045,000,000 (equivalent to \$1,050,000) [2009: IDR7,703,000,000 (equivalent to \$1,094,000)] as such losses are in excess of the Group's interest in that associated company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

23 Joint Ventures

The details of the Group's joint ventures are as follows:

<u>Name of company and country of incorporation</u>	<u>Principal activities</u>	<u>Effective interest held by the Group</u>	
		<u>2010</u> %	<u>2009</u> %
Badan Kerja Sama, Pasar Pagi – ITC Mangga Dua Indonesia (a)	Manage and operate shopping centre	17.02	28.78
BKS Binamaju Multikarsa Indonesia (b)	Housing development	41.97	34.80

- (a) Badan Kerja Sama, Pasar Pagi – ITC Mangga Dua is a jointly controlled operation set up by PT Duta Pertiwi Tbk, a subsidiary, with a third party to jointly manage and operate a shopping centre.
- (b) BKS Binamaju Multikarsa is a jointly controlled operation set up by PT Binamaju Mitra Sejati, a subsidiary, with a third party to jointly develop a piece of land with a total area of 364,692 square metres.

The Group's share of assets, liabilities and results of the joint ventures included in the financial statements are as follows:

	<u>2010</u> S\$'000	<u>2009</u> S\$'000
<u>Current Assets</u>		
Cash and cash equivalents	3,315	1,263
Trade and other receivables	641	376
Properties held for sale	3,733	3,282
	<u>7,689</u>	<u>4,921</u>
<u>Non-Current Assets</u>		
Properties under development for sale	1,752	1,101
Property, plant and equipment	1,905	2,141
	<u>3,657</u>	<u>3,242</u>
Total Assets	<u>11,346</u>	<u>8,163</u>
<u>Current Liabilities</u>		
Trade and other payables	<u>(4,728)</u>	<u>(3,737)</u>
Total Liabilities	<u>(4,728)</u>	<u>(3,737)</u>
Share of profit from joint venture operations	<u>1,079</u>	<u>321</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

24 Long-Term Investments

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Available-for-sale financial assets:				
Unquoted investments, at cost	9	9	-	-
Unquoted equity shares, at cost	4,292	5,908	-	-
	4,301	5,917	-	-
Quoted bonds in a related party (Note 41(a))	7,675	7,587	-	-
	<u>11,976</u>	<u>13,504</u>	<u>-</u>	<u>-</u>

The available-for-sale financial assets are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Indonesian Rupiah	10,720	11,949	-	-
United States Dollar	1,247	1,360	-	-
Singapore Dollar	9	9	-	-
Chinese Renminbi	-	186	-	-
	<u>11,976</u>	<u>13,504</u>	<u>-</u>	<u>-</u>

25 Properties Under Development for Sale

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Properties under development:				
Land cost	13,547	9,094	-	-
Development cost incurred to-date	47,127	25,544	-	-
	60,674	34,638	-	-
Land held for development	607,473	620,046	-	-
	<u>668,147</u>	<u>654,684</u>	<u>-</u>	<u>-</u>

Properties under development for sale include the following items capitalised as at the end of the year:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation charge	4	4	-	-
Interest expense	109,814	117,657	-	-

Properties under development for sale of the Group amounting to \$57,876,000 (2009: \$63,283,000) have been pledged as security for bonds issued by subsidiaries and bank credit facilities granted to the subsidiaries (Notes 32, 35 and 37).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

26 Investment Properties

	Group		Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At the beginning of the year	256,902	671,153	-	-
Additions	2,825	702	-	-
Disposals	(290)	(1,880)	-	-
Represent as assets held by BCI group	-	(423,803)	-	-
Arising from divestment of FIH group	(3,714)	-	-	-
Reversal of impairment loss arising from FIH group	2,453	-	-	-
Transfer from property, plant and equipment	4,163	-	-	-
Currency realignment	(10,554)	10,730	-	-
At the end of the year	<u>251,785</u>	<u>256,902</u>	<u>-</u>	<u>-</u>
Accumulated depreciation:				
At the beginning of the year	77,914	161,333	-	-
Depreciation	12,591	21,006	-	-
Disposals	(92)	(427)	-	-
Represent as assets held by BCI group	-	(107,363)	-	-
Arising from divestment of FIH group	(1,648)	-	-	-
Transfer from property, plant and equipment	759	-	-	-
Currency realignment	(9,409)	3,365	-	-
At the end of the year	<u>80,115</u>	<u>77,914</u>	<u>-</u>	<u>-</u>
Net Carrying Amount	<u>171,670</u>	<u>178,988</u>	<u>-</u>	<u>-</u>

As at 31 December 2010, certain investment properties with a net carrying amount totalling \$68,403,000 (2009: \$72,742,000) were pledged to certain banks to secure credit facilities for the subsidiaries (Notes 32 and 37). As at 31 December 2010, the fair value of the Group's investment properties, determined based on a combination of desktop and external valuation, is approximately \$427,000,000 (2009: \$413,000,000).

Investment properties are held mainly for use by tenants under operating leases. The following amounts are recognised in the Group's income statement:

	Group	
	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000
Rental income	48,177	45,011
Direct operating expenses arising from investment properties that generated rental income	12,764	13,532
Property tax and other operating expenses arising from an investment property that did not generate rental income	<u>1,326</u>	<u>1,019</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

27 Property, Plant and Equipment

Group	Freehold land S\$'000	Freehold buildings S\$'000	Leasehold land and buildings S\$'000	Plant, machinery and equipment S\$'000	Motor vehicles, furniture and fixtures S\$'000	Construction in progress S\$'000	Total S\$'000
Cost:							
At 1.1.2010	40,761	83,418	125,527	51,395	62,524	1,757	365,382
Additions	-	5	628	743	5,282	1,776	8,434
Disposals	-	(18)	(5,924)	(16)	(2,131)	-	(8,089)
Reclassification	(457)	172	-	7,335	(117)	(6,933)	-
Arising from acquisition of a subsidiary (Note 44)	-	-	-	-	2	134	136
Arising from divestment of FIH group	-	-	(66,709)	(67,962)	(8,281)	(773)	(143,725)
Reversal of impairment loss arising from FIH group	-	-	53,062	23,473	940	6,482	83,957
Transfer to investment properties	-	-	(4,163)	-	-	-	(4,163)
Write off	-	-	-	(183)	(601)	-	(784)
Currency realignment	(510)	(4,484)	(8,073)	(3,096)	(2,626)	(64)	(18,853)
At 31.12.2010	<u>39,794</u>	<u>79,093</u>	<u>94,348</u>	<u>11,689</u>	<u>54,992</u>	<u>2,379</u>	<u>282,295</u>
Accumulated depreciation:							
At 1.1.2010	-	33,388	74,678	46,409	46,316	-	200,791
Depreciation	-	3,806	7,989	3,141	5,232	-	20,168
Disposals	-	(12)	(1,436)	(16)	(2,053)	-	(3,517)
Reclassification	-	-	(15)	(371)	386	-	-
Arising from divestment of FIH group	-	-	(21,015)	(36,140)	(5,720)	-	(62,875)
Transfer to investment properties	-	-	(759)	-	-	-	(759)
Write off	-	-	-	(179)	(599)	-	(778)
Currency realignment	-	(2,037)	(8,722)	(2,455)	(2,276)	-	(15,490)
At 31.12.2010	<u>-</u>	<u>35,145</u>	<u>50,720</u>	<u>10,389</u>	<u>41,286</u>	<u>-</u>	<u>137,540</u>
Net book value:							
At 31.12.2010	<u>39,794</u>	<u>43,948</u>	<u>43,628</u>	<u>1,300</u>	<u>13,706</u>	<u>2,379</u>	<u>144,755</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

27 Property, Plant and Equipment (cont'd)

Group	Freehold land S\$'000	Freehold buildings S\$'000	Leasehold land and buildings S\$'000	Plant, machinery and equipment S\$'000	Motor vehicles, furniture and fixtures S\$'000	Construction in progress S\$'000	Total S\$'000
Cost:							
At 1.1.2009	45,978	103,390	355,767	73,342	67,963	2,690	649,130
Additions	-	5,991	5,994	4,297	3,337	1,388	21,007
Disposals	-	-	(5)	(6,047)	(1,088)	-	(7,140)
Reclassification	-	(16)	60	545	106	(695)	-
Represent as assets held by BCI group	(6,996)	(27,000)	(242,800)	(14,238)	(11,838)	(756)	(303,628)
Transfer to properties under development for sale	-	-	(2,570)	(2,668)	-	-	(5,238)
Write off	-	(5,643)	(3,312)	(80)	(107)	-	(9,142)
Currency realignment	1,779	6,696	12,393	(3,756)	4,151	(870)	20,393
At 31.12.2009	40,761	83,418	125,527	51,395	62,524	1,757	365,382
Accumulated depreciation:							
At 1.1.2009	-	31,776	83,273	55,746	46,936	-	217,731
Depreciation	-	3,602	16,368	4,838	5,929	-	30,737
Disposals	-	-	-	(6,206)	(817)	-	(7,023)
Reclassification	-	109	(3)	(70)	(36)	-	-
Represent as assets held by BCI group	-	-	(40,216)	(7,078)	(8,481)	-	(55,775)
Transfer to properties under development for sale	-	-	(367)	(71)	-	-	(438)
Write off	-	(5,643)	(3,312)	(79)	(98)	-	(9,132)
Currency realignment	-	3,544	18,935	(671)	2,883	-	24,691
At 31.12.2009	-	33,388	74,678	46,409	46,316	-	200,791
Net book value:							
At 31.12.2009	40,761	50,030	50,849	4,986	16,208	1,757	164,591

