

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KECK SENG INVESTMENTS (HONG KONG) LIMITED

激成投資（香港）有限公司

(Incorporated in Hong Kong with limited liability)

Website: www.keckseng.com.hk

(Stock Code: 00184)

2010 FINAL RESULTS ANNOUNCEMENT

The board of directors (the “Board”) of Keck Seng Investments (Hong Kong) Limited (the “Company”) hereby announces the consolidated final results of the Company and its subsidiaries (the “Group”), and associated companies for the year ended 31 December 2010. These results have been reviewed by the Audit Committee of the Board and the figures in respect of the preliminary announcement of these results have been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft audited consolidated financial statements for the year and the amounts were found to be in agreement.

The consolidated profit attributable to equity shareholders of the Company for the year ended 31 December 2010 was HK\$270,751,000 (HK\$0.796 per share), compared to HK\$253,881,000 (HK\$0.746 per share) in 2009, as restated.

The Board has recommended the payment of a final dividend of HK\$0.175 (2009: HK\$0.175) per share for the year. Together with the interim dividend of HK\$0.025 (2009: HK\$0.025) per share, the total dividend for the year ended 31 December 2010 will be HK\$0.20 (2009: HK\$0.20) per share. Subject to equity shareholders’ approval of the payment of the final dividend at the forthcoming Annual General Meeting of the Company, the proposed final dividend is expected to be paid on 8 June 2011.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Note	2010 HK\$'000	2009 HK\$'000 (restated)
Turnover	3	1,188,469	890,416
Cost of sales		<u>(147,874)</u>	<u>(128,604)</u>
		1,040,595	761,812
Other revenue	4(a)	37,086	17,443
Other net (loss)/income	4(b)	(12,259)	107,164
Direct costs and operating expenses		(397,536)	(299,068)
Marketing and selling expenses		(44,541)	(43,137)
Depreciation of fixed assets		(83,563)	(74,980)
Administrative and other operating expenses		<u>(195,044)</u>	<u>(139,008)</u>
Operating profit		344,738	330,226
Increase in fair value of investment properties		<u>92,251</u>	<u>16,290</u>
		436,989	346,516
Finance costs	5(a)	(13,792)	(1,536)
Share of profits less losses of associates		<u>17,409</u>	<u>18,501</u>
Profit before taxation	5	440,606	363,481
Income tax	6	<u>(71,466)</u>	<u>(35,080)</u>
Profit for the year		369,140	328,401
Attributable to:			
Equity shareholders of the Company		270,751	253,881
Non-controlling interests		<u>98,389</u>	<u>74,520</u>
Profit for the year		369,140	328,401
Earnings per share, basic and diluted (cents)	7	79.6	74.6

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 12(b).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010 HK\$'000	2009 HK\$'000 (restated)
Profit for the year	369,140	328,401
Other comprehensive income for the year (after tax and reclassification adjustments)		
Exchange differences on translation of:		
- financial statements of overseas subsidiaries and associates	57,668	9,175
Available-for-sale securities:		
- changes in fair value recognised during the year and net movement in the fair value reserve	1,675	1,579
Total comprehensive income for the year	428,483	339,155
Attributable to:		
Equity shareholders of the Company	330,065	264,739
Non-controlling interests	98,418	74,416
Total comprehensive income for the year	428,483	339,155

There is no tax effect relating to the above component of the comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December 2010	At 31 December 2009	At 1 January 2009
Note	HK\$'000	HK\$'000 (restated)	HK\$'000 (restated)
Non-current assets			
Fixed assets	8		
- Investment properties	749,592	263,690	247,400
- Other properties and fixed assets	1,178,101	1,224,420	653,979
- Interests in leasehold land held for own use under operating lease	190,513	191,205	120,959
	<u>2,118,206</u>	1,679,315	1,022,338
Interest in associates	184,478	164,676	138,177
Available-for-sale securities	5,038	3,364	1,785
	<u>2,307,722</u>	1,847,355	1,162,300
Current assets			
Trading securities	2,544	2,541	37,692
Properties held for sale	306,190	324,278	332,767
Inventories	4,127	4,099	2,663
Trade and other receivables	9	70,215	36,303
Derivative financial assets		949	296
Pledged deposits	10	-	-
Deposits and cash	1,046,376	1,275,042	1,326,426
Taxation recoverable	219	42	-
	<u>1,942,505</u>	1,677,166	1,736,147
Current liabilities			
Bank loans	10	31,751	10,000
Trade and other payables	11	167,415	193,423
Loans from associates		1,364	1,364
Loans from non-controlling shareholders		78,376	37,014
Loan from an affiliated company		53,683	28,733
Amount due to an affiliated company		18,670	20,890
Derivative financial liabilities		-	6,106
Taxation payable		22,331	29,974
		<u>735,308</u>	327,504
Net current assets	<u>1,207,197</u>	1,303,576	1,408,643
Total assets less current liabilities	<u>3,514,919</u>	3,150,931	2,570,943
Non-current liabilities			
Bank loans	10	402,019	-
Loans from non-controlling shareholders		-	96,117
Loan from an affiliated company		-	-
Deferred tax liabilities		25,339	18,174
		<u>496,896</u>	114,291
NET ASSETS	<u>3,018,023</u>	2,723,573	2,456,652