The property, plant and equipment of the Group with a net book value of \$73,570,000 (2009: \$94,103,000) have been pledged as security for bonds issued by a subsidiary and for credit facilities granted to the subsidiaries (Notes 32, 35 and 37).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

27 Property, Plant and Equipment (cont'd)

<u>Company</u>	<u>Leasehold improvements</u> S\$'000	<u>Plant and equipment</u> S\$'000	<u>Motor vehicles, furniture and fixtures</u> S\$'000	<u>Total</u> S\$'000
Cost:				
At 1 January 2010	209	607	1,870	2,686
Write off	(65)	(139)	(249)	(453)
At 31 December 2010	144	468	1,621	2,233
Accumulated depreciation:				
At 1 January 2010	209	587	1,370	2,166
Depreciation	-	8	243	251
Write off	(65)	(139)	(249)	(453)
At 31 December 2010	144	456	1,364	1,964
Net book value:				
At 31 December 2010	-	12	257	269
Cost:				
At 1 January 2009	209	612	1,977	2,798
Additions	-	3	-	3
Disposals	-	(8)	(107)	(115)
At 31 December 2009	209	607	1,870	2,686
Accumulated depreciation:				
At 1 January 2009	209	583	1,202	1,994
Depreciation	-	12	275	287
Disposals	-	(8)	(107)	(115)
At 31 December 2009	209	587	1,370	2,166
Net book value:				
At 31 December 2009	-	20	500	520

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

28 Long-Term Receivables

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Loan receivable from:				
Associated companies (a)	204,342	195,504	-	-
Related parties (b) (Note 41(a))	-	6,704	-	-
	<u>204,342</u>	<u>202,208</u>	<u>-</u>	<u>-</u>

(a) The unsecured amounts receivable from associated companies bear interest at 0.6% (2009: 0.6%) per annum.

(b) As at 31 December 2009, the unsecured amounts receivable from related parties incurred interest ranging from 2.4% to 4.5% per annum. This receivable was fully repaid during the financial year 2010.

The long-term receivables are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Japanese Yen	204,342	195,504	-	-
United States Dollar	-	6,704	-	-
	<u>204,342</u>	<u>202,208</u>	<u>-</u>	<u>-</u>

29 Deferred Charges

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At the beginning of the year	273	1,869	-	-
Currency realignment	(9)	(41)	-	-
Represent as assets held by BCI group	-	(1,709)	-	-
Additions	95	154	-	-
At the end of the year	<u>359</u>	<u>273</u>	<u>-</u>	<u>-</u>
Accumulated amortisation:				
At the beginning of the year	122	1,037	-	-
Currency realignment	(15)	(21)	-	-
Represent as assets held by BCI group	-	(931)	-	-
Amortisation during the year	76	37	-	-
At the end of the year	<u>183</u>	<u>122</u>	<u>-</u>	<u>-</u>
Net carrying amount	<u>176</u>	<u>151</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

30 Deferred Tax Assets

<u>Group</u>	<u>Accelerated tax depreciation</u> S\$'000	<u>Retirement benefit obligations</u> S\$'000	<u>Unutilised tax losses/ capital allowance</u> S\$'000	<u>Others/ Valuation allowance</u> S\$'000	<u>Total</u> S\$'000
<u>Deferred tax assets/(liabilities)</u>					
At 1 January 2010	(57)	165	1,637	3,667	5,412
Credited to income statement for core business	15	27	-	69	111
Arising from divestment of FIH group	-	-	(1,565)	(3,369)	(4,934)
Currency realignment	3	(13)	(72)	(164)	(246)
At 31 December 2010	(39)	179	-	203	343
At 1 January 2009	(85)	112	2,153	2,271	4,451
Credited to income statement for core business	32	34	-	177	243
Credited to results of FIH group	-	-	(480)	1,318	838
Credited to results of BCI group	-	-	6,823	-	6,823
Represent as assets held by BCI group	-	-	(6,823)	-	(6,823)
Currency realignment	(4)	19	(36)	(99)	(120)
At 31 December 2009	(57)	165	1,637	3,667	5,412

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on different entities which intend to settle on a net basis, or realise the assets and liabilities simultaneously in the future.

Realisation of deferred tax assets is dependent on the generation of sufficient taxable income prior to expiration of the tax losses carry-forward. Although realisation is not assured, the directors of the Company believe it is more likely than not that the deferred tax assets, net of the valuation allowance, will be realised. The amount of the deferred tax assets considered realisable could be reduced or increased if estimates of future taxable income during the carry-forward period are reduced or increased.

31 Goodwill

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
At the beginning and end of the year	<u>1,784</u>	<u>1,784</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

32 Short-Term Borrowings

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Secured short-term bank borrowings denominated in:				
Indonesian Rupiah	2,100	37,500	-	-
Chinese Renminbi	-	18,982	-	-
	<u>2,100</u>	<u>56,482</u>	<u>-</u>	<u>-</u>
Current portion of long-term borrowings (Note 37)	63,415	2,152	-	-
	<u>65,515</u>	<u>58,634</u>	<u>-</u>	<u>-</u>

The rates of interest per annum for the above short-term borrowings are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> %	<u>2009</u> %	<u>2010</u> %	<u>2009</u> %
Indonesian Rupiah	9.5	14.0	-	-
Chinese Renminbi	<u>-</u>	<u>2.3 – 5.8</u>	<u>-</u>	<u>-</u>

- (a) The bank loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice of default by the lenders. In addition, certain loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of the outstanding loan balances. As at the end of the financial year, there is no breach of loan covenants.
- (b) Short-term borrowings have a maturity period of 11 months (2009: 2 to 12 months) from the end of the financial year.
- (c) Certain of the Group's properties held for sale and property, plant and equipment have been pledged to banks to obtain the above secured short-term borrowings (Notes 20 and 27).

33 Trade Payables

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Trade payable to:				
Third parties	19,629	33,591	-	-
Related parties (Note 41(a))	-	34	-	-
	<u>19,629</u>	<u>33,625</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

33 Trade Payables (cont'd)

Trade payables are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Indonesian Rupiah	11,255	6,896	-	-
Chinese Renminbi	5,115	23,112	-	-
Singapore Dollar	2,045	2,308	-	-
Malaysian Ringgit	1,214	1,309	-	-
	<u>19,629</u>	<u>33,625</u>	<u>-</u>	<u>-</u>

34 Other Payables

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Payables to:				
Third parties	9,551	19,493	-	-
Related parties (a) (Note 41(a))	23	41,994	23	113
Subsidiaries (b)	-	-	69,655	10,101
Interest payable	2,285	5,719	-	-
Other taxes payable	4,575	4,703	-	-
	<u>16,434</u>	<u>71,909</u>	<u>69,678</u>	<u>10,214</u>
Advances and deposits received on:				
Development properties	192,122	140,784	-	-
Rental	2,902	11,537	-	-
Provision for claims and liabilities for project expenses	28,217	33,769	-	-
Accruals	12,070	20,667	524	681
Deferred income	8,164	4,603	-	-
Retirement benefit obligations	1,146	537	-	-
Others	3,033	4,581	102	59
	<u>264,088</u>	<u>288,387</u>	<u>70,304</u>	<u>10,954</u>

Other payables are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Indonesian Rupiah	237,947	198,843	-	-
Chinese Renminbi	16,227	34,784	-	-
Singapore Dollar	4,621	6,111	649	852
United States Dollar	2,918	46,206	67,026	10,102
Malaysian Ringgit	2,372	2,442	-	-
Others	3	1	2,629	-
	<u>264,088</u>	<u>288,387</u>	<u>70,304</u>	<u>10,954</u>

(a) The amounts payable to related parties are unsecured, interest-free and repayable on demand. As at 31 December 2009, the amounts payable to related parties included \$22,318,000 which incurred interest at the rate of 3.1% - 4.5% per annum. This amount was fully repaid during the financial year 2010.

(b) The amounts payable to subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

35 Bonds Payables

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
<u>Interest-bearing Bonds:</u>				
<u>Secured:</u>				
PT Duta Pertiwi Tbk				
Bonds V due 2012 (a)	70,000	75,000	-	-
PT Bumi Serpong Damai Tbk				
Bonds due 2011 (b)	84,000	90,000	-	-
<u>Unsecured:</u>				
PT Paraga Artamida				
Bonds due 2011 (c)	-	3,525	-	-
PT Sinarwisata Lestari				
Bonds due 2012 (d)	-	6,150	-	-
PT Sinarwisata Permai				
Bonds due 2013 (e)	-	1,725	-	-
PT Sinarwisata Permai				
Bonds due 2014 (f)	-	225	-	-
<u>Unsecured Zero Percent Convertible Bonds:</u>				
PT Paraga Artamida				
Bonds due 2013 (g)	31,318	33,555	-	-
Less: Unamortised discount	(6,969)	(10,454)	-	-
	24,349	23,101	-	-
PT Putra Alvita Pratama				
Bonds due 2014(h)	8,135	8,716	-	-
Less: Unamortised discount	(2,936)	(3,933)	-	-
	5,199	4,783	-	-
PT Paraga Artamida				
Bonds due 2015/2010 (i)	7,980	8,550	-	-
Less: Unamortised discount	(3,078)	(267)	-	-
	4,902	8,283	-	-
PT Binamaju Mitra Sejati				
Bonds due 2013 (j)	7,700	9,750	-	-
Less: Unamortised discount	(1,428)	(2,676)	-	-
	6,272	7,074	-	-
PT Putra Alvita Pratama				
Bonds due 2014 (k)	1,301	1,394	-	-
Less: Unamortised discount	(406)	(569)	-	-
	895	825	-	-
	195,617	220,691	-	-
Less: Deferred bond charges	(708)	(1,462)	-	-
	194,909	219,229	-	-
Less: Current portion	(83,712)	(8,283)	-	-
Non-current portion	111,197	210,946	-	-

As at end of the financial year, there is no breach of bond covenants.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

35 Bonds Payables (cont'd)

Movements in unamortised discount on bonds are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
At the beginning of the year	17,899	16,593	-	-
Additions	3,805	4,603	-	-
Repayment	(623)	(334)	-	-
Amortisation during the year	(5,126)	(5,220)	-	-
Currency realignment	(1,138)	2,257	-	-
At the end of the year	<u>14,817</u>	<u>17,899</u>	<u>-</u>	<u>-</u>

Movements in deferred bond charges are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
At the beginning of the year	1,462	1,880	-	-
Amortisation during the year	(699)	(669)	-	-
Currency realignment	(55)	251	-	-
At the end of the year	<u>708</u>	<u>1,462</u>	<u>-</u>	<u>-</u>

- (a) In July 2007, PT Duta Pertiwi Tbk issued bonds amounting to IDR500,000 million (equivalent to \$70.0 million) which are listed on the Indonesia Stock Exchange. The bonds are redeemable at par in July 2012. Interest on the bonds accrues at a fixed rate of 12.85% per annum and is payable on a quarterly basis. The bonds are secured by property and equipment which consists of land under development for sale and land and building of subsidiaries (Notes 25 and 27).

- (b) In October 2006, PT Bumi Serpong Damai Tbk ("BSD") issued bonds amounting to IDR600,000 million (equivalent to \$84.0 million) which are listed on the Indonesia Stock Exchange. The bonds are due in October 2011. Interest on the bonds accrues at a fixed rate of 15% per annum and is payable on a quarterly basis. The bonds are secured by land under development for sale and proceeds from sale of development properties of the subsidiary (Note 25).

BSD is required to establish a sinking fund on the bonds' interest equivalent to 100% of the total interest on bonds and to transfer at least 30 days before the bond interest payment date. As at 31 December 2010 and 2009, the sinking fund on the bonds' interest amounted to IDR22,500 million (equivalent to \$3.2 million).

- (c) In December 2006, a subsidiary, PT Paraga Artamida ("PAM"), issued bonds due December 2011 amounting to US\$5 million (equivalent to \$6.3 million). Interest on the bonds accrues at a fixed rate of 5.5% per annum and is payable on a quarterly basis. As at 31 December 2009, the outstanding bonds amounted to US\$2.5 million (equivalent to \$3.5 million). These outstanding bonds were fully redeemed during the financial year 2010.
- (d) In March to June 2007, a subsidiary, PT Sinarwisata Lestari ("SWL"), issued bonds due 2012 amounting to IDR57,000 million (equivalent to \$8.0 million). Interest on the bonds accrues at a fixed rate of 14% per annum and is payable on a quarterly basis.

As at 31 December 2009, the outstanding bonds amounted to IDR41,000 million (equivalent to \$6.1 million). These outstanding bonds were fully redeemed during the financial year 2010.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

35 Bonds Payables (cont'd)

- (e) In March to July 2008, a subsidiary, PT Sinarwisata Permai ("SWP") issued bonds due 2013 amounting to IDR11,500 million (equivalent to \$1.6 million). Interest on the bonds accrues at a fixed rate of 14% per annum and is payable on a quarterly basis. As at 31 December 2009, the outstanding bonds amounted to IDR11,500 million (equivalent to \$1.7 million). These outstanding bonds were fully redeemed during the financial year 2010.

- (f) In September 2009, SWP issued bonds due 2014 amounting to IDR1,500 million (equivalent to \$0.2 million). Interest on the bonds accrues at a fixed rate of 14% per annum and is payable on a quarterly basis. During the financial year 2010, the outstanding bonds were fully redeemed.

- (g) In June 1998, PAM issued Zero Percent Convertible Bonds due 2003 amounting to US\$138.5 million to its shareholders or their assignees. In January 2002, the unredeemed bonds of US\$137.6 million were converted into IDR1,431,441 million. The bonds were renewed for another 5 years from June 2003 to June 2008 in 2003 and were further renewed for another 5 years from June 2008 to June 2013 in 2008. The renewed bonds are convertible at the option of the bondholders from 54 months after the date of the renewal to 10 business days prior to the fifth anniversary of the date of the renewal into new ordinary shares of PAM at an exercise price based on 70% of the net tangible asset value of PAM at the exercise date. As at 31 December 2010, the bonds held by other subsidiaries in the Group and related parties amounted to IDR1,207,737 million (equivalent to \$169.1 million) [2009: IDR1,207,737 million (equivalent to \$181.2 million)] and IDR223,704 million (equivalent to \$31.3 million) [2009: IDR223,704 million (equivalent to \$33.6 million)] respectively. As at 31 December 2010 and 2009, the bondholders have not exercised the convertible options.

- (h) In December 2004, a subsidiary, PT Putra Alvita Pratama ("PAP") issued 5-year Zero Percent Convertible Bonds due December 2009, amounting to IDR58,105 million (equivalent to \$8.1 million). The bonds were renewed for another 5 years from December 2009 to December 2014. The renewed bonds are unsecured, convertible at the option of the bondholders from 54 months after the date of renewal to 10 business days prior to the fifth anniversary of the date of renewal at an exercise price based on 70% of the net tangible asset value of the subsidiary at the exercise date. As at 31 December 2010 and 2009, the bondholders have not exercised the convertible options.

- (i) In May 2005, PAM issued Zero Percent Convertible Bond due May 2010 amounting to IDR57,000 million (equivalent to \$8.0 million) to a related party. The bonds were renewed for another 5 years from May 2010 to May 2015. The renewed bond is convertible at the option of the bondholders from 54 months after the date of the renewal to 10 business days prior to the fifth anniversary of the date of the renewal into new ordinary shares of PAM at an exercise price based on 70% of the net tangible asset value of PAM at the exercise date. As at 31 December 2010 and 2009, the bondholders have not exercised the convertible options.

- (j) In January 2008, PT Binamaju Mitra Sejati ("BMS"), issued a 5-year Zero Percent Convertible Bond due January 2013 (the "BMS Bond") amounting to IDR90,000 million (equivalent to \$12.6 million). The BMS Bond is convertible at the option of the bondholder from 54 months after the issuance date to 10 business days prior to the fifth anniversary of the issuance date into new ordinary shares of BMS at an exercise price based on 70% of the net tangible asset value of BMS at the exercise date. As at 31 December 2010, the outstanding BMS bond amounted to IDR55,000 million (equivalent to \$7.7 million) and the bondholders have not exercised the convertible options.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

35 Bonds Payables (cont'd)

- (k) In April 2009, PAP issued a 5-year Zero Percent Convertible Bond due April 2014 amounting to IDR9,296 million (equivalent to \$1.3 million). The bond is convertible at the option of the bondholders from 54 months after the issuance date to 10 business days prior to the fifth anniversary of the issuance date at an exercise price based on 70% of the net tangible asset value of PAP at the exercise date. As at 31 December 2010, the bondholders have not exercised the convertible options.

36 Obligations Under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Amounts payable under finance leases:				
Within one year	154	156	124	126
Between one year to five years	451	537	360	431
After five years	38	106	30	83
	<u>643</u>	<u>799</u>	<u>514</u>	<u>640</u>
Less: Future finance charges	<u>(129)</u>	<u>(159)</u>	<u>-</u>	<u>-</u>
Present value of lease obligations	<u>514</u>	<u>640</u>	<u>514</u>	<u>640</u>
Less: Amount due for settlement within 12 months			<u>(124)</u>	<u>(126)</u>
Amount due for settlement after 12 months			<u>390</u>	<u>514</u>
Net book value of assets under finance leases			<u>304</u>	<u>555</u>
Interest rate per annum for finance leases			<u>2.2% - 3.5%</u>	<u>2.2% - 3.5%</u>
Company				
Amounts payable under finance leases:				
Within one year	147	149	118	120
Between one year to five years	426	509	339	407
After five years	38	102	30	80
	<u>611</u>	<u>760</u>	<u>487</u>	<u>607</u>
Less: Future finance charges	<u>(124)</u>	<u>(153)</u>	<u>-</u>	<u>-</u>
Present value of lease obligations	<u>487</u>	<u>607</u>	<u>487</u>	<u>607</u>
Less: Amount due for settlement within 12 months			<u>(118)</u>	<u>(120)</u>
Amount due for settlement after 12 months			<u>369</u>	<u>487</u>
Net book value of assets under finance leases			<u>257</u>	<u>500</u>
Interest rate per annum for finance leases			<u>2.2% - 3.5%</u>	<u>2.2% - 3.5%</u>

The obligations under finance leases of the Company and the Group are secured by the lessor's charge over the leased assets. The obligations under finance leases are denominated in Singapore dollar.