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	At 31 December 2010	At 31 December 2009	At 1 January 2009
<i>Note</i>	HK\$'000	HK\$'000 (restated)	HK\$'000 (restated)
Capital and reserves			
Share capital	340,200	340,200	340,200
Reserves	2,173,188	1,889,681	1,681,746
Total equity attributable to equity shareholders of the Company	2,513,388	2,229,881	2,021,946
Non-controlling interests	504,635	493,692	434,706
TOTAL EQUITY	3,018,023	2,723,573	2,456,652

Notes:

1. Basis of preparation of the financial statements

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2009, except for the changes in accounting policies as set out in note 2.

2. Changes in accounting policies

The HKICPA has issued certain revised HKFRSs, amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group’s financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Improvements to HKFRSs (2009)
- HK (Int) 5, *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, with the exception of the amendments to HKAS 12, *Income taxes*, (“HKAS 12 (Amended)”), in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40. The amendments are effective for accounting periods beginning on or after 1 January 2012, but as permitted by the amendments, the Group has decided to adopt the amendments early.

Early adoption of HKAS 12 (Amended)

The change in policy arising from HKAS 12 (Amended) is the only change which has had a material impact on the current or comparative periods. As a result of this change in policy, the Group now measures any deferred tax liability in respect of its investment properties with reference to the tax liability that would arise if the properties were disposed of at their carrying amounts at the reporting date. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset’s value through use.

This change in policy has been applied retrospectively by restating the opening balances at 1 January 2009 and 2010, with consequential adjustments to comparatives for the year ended 31 December 2009. This has resulted in an increase in the amount of deferred tax provided on valuation gain as follows:

	As previously reported HK\$'000	Effect of adoption of HKAS 12 (Amended) HK\$'000	As restated HK\$'000
Consolidated income statement for the year ended 31 December 2009:			
Income tax	34,887	193	35,080
Profit for the year	328,594	(193)	328,401
Basic and diluted earnings per share (cents)	74.7	(0.1)	74.6

**Consolidated statement of financial
position as at 31 December 2009:**

Deferred tax liabilities	18,626	6,713	25,339
Retained profits	1,687,371	(5,171)	1,682,200
Non-controlling interests	495,234	(1,542)	493,692

**Consolidated statement of financial
position as at 1 January 2009:**

Deferred tax liabilities	11,654	6,520	18,174
Retained profits	1,484,372	(5,023)	1,479,349
Non-controlling interests	436,203	(1,497)	434,706

Other changes in accounting policies as a result of developments in HKFRSs

The issuance of HK (Int) 5 has had no material impact on the Group's financial statements as the interpretation's conclusion was consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and there is no requirement to restate the amounts recorded in respect of such previous transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interests) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.
- The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS 17, *Leases*, resulted in a change of classification of certain of the Group's leasehold land interests, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

3. Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical locations. The Group has identified the following four reportable segments in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

- (i) Hotel operations segment is primarily engaged in the businesses of hotel room accommodation, provision of food and beverage at hotel restaurant outlets and operation of slot machines at one of the Group's hotels.
- (ii) Property investment segment is primarily engaged in the businesses of property leasing of the Group's investment properties, which mainly consist of retail and office properties in Macau and residential properties in Japan.
- (iii) Property development segment is primarily engaged in the businesses of development, construction, sales and marketing of the Group's trading properties in Macau.
- (iv) Investment and corporate segment is primarily engaged in the businesses of management of the Group's corporate assets and liabilities, available-for-sale and trading securities, financial instruments and other treasury operations.

Segment results, assets and liabilities

Information regarding the Group's reportable segments is provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Segment assets principally comprise all tangible assets, other non-current assets and current assets directly attributable to each segment.

Segment liabilities include all trade and other payable attributable to the individual segments and bank loans and other borrowings managed directly by the segments.