37 Long-Term Borrowings

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Secured borrowings	118,417	131,530	-	-
Unsecured borrowings	-	128,899	-	-
	<u>118,417</u>	<u>260,429</u>	<u>-</u>	<u>-</u>
Less: Current portion (Note 32)	<u>(63,415)</u>	<u>(2,152)</u>	<u>-</u>	<u>-</u>
	55,002	258,277	-	-

Long-term borrowings are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>
	2010 S\$'000	2009 S\$'000	2010 S\$'000
			2009 S\$'000
Singapore Dollar	63,415	75,478	-
Malaysian Ringgit	55,002	59,709	-
United States Dollar	-	123,182	-
Chinese Renminbi	-	2,060	-
	<u>118,417</u>	<u>260,429</u>	<u>-</u>

The rates of interest per annum for the above borrowings are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	%	%	%	%
Singapore Dollar	1.8 – 2.6	1.9 – 5.0	-	-
Malaysian Ringgit	5.5 – 6.3	5.5 – 10.0	-	-
United States Dollar	-	7.0 – 10.0	-	-
Chinese Renminbi	-	5.9	-	-

The scheduled maturities of the Group's borrowings as at 31 December 2010 are as follows:

<u>Year</u>	<u>Original Loan Currency</u>		<u>Singapore Dollar Equivalent</u>
Long-term borrowings:	<u>S\$'000</u>	<u>RM'000</u>	<u>\$'000</u>
2011	63,415	-	63,415
2012	-	131,900	55,002
Total	63,415	131,900	118,417
Current portion	(63,415)	-	(63,415)
Non-current portion	-	131,900	55,002

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

37 Long-Term Borrowings (cont'd)

The scheduled maturities of the Group's borrowings as at 31 December 2009 are as follows:

<u>Year</u>	<u>Original Loan Currency</u>				<u>Singapore Dollar Equivalent</u>
	<u>US\$'000</u>	<u>RMB'000</u>	<u>S\$'000</u>	<u>RM'000</u>	<u>\$'000</u>
Long-term borrowings:					
2010	-	-	180	4,813	2,152
2011	54,567	10,000	75,298	-	153,970
2012	-	-	-	131,900	54,079
2013	13,046	-	-	-	18,318
2014	20,124	-	-	8,920	31,910
Total	87,737	10,000	75,478	145,633	260,429
Current portion	-	-	(180)	(4,813)	(2,152)
Non-current portion	87,737	10,000	75,298	140,820	258,277

- (a) Certain of the Group's time deposits, properties held for sale, properties under development for sale, investment properties, property, plant and equipment have been pledged to banks to obtain the above secured borrowings (Notes 16, 20, 25, 26 and 27).
- (b) The bank loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice of default by the lenders. In addition, the bank loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of repayment of the outstanding loan balances. As at end of the financial year, there is no breach of loan covenants.

38 Long-Term Liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Advances and deposits received on development properties	156,628	134,939	-	-
Retirement benefit obligations	17,690	18,939	-	-
Security deposits	15,075	12,317	-	-
Deferred income	-	322	-	-
Others	230	268	-	-
	<u>189,623</u>	<u>166,785</u>	<u>-</u>	<u>-</u>

Long-term liabilities are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Indonesian Rupiah	184,860	161,149	-	-
United States Dollar	4,415	4,912	-	-
Singapore Dollar	348	724	-	-
	<u>189,623</u>	<u>166,785</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

39 Issued Capital

	Group and Company			
	<u>2010</u>		<u>2009</u>	
	Number of	Share	Number of	Share
	shares	Capital	shares	Capital
		S\$'000		S\$'000
Balance at beginning of the year	3,041,959,437	2,317,772	3,041,959,437	2,317,772
Capital reduction (Note 12)	-	(410,664)	-	-
Balance at end of the year	<u>3,041,959,437</u>	<u>1,907,108</u>	<u>3,041,959,437</u>	<u>2,317,772</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. All shares rank equally with regards to the Company's residual assets.

On 19 November 2010, the Company issued 1,520,978,744 warrants pursuant to a bonus issue on the basis of one warrant for every two existing ordinary shares held in the capital of the Company. Each warrant carries the right to subscribe for one new ordinary share of the Company at the exercise price of S\$0.10 each. As at 31 December 2010, the number of outstanding warrants was 1,520,978,744 and may only be exercised on the fifth (5th) anniversary of the date of issuance (i.e. 18 November 2015). Assuming all the warrants are fully exercised, the number of new ordinary shares to be issued would be 1,520,978,744.

40 Holding Company

The directors regard Flambo International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company. The controlling shareholders of the Company comprise certain members of the Widjaja family.

41 Related Party Transactions

(a) Related parties are entities (except for the holding company and associated companies) with common direct or indirect shareholders and/or directors. Parties are considered to be related (directly or indirectly) if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(b) In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between parties, were as follows:

	Group		Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
i) Interest expense to related parties	1,417	1,103	-	-
ii) Interest income from:				
Subsidiaries	-	-	12,238	17,580
Associated companies	1,240	2,985	-	-
Related parties	2,566	3,039	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

41 Related Party Transactions (cont'd)

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
iii) Sale of goods and services				
Sale of land to a related party	357	-	-	-
Management fee from a subsidiary	-	-	903	-
Rental income from:				
Associated companies	52	82	-	-
Related parties	15,089	14,255	15	26
iv) Purchase of goods and services				
Insurance premium expense to related parties	745	1,489	-	-
Purchase of agricultural products from related parties	2,854	3,629	-	-
Rental expense to:				
Subsidiaries	-	-	141	141
Related parties	243	270	243	157

(c) The remuneration of key management personnel who are also directors are as follows:

	<u>Group</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Directors' remuneration:		
Directors of the Company	4,533	4,178
Directors of subsidiaries	4,743	3,485

Included in the above remuneration are post-employment benefits of \$165,000 (2009: \$413,000).

42 Commitments

(a) Operating lease commitments - Group as lessee

At the end of the reporting period, the commitments in respect of non-cancellable operating leases for the rental of office premises and properties are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> S\$'000	<u>2009</u> S\$'000
Future minimum lease payments payable:				
Within one year	1,270	2,734	303	62
Between one year to five years	488	3,562	-	13
After five years	-	1,651	-	-
Minimum lease payments paid under operating leases	2,471	2,214	399	690

The leases have varying terms, escalation clauses and renewal rights.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

42 Commitments (cont'd)

(b) Operating lease commitments - Group as lessor

At the end of the reporting period, committed rental income in respect of operating leases for the rental of properties are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Future minimum lease receivable:				
Within one year	22,373	23,017	-	-
Between one year to five years	24,716	36,033	-	-
After five years	-	440	-	-

The leases have varying terms, escalation clauses and renewal rights.

(c) Expenditure commitments

Estimated expenditure committed but not provided for in the financial statements are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Property development	68,565	49,727	-	-
Capital expenditure	624	371	-	-

43 Financial Instruments

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables, and short-term borrowings are assumed to approximate their fair values due to their short-term maturities.

The fair values of long-term receivables and long-term interest-bearing borrowings (which include obligation under finance leases, bonds payables and bank borrowings) are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the reporting period. As at 31 December 2010 and 2009, the carrying amounts of the long-term receivables and long-term interest-bearing borrowings approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

43 Financial Instruments (cont'd)

Fair Value Hierarchy

The table below presents financial assets carried at fair value and classified by level of the following fair value measurement hierarchy:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>At 31 December 2010</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financial assets at fair value through profit or loss	1,531	-	-	1,531
Available-for-sale financial assets	7,675	-	4,301	11,976
Total	9,206	-	4,301	13,507

At 31 December 2009

Financial assets at fair value through profit or loss	1,196	-	-	1,196
Available-for-sale financial assets	7,587	-	5,917	13,504
Total	8,783	-	5,917	14,700

Movements in available-for-sale financial assets in Level 3 are as follows:

	<u>2010</u>	<u>2009</u>
	<u>S\$'000</u>	<u>S\$'000</u>
At the beginning of the year	5,917	5,375
Total foreign exchange (loss)/gain recognised in other comprehensive (loss)/income	(341)	542
Arising from divestment of FIH group	(176)	-
Transferred to interest in associated companies	(1,099)	-
At the end of the year	4,301	5,917

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

44 Business Combination

During the financial year 2010, the Group through its wholly-owned subsidiary, AFP International Capital Pte. Ltd., has subscribed for 20,000 shares of par value IDR1 million each fully paid, representing 66.67% of the enlarged share capital of PT Binasarana Muliajaya ("BSMJ"), a company established in Indonesia. Total capital subscription amounted IDR20,000 million (equivalent to \$2,912,000). The principal activity of BSMJ is the provision of management and consultancy services, with a subsidiary that is principally engaged in educational and property development.

BSMJ contributed \$27,000 to the Group's profit before income tax for the period between the date of acquisition and the end of the reporting period. If the subscription has been completed on 1 January 2010, total Group's profit before income tax for the year would have been approximately \$107.3 million.

The fair value of net assets for BSMJ is as follows:

	Before Capital Subscription S\$'000	Capital Subscription S\$'000	After Capital Subscription S\$'000
Cash and cash equivalents	1,261	3,000	4,261
Property, plant and equipment	136	-	136
Other current assets	127	-	127
Foreign currency translation reserve	-	(88)	(88)
	<u>1,524</u>	<u>2,912</u>	<u>4,436</u>
			<u>S\$'000</u>
Capital subscription in cash			2,912
Less: Cash and cash equivalents acquired			<u>(4,261)</u>
Net cash inflow on acquisition of subsidiary			<u>(1,349)</u>

45 Operating Segments Information

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies. Set out below are the Group's reportable segment:

Indonesia Property	- investment and development of commercial, industrial and residential properties and ownership and management of hotels and resorts in Indonesia.
Other Property	- investment and development of commercial and residential properties and ownership and management of hotels and resorts in Malaysia and selected mixed development in China.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

45 Operating Segments Information (cont'd)

Group	Indonesia Property S\$'000	Other Property S\$'000	Others S\$'000	Total Core Business S\$'000	Non-Core Business S\$'000	Total S\$'000
2010						
Revenue						
Total revenue	381,190	59,582	-	440,772	226,421	667,193
Inter-segment revenue	-	(141)	-	(141)	-	(141)
Revenue from external customers	381,190	59,441	-	440,631	226,421	667,052
EBITDA	173,600	7,083	(6,740)	173,943	49,365	223,308
Other Information						
Capital expenditure	9,081	374	61	9,516	1,743	11,259
Depreciation and amortisation	(13,488)	(3,853)	(549)	(17,890)	(14,945)	(32,835)
Interest income	19,087	167	18	19,272	224	19,496
Interest expenses	(28,436)	(8,520)	(2,704)	(39,660)	(2,140)	(41,800)
Exceptional item	16,612	-	-	16,612	-	16,612
Gain on disposal of: Property, plant and equipment	657	-	-	657	1,528	2,185
Investment properties	-	-	-	-	164	164
Share of results of associated companies, net of tax	14,052	-	-	14,052	-	14,052
Assets						
Segment assets	2,987,067*	264,191	1,549,998	4,801,256	-	4,801,256
Liabilities						
Segment liabilities	1,722,337	273,632	915,159	2,911,128	-	2,911,128

* Segment assets in Indonesia Property include investment in associated companies of \$444,635,000.

2009						
Revenue						
Total revenue	351,130	50,979	-	402,109	367,340	769,449
Inter-segment revenue	-	(141)	-	(141)	-	(141)
Revenue from external customers	351,130	50,838	-	401,968	367,340	769,308
EBITDA	153,334	8,691	(7,374)	154,651	107,784	262,435

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

45 Operating Segments Information (cont'd)

Group	Indonesia Property S\$'000	Other Property S\$'000	Others S\$'000	Total Core Business S\$'000	Non-Core Business S\$'000	Total S\$'000
2009 (cont'd)						
Other Information						
Capital expenditure	11,561	862	38	12,461	9,248	21,709
Depreciation and amortisation	(12,292)	(4,928)	(713)	(17,933)	(33,847)	(51,780)
Interest income	21,805	1,187	(902)	22,090	877	22,967
Interest expenses	(33,280)	(8,357)	(7,878)	(49,515)	(9,249)	(58,764)
Exceptional item	-	-	(5,138)	(5,138)	-	(5,138)
Gain on disposal of: Property, plant and equipment	137	5	35	177	12	189
Investment properties	-	-	-	-	1,023	1,023
Share of results of associated companies, net of tax	1,074	-	-	1,074	-	1,074
Assets						
Segment assets	2,738,170*	227,023	1,896,406	4,861,599	670,587	5,532,186
Liabilities						
Segment liabilities	1,746,378	193,311	1,037,791	2,977,480	429,506	3,406,986

* Segment assets in Indonesia Property include investment in associated companies of \$420,681,000.

A reconciliation of total adjusted EBITDA to total profit from core business before income tax is as follows:

	Note	2010 S\$'000	2009 S\$'000
EBITDA for reportable segments		180,683	162,025
EBITDA from non-core business		49,365	107,784
Other EBITDA		(6,740)	(7,374)
Depreciation and amortisation		(32,835)	(51,780)
Foreign exchange (loss)/gain, net		(40,213)	33,556
Interest expenses		(41,800)	(58,764)
Exceptional items, net		16,612	(5,138)
Gain on divestment of FIH group		88,491	-
Write-back of impairment loss on FIH group		122,538	-
Share of results of associated companies, net of tax		14,052	1,074
Profit before income tax		350,153	181,383
Profit before income tax from BCI group	12	(18,299)	(39,076)
Profit before income tax from FIH group	13	(224,827)	(22,345)
Profit before income tax from core business		107,027	119,962

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

45 Operating Segments Information (cont'd)

A reconciliation of total assets for reportable segments to total assets is as follows:

	2010 S\$'000	2009 S\$'000
Total assets for reportable segments	3,251,258	2,965,193
Total assets for non-core business	-	670,587
Other assets	1,549,998	1,896,406
Elimination of inter-segment receivables	(2,079,795)	(2,411,959)
Total assets	<u>2,721,461</u>	<u>3,120,227</u>

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	2010 S\$'000	2009 S\$'000
Total liabilities for reportable segments	1,995,969	1,939,689
Total liabilities from non-core business	-	429,506
Other liabilities	915,159	1,037,791
Elimination of inter-segment payables	(2,121,412)	(2,189,967)
Total liabilities	<u>789,716</u>	<u>1,217,019</u>

The Group's core property business is located in Indonesia, China, Malaysia and Singapore. The following table provides an analysis of the Group's revenue from core business by geographical market, irrespective of the origin of the goods/services.

	2010 S\$'000	2009 S\$'000
Indonesia	384,036	354,721
China	34,663	26,380
Malaysia	16,315	16,500
Singapore	5,617	4,367
Revenue from core business	<u>440,631</u>	<u>401,968</u>

The following tables present analysis of the carrying amount of non-current assets and capital expenditure, analysed by the geographical area in which the assets are located:

	2010 S\$'000	2009 S\$'000
Indonesia	824,027	842,419
China	42,849	21,435
Singapore and others	119,656	136,344
Non-current assets held by core business	986,532	1,000,198
Non-current assets held by BCI group	-	565,071
Total non-current assets	<u>986,532</u>	<u>1,565,269</u>

	2010 S\$'000	2009 S\$'000
Indonesia	9,172	11,693
China	60	35
Singapore and others	284	733
Total capital expenditure incurred by core business	<u>9,516</u>	<u>12,461</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries

The details of the subsidiaries are as follows:

<u>Name of company and country of incorporation</u>	<u>Principal activities</u>	<u>The Company Cost of investment</u>		<u>Effective percentage of equity held by the Group</u>	
		<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> %	<u>2009</u> %
AFP International Finance Ltd (1) Mauritius	Provision of management and consultancy services	-*	-*	100.00	100.00
AFP International Finance (2) Ltd (1) Mauritius	Treasury management	-*	-*	100.00	100.00
AFP International Finance (3) Ltd (2) British Virgin Islands	Investment holding	14	14	100.00	100.00
Asia Management Services Ltd (1) Mauritius	Provision of management and consultancy services	-*	-*	100.00	100.00
Alluvium Finance B.V. (2) The Netherlands	Treasury management	4,354	4,354	100.00	100.00
Ever Forward Asia Limited Hong Kong (1)	Dormant	-*	-*	100.00	100.00
<u>Indonesia Property Division</u>					
ACF Finance Ltd (2) British Virgin Islands	Treasury management	-	-	100.00	100.00
ACF Solutions Holding Ltd (1) Mauritius	Investment holding	-	-	100.00	100.00
AFP International Capital Pte. Ltd. Singapore	Investment holding	-*	-*	100.00	100.00
Jermina Limited (5h) Hong Kong	Investment holding	-	-	100.00	100.00
Linsville Limited (2) Cayman Islands	Investment holding	-	-	100.00	100.00
PT Aneka Karya Amarta (1) Indonesia	Real estate development	-	-	84.37	84.37
PT Bhineka Karya Pratama (1) Indonesia	Investment holding	-	-	72.12	72.12
PT Binamaju Grahamitra (1) Indonesia	Property development	-	-	84.35	84.35