Analysis of segment results of the Group

	<i>External turnover</i>	<i>Inter-segment turnover</i>	<i>Total turnover</i>	<i>Depreciation of fixed assets</i>	<i>Finance costs</i>	<i>Share of results of associates</i>	<i>Income tax</i>	<i>Contribution to profit</i>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2010								
Hotel operations	1,020,383	-	1,020,383	(74,012)	(12,672)	17,413	(41,466)	202,232
- Vietnam	616,955	-	616,955	(38,707)	-	13,242	(30,303)	172,118
- United States	342,618	-	342,618	(24,271)	(12,672)	-	(11,163)	16,943
- The People's Republic of China	60,810	-	60,810	(11,034)	-	-	-	9,000
- Canada	-	-	-	-	-	4,171	-	4,171
Property development								
- Macau	106,339	-	106,339	-	-	-	-	88,251
Property investment	59,182	1,933	61,115	(9,475)	(31)	-	(29,681)	81,967
- Macau	39,661	1,933	41,594	(9,475)	(31)	-	(15,912)	18,348
- Japan	19,521	-	19,521	-	-	-	(13,769)	63,619
Investment and corporate	2,565	-	2,565	(76)	(1,089)	(4)	(319)	(3,310)
- Macau	-	-	-	-	-	(4)	-	12,263
- Others	2,565	-	2,565	(76)	(1,089)	-	(319)	(15,573)
Inter-segment elimination	-	(1,933)	(1,933)	-	-	-	-	-
Total	1,188,469	-	1,188,469	(83,563)	(13,792)	17,409	(71,466)	369,140
2009								
	<i>External turnover</i>	<i>Inter-segment turnover</i>	<i>Total turnover</i>	<i>Depreciation of fixed assets</i>	<i>Finance costs</i>	<i>Share of results of associates</i>	<i>Income tax</i>	<i>Contribution to profit</i>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (restated)	HK\$'000 (restated)
Hotel operations	805,536	-	805,536	(65,369)	(1,481)	18,510	(30,663)	174,772
- Vietnam	601,814	-	601,814	(45,140)	-	10,378	(25,520)	155,924
- United States	149,358	-	149,358	(10,000)	(1,481)	-	(5,143)	7,823
- The People's Republic of China	54,364	-	54,364	(10,229)	-	-	-	2,893
- Canada	-	-	-	-	-	8,132	-	8,132
Property development	47,695	-	47,695	-	-	-	-	39,032
- Macau	31,695	-	31,695	-	-	-	-	25,128
- Others	16,000	-	16,000	-	-	-	-	13,904
Property investment								
- Macau	34,565	2,104	36,669	(9,535)	(32)	-	(4,346)	26,282
Investment and corporate	2,620	1,516	4,136	(76)	(23)	(9)	(71)	88,315
- Macau	-	-	-	-	-	(9)	-	16,259
- Others	2,620	1,516	4,136	(76)	(23)	-	(71)	72,056
Inter-segment elimination	-	(3,620)	(3,620)	-	-	-	-	-
Total	890,416	-	890,416	(74,980)	(1,536)	18,501	(35,080)	328,401

Analysis of total assets of the Group

	<i>Segment assets</i> HK\$'000	<i>Interest in associates</i> HK\$'000	<i>Total assets</i> HK\$'000	<i>Capital expenditure</i> HK\$'000
At 31 December 2010				
Hotel operations				
- Vietnam	570,188	89,843	660,031	4,422
- United States	740,077	-	740,077	8,782
- The People's Republic of China	219,057	-	219,057	11,793
- Canada	-	89,657	89,657	-
Property development	315,210	-	315,210	-
Property investment				
- Macau	572,234	-	572,234	299
- Japan	478,681	-	478,681	341,996
Investment and corporate	1,170,302	4,978	1,175,280	-
Total	4,065,749	184,478	4,250,227	367,292

At 31 December 2009

Hotel operations				
- Vietnam	561,932	68,826	630,758	6,641
- United States	736,872	-	736,872	701,449
- The People's Republic of China	208,640	-	208,640	5,557
- Canada	-	65,538	65,538	-
Property development	307,605	-	307,605	-
Property investment				
- Macau	479,035	-	479,035	1,005
Investment and corporate	1,065,761	30,312	1,096,073	-
Total	3,359,845	164,676	3,524,521	714,652

Analysis of total liabilities of the Group

	<i>Segment liabilities</i> HK\$'000	<i>Bank borrowings</i> HK\$'000	<i>Total liabilities</i> HK\$'000
At 31 December 2010			
Hotel operations			
- Vietnam	106,722	-	106,722
- United States	57,798	378,254	436,052
- The People's Republic of China	99,241	-	99,241
- Canada	-	-	-
Property development	-	-	-
Property investment			
- Macau	76,258	-	76,258
- Japan	24,638	-	24,638
Investment and corporate	97,552	391,741	489,293
	<hr/>	<hr/>	<hr/>
Total	462,209	769,995	1,232,204
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2009			
Hotel operations			
- Vietnam	91,715	-	91,715
- United States	32,084	418,770	450,854
- The People's Republic of China	118,846	-	118,846
- Canada	-	-	-
Property development	-	-	-
Property investment			
- Macau (restated)	67,942	-	67,942
Investment and corporate	56,591	15,000	71,591
	<hr/>	<hr/>	<hr/>
Total (restated)	367,178	433,770	800,948
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. Other revenue and other net (loss)/income