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment		Effective percentage of equity held by the Group	
		2010 S\$'000	2009 S\$'000	2010 %	2009 %
PT Binamaju Mitra Sejati ("BMS") (1) Indonesia	Property development	-	-	55.96 ^{7,9}	46.39 ⁶
PT Binasarana Muliajaya ("BSMJ") (4),(Note 44) Indonesia	Provision of management and consultancy services	-	-	66.67	-
PT Bumi Serpong Damai Tbk ("BSD") (1) Indonesia	Construction and development of houses and buildings	-	-	49.87 ^{6,8,9}	42.82 ⁶
PT Duta Pertiwi Tbk ("DUTI") (1) Indonesia	Property development, general trading and investment holding	-	-	42.54 ^{6,9}	71.96
PT Duta Semesta Mas (1) Indonesia	Real estate development	-	-	42.54 ^{6,9}	71.96
PT Duta Virtual Dotkom (4) Indonesia	E-commerce	-	-	41.99 ^{6,9}	71.02
PT Ekacentra Usahamaju ("ECUM") (1) Indonesia	Investment holding	-	-	84.36	84.36
PT Indowisata Makmur (1) Indonesia	Property development	-	-	84.42	84.42
PT Inti Tekno Sukses Bersama (4),(Note 44) Indonesia	Educational and property development	-	-	66.67	-
PT Karawang Bukit Golf (1) Indonesia	Residential estate and country club and golf club development	47,995	47,995	98.12	98.12
PT Karawang Tatabina Industrial Estate ("KTIE") (1) Indonesia	Industrial estate development	41,708	39,036	48.77 ¹⁰	46.14
PT Kembangan Permai Development (5a) Indonesia	Real estate development	-	-	34.03 ^{6,9}	57.57
PT Kurnia Subur Permai (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Masagi Propertindo (1) Indonesia	Property development	-	-	84.14	84.14

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment		Effective percentage of equity held by the Group	
		<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> %	<u>2009</u> %
PT Metropolitan Transcities Indonesia (1) Indonesia	Real estate development	-	-	84.37	84.37
PT Misaya Properindo (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Mitrakarya Multiguna (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Mustika Karya Sejati (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Pangeran Plaza Utama (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Paraga Artamida ("PAM") (1) Indonesia	Investment holding and provision of consultancy services	720,727	720,727	84.37	84.37
PT Perwita Margasakti (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Prestasi Mahkota Utama (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Putra Alvita Pratama (5f) Indonesia	Property development	-	-	22.77 ^{6,9}	38.51 ⁶
PT Royal Oriental (1) Indonesia	Property development	-	-	53.37 ⁹	75.17
PT Saranapapan Ekasejati (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96
PT Simas Tunggal Centre (1) Indonesia	Investment holding and general trading	-	-	81.84	82.23
PT Sinar Mas Teladan ("SMT") (1) Indonesia	Property development, investment holding and general trading	-	-	61.83 ⁹	79.77
PT Sinar Mas Wisesa ("SMW") (1) Indonesia	Property development, investment holding and general trading	-	-	65.39 ⁹	84.36
PT Sinarwijaya Ekapratista (1) Indonesia	Property development	-	-	42.54 ^{6,9}	71.96

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment		Effective percentage of equity held by the Group	
		2010 S\$'000	2009 S\$'000	2010 %	2009 %
PT Sinarwisata Lestari (1) Indonesia	Hotel	-	-	42.54 ^{6,9}	71.96
PT Sinarwisata Permai (1) Indonesia	Hotel	-	-	42.54 ^{6,9}	71.96
PT Sumber Arusmulia (5g) Indonesia	Investment holding	-	-	53.13	53.13
Sittingham Assets Limited (2) British Virgin Islands	Investment holding	1,460	1,460	100.00	100.00
<u>China Property Division</u>					
AFP China Ltd (1) Mauritius	Investment holding	-*	-*	100.00	100.00
AFP (Shanghai) Co., Ltd (5e) People's Republic of China	Provision of management services	918	918	100.00	100.00
Integrated Investments Ltd (1) Mauritius	Investment holding	-*	-*	100.00	100.00
Shining Gold Real Estate (Chengdu) Co., Ltd (5e) People's Republic of China	Property investment and development	-	-	100.00	100.00
Shining Gold Real Estate (Shenyang) Co., Ltd (5e) People's Republic of China	Property investment and development	-	-	100.00	100.00
Solid Growth Investments Ltd (1) Mauritius	Investment holding	-*	-*	100.00	100.00
Zhuhai Huafeng Film Co., Ltd (5e) People's Republic of China	Dormant	-	-	85.00	85.00
Zhuhai Huafeng Packaging Co., Ltd (5e) People's Republic of China	Investment holding	-	-	100.00	100.00
Zhuhai Huafeng Printing Co., Ltd (5e) People's Republic of China	Dormant	-	-	85.00	85.00
<u>USA Property Division</u>					
AFP Properties (USA) Limited (2) Cayman Islands	Struck off	-	-	-	100.00

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

Subsidiaries (cont'd)				Effective percentage	
Name of company and country of incorporation	Principal activities	The Company		of equity held	
		Cost of investment		by the Group	
		2010	2009	2010	2009
		S\$'000	S\$'000	%	%
<u>AFP Land Division:</u>					
AFP Gardens (Tanjong Rhu) Pte Ltd Singapore	Property investment and development	-	-	100.00	100.00
AFP Hillview Pte Ltd Singapore	Property development	-	-	100.00	100.00
AFP Land (Malaysia) Sdn Bhd (1) Malaysia	Investment holding	-	-	51.00	51.00
AFP Land Limited Singapore	Investment holding and provision of management services	456,751	456,751	100.00	100.00
AFP Resort Development Pte Ltd Singapore	Resort property development and investment holding	-	-	100.00	100.00
AFP Resort Marketing Services Pte Ltd Singapore	Marketing services to resort establishments	-	-	89.50	89.50
Amcol (China) Investments Pte Ltd Singapore	Investment holding	-	-	100.00	100.00
Amcol (Malaysia) Sdn Bhd (3) Malaysia	Liquidated	-	-	-	100.00
Amcol Construction Sdn Bhd (3) Malaysia	In liquidation	-	-	51.00	51.00
Amcol Magnetic Sdn Bhd (3) Malaysia	Liquidated	-	-	-	100.00
Anak Bukit Resorts Sdn Bhd (1) Malaysia	Resort property development	-	-	51.00	51.00
Golden Bay Realty (Private) Limited Singapore	Property investment	-	-	100.00	100.00
Goldmount Holdings Pte Ltd (5c) Singapore	Investment holding	-	-	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

<u>Name of company and country of incorporation</u>	<u>Principal activities</u>	<u>The Company Cost of investment</u>		<u>Effective percentage of equity held by the Group</u>	
		<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> %	<u>2009</u> %
Jurong Golf & Sports Complex Pte Ltd (5c) Singapore	Golf club and to establish, maintain and provide golf courses and recreational facilities	-	-	40.15 ⁶	40.15 ⁶
PT AFP Dwilestari (5d) Indonesia	Resort development and operation	-	-	65.00	65.00
Palm Resort Berhad (1) Malaysia	Golf club and to establish, maintain and provide golf course and recreational facilities and to act as hotelier and hotel marketing agent	-	-	40.15 ⁶	40.15 ⁶
Palm Resort Golf Development Sdn Bhd (3) Malaysia	In liquidation	-	-	40.15 ⁶	40.15 ⁶
Palm Resort Management Pte Ltd Singapore	Dormant	-	-	40.15 ⁶	40.15 ⁶
Palm Villa Sdn Bhd (1) Malaysia	Dormant	-	-	40.15 ⁶	40.15 ⁶
Sankei Pte Ltd Singapore	Dormant	-	-	100.00	100.00
<u>BCI group (Note 12):</u>					
Bund Center Investment Ltd Bermuda ("BCI")	Investment holding	-	-*	-	100.00
Casleton International Limited (2) British Virgin Islands	Investment holding	-	7,247	-	100.00
Handful Resources Limited (2) British Virgin Islands	Investment holding	-	109,353	-	100.00
Koon Chung Limited (5i) Hong Kong	Investment holding	-	-	-	100.00
Ningbo Golden Department Store Co., Ltd (5b) People's Republic of China	Property development and management	-	-	-	89.21
Ningbo Zhonghua Land Co., Ltd (5b) People's Republic of China	Property development	-	-	-	89.21

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

<u>Name of company and country of incorporation</u>	<u>Principal activities</u>	<u>The Company Cost of investment</u>		<u>Effective percentage of equity held by the Group</u>	
		<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> %	<u>2009</u> %
Primewyn Management & Services Pte Ltd (5c) Singapore	Provision of consultancy and management services	-	-	-	100.00
Shanghai Golden Bund Real Estate Co., Ltd (1) People's Republic of China	Property owner and developer, and hotel owner	-	-	-	96.79
Smart Investment Ltd (4) Mauritius	Provision of consultancy and management services	-	-	-	100.00
<u>FIH group (Note 13):</u>					
Aerolink Investment Ltd Singapore	Investment holding	-	99,899	-	100.00
Florentina International Holdings Limited (1) Mauritius	Investment holding	-	-*	-	100.00
Huafeng Foodstuff (Xian Yang) Co., Ltd (5e) People's Republic of China	Manufacturing and sale of processed instant noodles, snack products, beverages and seasoning	-	-	-	100.00
Wuhan Jin Ding Foodstuff Co., Ltd (5e) People's Republic of China	Manufacturing and sale of food products and instant noodles	-	-	-	100.00
Zhongshan Huifeng Real Estate Co., Ltd (5e) People's Republic of China	Dormant	-	-	-	100.00
Zhuhai Huafeng Food Industry (Group) Co., Ltd (5e) People's Republic of China	Manufacturing and sale of food products and instant noodles	-	-	-	100.00
Zhuhai Huafeng Foodstuff Co., Ltd (5e) People's Republic of China	Manufacturing and sale of instant noodles	-	-	-	100.00
Zhuhai Huafeng Plastic Packaging Materials Co., Ltd (5e) People's Republic of China	Dormant	-	-	-	100.00
		<u>1,273,927</u>	<u>1,487,754</u>		

* The cost of investment is below \$1,000.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

Notes:

The above subsidiaries are audited by Moore Stephens LLP, Singapore except for subsidiaries that are indicated below:

- (1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
- (2) No statutory audit is required by law in its country of incorporation.
- (3) No statutory audit is required as the subsidiary was liquidated/dissolved or is in the process of winding up/liquidation/dissolution.
- (4) No statutory audit is required as the subsidiary is newly incorporated/inactive.
- (5) Audited by other firms of accountants as follows:
 - (a) KAP Arman Dhani & Rekan for the financial year ended 31 December 2010 and KAP Rama Wendra & Parker Randall International for the financial year ended 31 December 2009
 - (b) Ningbo Shiming Certified Public Accountants
 - (c) YM Kew & Co
 - (d) BDO Tanubrata Sutanto & Rekan
 - (e) Zhonghua Certified Public Accountants
 - (f) KAP Arman Dhani & Rekan for the financial year ended 31 December 2010 and Yansen Pasaribu for the financial year ended 31 December 2009
 - (g) Eddy Prakarsa Permana & Siddharta
 - (h) Leung Siu Wo & Co
 - (i) Lau & Au Yeung CPA Limited for the financial year ended 31 December 2010 and Moore Stephens, Hong Kong for the financial year ended 31 December 2009.
- (6) These subsidiaries are held by non-wholly owned intermediate holding companies. The intermediate holding companies have the power to govern the financial and operating policies of these companies.
- (7) During the financial year 2010, the Group, through its subsidiary has acquired additional 8,325,000 shares of IDR1,000 each, representing 22.50% of the shareholding in BMS. The total consideration for this acquisition amounted to IDR20 billion (equivalent to \$3 million).
- (8) During the financial year 2010, the Group's effective interest in BSD reduced from 42.82% to 42.68% following a sale in the open market by the Group's associated company of 35 million shares of IDR100 each, representing 0.32% of the shareholding in BSD for a total consideration of IDR21 billion (equivalent to \$3.15 million).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

46 Subsidiaries (cont'd)

Notes: (cont'd)

(9) During the financial year 2010, the Group has undertaken a restructuring exercise (the "Restructuring Exercise"). Pursuant thereto:

- (i) BSD has purchased an aggregate of 1,578,272,332 shares in the capital of DUTI from PAM and ECUM, representing approximately 85.31% of the issued and paid-up share capital of DUTI, for a total cash consideration of approximately IDR3,472.2 billion (equivalent to \$520.8 million); and
- (ii) BSD has subscribed for 50,355,556 new shares in the capital of SMW representing 55% of the enlarged share capital of SMW and 15,262,500 new shares in the capital of SMT representing 60% of the enlarged share capital of SMT.

BSD has funded (i) and (ii) above through the issue of new shares by way of a rights offering, the Group has subscribed for its entitlements of rights shares and successfully applied for excess rights shares under the rights offering (the "Rights Subscription"). Following the Rights Subscription, the Group's effective interest in BSD has increased from 42.68% to 49.87%.

As a result of the Restructuring Exercise and the Rights Subscription, the Group's effective interest in DUTI, SMW and SMT has decreased from 71.96%, 84.36% and 79.77% to 42.54%, 65.39% and 61.83% respectively.

(10) During the financial year 2010, the Company has subscribed for an additional 18,516 shares of par value of IDR1 million each fully paid in KTIE. The capital subscription amounted to approximately IDR18.5 billion (equivalent to \$2.7 million). Following the capital subscription, the Group's effective interest in KTIE increased from 46.14% to 48.77%.

47 Associated Companies

Name of company and country of incorporation	Principal activities	The Group Cost of investment		Effective percentage of equity held by the Group	
		2010	2009	2010	2009
		S\$'000	S\$'000	%	%
PT Anekagriya Buminusa (1) Indonesia	Property development	10,909	10,909	12.34 ⁴	20.87
PT Citraagung Tirtajatim (1) Indonesia	Real estate development	5,194	5,194	17.02 ⁴	28.78
PT Duta Karya Propertindo (3) Indonesia	Property management	47	47	21.27	35.98
PT Kanaka Grahaasri (1) Indonesia	Property development	4,222	4,222	12.34 ⁴	20.87

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

47 Associated Companies (cont'd)

Name of company and country of incorporation	Principal activities	The Group Cost of investment		Effective percentage of equity held by the Group	
		<u>2010</u> S\$'000	<u>2009</u> S\$'000	<u>2010</u> %	<u>2009</u> %
PT Matra Olahcipta (1) Indonesia	Property development	3,340	3,340	21.27	35.98
PT Mekanusa Cipta (1) Indonesia	Property development	41,264	41,264	12.34 ⁴	20.87
PT Pembangunan Deltamas (2a) Indonesia	Property development	196,266	196,266	49.40	49.40
PT Phinisindo Zamrud Nusantara (1) Indonesia	Property development	434	1,184	21.27	35.98
PT Plaza Indonesia Realty Tbk (2b) Indonesia	Property development and hotel owner	64,253	64,253	14.87 ⁴	14.87 ⁴
PT Prima Sehati (1) Indonesia	Property development	18,486	18,486	12.34 ⁴	20.87
PT Puradelta Lestari (2a) Indonesia	Property and real estate development	196,265	196,265	49.40	49.40
PT Putra Prabukarya (1) Indonesia	Property development	1,943	1,943	12.34 ⁴	20.87
PT Serasi Niaga Sakti (1) Indonesia	Real estate development	4,202	4,202	42.19	42.19
PT Maligi Permata Industrial Estate ("MPIE") (1) Indonesia	Industrial estate development	4,809	-	42.19 ⁵	-
PT Harapan Anang Bakri & Sons ("HAB") (1) Indonesia	Industrial estate development	879	-	37.12 ⁶	-
		<u>552,513</u>	<u>547,575</u>		

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

47 Associated Companies (cont'd)

Notes:

The above associated companies are audited by:

- (1) Member of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
- (2) Other firms of accountants as follows:
 - (a) Eddy Prakarsa Permana & Siddharta
 - (b) Osman Bing Satrio & Rekan
- (3) No statutory audit is required as the company is inactive.
- (4) This company is deemed to be an associated company as the Group is able to exercise significant influence on the financial and operating policies.
- (5) During the financial year 2010, the Group exercised the option to acquire an additional 9,600 shares of IDR1 million each at par, representing 40% of the shareholding in MPIE, at the option price of approximately US\$2,878,000 (equivalent to \$3,904,000). In addition to the Group's existing investment of 10% shareholding in MPIE amounting to approximately \$905,000, MPIE became an associated company of the Group.
- (6) During the financial year 2010, the Group exercised the option to acquire an additional 6,400 shares of IDR1 million each at par, representing 40% of the shareholding in HAB at the option price of approximately US\$505,000 (equivalent to \$685,000). In addition to the Group's existing investment of 4% shareholding in HAB amounting to approximately \$194,000, HAB became an associated company of the Group.

AFP PROPERTIES LIMITED

SHAREHOLDING STATISTICS AS AT 14 MARCH 2011

ISSUED AND FULLY PAID-UP CAPITAL	:	S\$1,907,108,100.14
NO. OF SHARES ISSUED	:	3,041,959,437 SHARES
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	627	5.99	254,588	0.01
1,000 - 10,000	7,174	68.47	32,395,833	1.06
10,001 - 1,000,000	2,651	25.30	120,401,662	3.96
1,000,001 & ABOVE	25	0.24	2,888,907,354	94.97
Total	10,477	100.00	3,041,959,437	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
FLAMBO INTERNATIONAL LIMITED	1,699,542,000	55.87
DBS NOMINEES PTE LTD	366,786,392	12.06
UOB KAY HIAN PTE LTD	224,456,065	7.38
HSBC (SINGAPORE) NOMINEES PTE LTD	213,965,990	7.03
RAFFLES NOMINEES (PTE) LTD	195,079,806	6.41
CIMB SECURITIES (S'PORE) PTE LTD	106,840,110	3.51
CITIBANK NOMINEES S'PORE PTE LTD	23,939,426	0.79
DBS VICKERS SECURITIES (S) PTE LTD	8,546,306	0.28
UNITED OVERSEAS BANK NOMINEES PTE LTD	8,000,644	0.26
OCBC SECURITIES PRIVATE LTD	7,774,453	0.26
WISNU KUSMIN	5,000,000	0.16
OCBC NOMINEES SINGAPORE PTE LTD	3,438,478	0.11
KIM ENG SECURITIES PTE LTD	3,183,776	0.10
COSMIC INSURANCE CORPORATION LIMITED - SIF	3,131,000	0.10
CHEE SWEE HENG	3,000,000	0.10
DBSN SERVICES PTE LTD	2,162,352	0.07
BNP PARIBAS NOMINEES S'PORE PTE LTD	2,149,998	0.07
HONG LEONG FINANCE NOMINEES PTE LTD	2,100,000	0.07
PHILLIP SECURITIES PTE LTD	2,044,508	0.07
GOH TIOW GUAN	1,700,000	0.06
Total	2,882,841,304	94.76

SUBSTANTIAL SHAREHOLDERS **No. of Shares in which they have an Interest**

Name	Direct Interest	Percentage (%)	Deemed Interest	Percentage (%)	Total Percentage (Direct and Deemed Interest) (%)
FLAMBO INTERNATIONAL LIMITED ¹ ("Flambo")	1,849,542,000	60.80	144,587,854	4.75	65.55
THE WIDJAJA FAMILY MASTER TRUST(2) ² ("WFMT(2)")	-	-	1,994,129,854	65.55	65.55

Notes:

¹ The deemed interest of Flambo arises from its interest in 144,587,854 shares held by its wholly-owned subsidiary, Golden Moment Limited in the Company.

² The deemed interest of WFMT(2) arises from its interest in 1,994,129,854 shares held by Flambo in the Company.

Based on the information available to the Company as at 14 March 2011, approximately 34% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

AFP PROPERTIES LIMITED

WARRANTHOLDING STATISTICS AS AT 14 MARCH 2011

NO. OF WARRANTS ISSUED : 1,520,978,744

EXPIRY DATE OF WARRANTS : 18 November 2015 ("Exercise Date"), provided that if such day falls on a date on which the Register of Members and/or the Register of Warrantholders are closed or is not a business day, then the Exercise Date shall be the next business day on which the Register of Members and the Register of Warrantholders are open.

Each Warrant entitles the holder to subscribe for one (1) new ordinary share ("New Share") at an exercise price of S\$0.10 for each New Share on the Exercise Date.

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	1,960	21.47	958,073	0.06
1,000 - 10,000	6,101	66.84	21,311,660	1.40
10,001 - 1,000,000	1,050	11.50	51,200,795	3.37
1,000,001 & ABOVE	17	0.19	1,447,508,216	95.17
Total	9,128	100.00	1,520,978,744	100.00

TWENTY LARGEST WARRANTHOLDERS

Name of Warrantholders	No. of Warrants	%
FLAMBO INTERNATIONAL LIMITED	849,771,000	55.87
DBS NOMINEES PTE LTD	183,265,153	12.05
UOB KAY HIAN PTE LTD	133,635,031	8.79
HSBC (SINGAPORE) NOMINEES PTE LTD	108,136,162	7.11
RAFFLES NOMINEES (PTE) LTD	75,517,902	4.97
CIMB SECURITIES (S'PORE) PTE LTD	62,591,184	4.12
CITIBANK NOMINEES S'PORE PTE LTD	10,626,546	0.70
UNITED OVERSEAS BANK NOMINEES PTE LTD	3,879,947	0.26
OCBC SECURITIES PRIVATE LTD	3,854,731	0.25
OH CHEE ENG	3,226,000	0.21
DBS VICKERS SECURITIES (S) PTE LTD	3,153,652	0.21
WISNU KUSMIN	2,500,000	0.16
OCBC NOMINEES SINGAPORE PTE LTD	1,673,742	0.11
COSMIC INSURANCE CORPORATION LIMITED – SIF	1,565,500	0.11
TAN JOON YANG	1,550,000	0.10
CHEE SWEE HENG	1,500,000	0.10
BNP PARIBAS NOMINEES S'PORE PTE LTD	1,061,666	0.07
DBSN SERVICES PTE LTD	921,675	0.06
PHILLIP SECURITIES PTE LTD	893,252	0.06
GOH TIOW GUAN	850,000	0.06
Total	1,450,173,143	95.37

AFP PROPERTIES LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 199400619R

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of AFP Properties Limited (the “Company” or “AFP”) will be held on **Wednesday, 27 April 2011 at 10.30 a.m.** at Holiday Inn Atrium Singapore, Level 4, Atrium Ballroom, 317 Outram Road, Singapore 169075 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2010 together with the Directors’ and Auditors’ Reports thereon. **(Resolution 1)**
2. To approve the Directors’ Fees of S\$249,000 for the year ended 31 December 2010. (FY2009: S\$236,000) **(Resolution 2)**
3. To re-elect the following Directors retiring by rotation pursuant to Article 91 of the Articles of Association of the Company:
 - (a) Mr Muktar Widjaja **(Resolution 3)**
 - (b) Mr Simon Lim **(Resolution 4)**
 - (c) Mr Kunihiro Naito *{please see note 1}* **(Resolution 5)**
4. To re-elect the Director, Ms Margaretha Natalia Widjaja, retiring pursuant to Article 97 of the Articles of Association of the Company. **(Resolution 6)**
5. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:
 - 6A. “That pursuant to Section 161 of the Companies Act, Cap 50 and the Listing Rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed fifty percent (50%) of the total number of issued shares excluding treasury shares of the Company at the date of this Resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty percent (20%) of the total number of issued shares excluding treasury shares of the Company at the date of this Resolution, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the next Annual General Meeting of the Company.” *{please see note 2}* **(Resolution 8)**

6B. "(a)That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, provided that the Company and its subsidiaries (the "**Group**"), or the Group and its interested person(s), has control over the associated companies, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Appendix 1 to this Notice of Annual General Meeting *{please see note 3}*, with any party who is of the class of Interested Persons described in the said Appendix 1, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the said Appendix 1 (the "**IPT Mandate**");

(b)That the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company; and

(c)That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." *{please see note 3A}* **(Resolution 9)**

6C. "(a)That for the purposes of Sections 76C and 76E of the Companies Act, Cap 50 (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
- (ii) off-market purchases (each an "**Off-Market Purchase**") effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b)That unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of the Company is held; or
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

(c)That in this Resolution:

"**Prescribed Limit**" means ten percent (10%) of the total number of issued shares excluding treasury shares of the Company as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price
- (ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.” *{please see note 4}* **(Resolution 10)**

By Order of the Board

Rafael Buhay Concepcion, Jr.
Director
11 April 2011
Singapore

Notes:

- i. With the exception of The Central Provident Fund Board (who may appoint more than two proxies), a member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the Registered Office of the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not later than 48 hours before the Annual General Meeting.
- ii. CPF Holders of AFP shares who wish to receive a printed copy of the Annual Report may write in to request for a copy from the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535.

Additional information relating to the Notice of Annual General Meeting:

1. Mr Kunihiro Naito if re-elected, will remain on the Audit Committee. Mr Kunihiro Naito is considered to be independent.
2. The Ordinary Resolution 8 proposed in item 6A above, if passed, is to empower the Directors to issue shares and convertible securities in the capital of the Company not exceeding fifty percent (50%) of the total number of issued shares excluding treasury shares of the Company at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro-rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty percent (20%) of the total number of issued shares excluding treasury shares of the Company.

The percentage of the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares of the Company after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any employee share options on issue at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.
3. The mandate for transactions with Interested Persons as described in the Appendix 1 (the "Appendix 1") to this Notice of Annual General Meeting includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.
- 3A. The Ordinary Resolution 9 proposed in item 6B above, if passed, is to renew for another year, up to the next Annual General Meeting of the Company, the mandate for transactions with Interested Persons as described in the Appendix 1, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.
4. The Ordinary Resolution 10 proposed in item 6C above, if passed, is to renew for another year, up to the next Annual General Meeting of the Company, the mandate for share purchase as described in the Appendix 2 to this Notice of Annual General Meeting, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.

This page is intentionally left blank.

Important:

1. For investors who have used their CPF monies to buy shares of AFP Properties Limited, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.


afp

developer and real estate

AFP PROPERTIES LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 199400619R

PROXY FORM **ANNUAL GENERAL MEETING**

I/We, _____ (Name)

of _____ (Address)

being a member/members of AFP Properties Limited (the "Company" or "AFP") hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

--	--	--	--	--

or failing him/her, the Chairman of the Annual General Meeting of the Company (the "AGM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM to be held on **Wednesday, 27 April 2011 at 10.30 a.m. at Holiday Inn Atrium Singapore, Level 4, Atrium Ballroom, 317 Outram Road, Singapore 169075** and at any adjournment thereof.

(Please indicate with an "X" in the space provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of AGM. In the absence of specific direction, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM).

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1	Adoption of Reports and Accounts		
2	Approval of Directors' Fees for the year ended 31 December 2010		
3	Re-election of Mr Muktar Widjaja		
4	Re-election of Mr Simon Lim		
5	Re-election of Mr Kunihiro Naito		
6	Re-election of Ms Margaretha Natalia Widjaja		
7	Re-appointment of Auditors		
	SPECIAL BUSINESS		
8	Renewal of authority to Directors to issue shares and convertible securities		
9	Renewal of Shareholders' Mandate for Interested Person Transactions		
10	Renewal of Share Purchase Mandate for purchases by the Company of its issued shares		

Dated this _____ day of _____ 2011.

 Total Number of
Shares Held

Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not less than 48 hours before the time set for the AGM.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap 50.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

fold along this line

ANNUAL GENERAL MEETING**PROXY FORM**

Affix
Stamp
Here

The Company Secretary
AFP PROPERTIES LIMITED
108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

AFP PROPERTIES LIMITED
COMPANY REGISTRATION NO. 199400619R

108 PASIR PANJANG ROAD,
#06-00, GOLDEN AGRI PLAZA,
SINGAPORE 118535

TEL: (65) 6220 7720
FAX: (65) 6590 0887