	2010 HK\$'000	2009 HK\$'000
(a) <i>Other revenue</i>		
Interest income from bank deposits	32,546	14,949
Dividend income from listed available-for-sale and trading securities	95	107
Other revenue from hotel and club operations and miscellaneous income	4,445	2,387
	<u>37,086</u>	<u>17,443</u>
(b) <i>Other net (loss)/income</i>		
Net exchange (loss)/gain	(11,728)	107,940
Net realised and unrealised gains/(losses) on trading securities	3	(1,003)
(Loss)/gain on disposal of fixed assets	(534)	227
	<u>(12,259)</u>	<u>107,164</u>

5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2010 HK\$'000	2009 HK\$'000
(a) <i>Finance costs</i>		
Interest on bank loans and other borrowings wholly repayable within five years	11,496	1,518
Interest paid on amount due to an affiliated company	6	18
Other borrowing costs	2,290	-
	<u>13,792</u>	<u>1,536</u>
(b) <i>Staff costs</i>		
Salaries, wages and other benefits	199,994	126,423
Contributions to defined contribution retirement plans	2,252	3,344
	<u>202,246</u>	<u>129,767</u>
(c) <i>Other items</i>		
Cost of properties sold	18,088	8,489
Cost of inventories	129,786	120,115
Auditors' remuneration		
- Audit services	1,773	1,615
- Other services	791	949
Operating lease charges for hire of premises	3,485	1,679
Rentals receivable from investment properties less direct outgoings of HK\$8,922,000 (2009: HK\$3,689,000)	(40,121)	(21,572)
Other rental income less direct outgoings	(9,214)	(8,870)

6. Income tax

	2010 HK\$'000	2009 HK\$'000 (restated)
<i>Current tax - Overseas</i>		
Provision for the year	39,255	32,368
Under/(over)-provision in respect of prior years (notes (iv) and (v))	2,561	(4,451)
	<u>41,816</u>	<u>27,917</u>
<i>Deferred tax</i>		
Change in fair value of investment properties	3,560	2,216
Withholding tax on the distributable profits (note (iii))	15,905	-
Origination and reversal of other temporary differences	10,787	5,143
Future benefit of tax losses recognised	(602)	(196)
	<u>29,650</u>	<u>7,163</u>
	<u>71,466</u>	<u>35,080</u>

Notes:

- (i) In 2010, no provision has been made for Hong Kong Profits Tax as the Company sustained a loss for taxation purpose during the year. In 2009, no provision was made for Hong Kong Profits Tax as the Company had tax losses brought forward which exceeded the taxable profit for the year. All other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes during the current and prior years.
- (ii) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (iii) Under the Japanese domestic law, the subsidiary established in Japan under the Tokumei-Kumiai arrangement is subject to Japanese withholding tax at the rate of 20% on all gross profit distributions from the subsidiary.
- (iv) In prior years, the Group provided for Macau Complementary Tax based on information available to the Group at that time. During the year ended 31 December 2010, the Group had reassessed the adequacy of those provisions and as a result of this evaluation, the over-provision for Macau Complementary Tax charged to profit or loss in previous years totalling HK\$1,034,000 (2009: HK\$4,197,000) was credited to the consolidated income statement for the year ended 31 December 2010.
- (v) A subsidiary of the Group is in discussion with the local tax authority in Vietnam in respect of the tax enquiries relating to the tax provision payable on management fees. Provisions have been made only to the extent that the tax risk that can be reliably measured. In 2010, a provision of HK\$4,662,000 was made as part of the underprovision for income tax. However, the final outcomes are subject to uncertainties and resulting liabilities may or may not exceed the provision.

7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$270,751,000 (2009 (restated): HK\$253,881,000) and on the 340,200,000 ordinary shares in issue during the years ended 31 December 2010 and 31 December 2009.

There is no potential diluted ordinary share during the years ended 31 December 2010 and 31 December 2009.

8. Fixed assets

During the year ended 31 December 2010, the Group acquired two investment properties situated in Tokyo, Japan from independent third parties with aggregate consideration of JPY4,050,000,000 (equivalent to approximately HK\$347,205,000).

9. Trade and other receivables

Included in trade and other receivables are trade receivables (net of allowance for doubtful debts) with the following ageing analysis (by transaction date) as of the end of the reporting period:

	2010	2009
	HK\$'000	HK\$'000
Current or less than one month	23,012	36,579
One to three months	10,701	13,578
More than three months but less than twelve months	98	961
	33,811	51,118

The Group's credit risk is primarily attributable to trade and other receivables. The Group has a defined credit policy. The general credit terms allowed range from 0 to 30 days. Trade receivables with balances that are more than three months overdue are requested to settle all outstanding balances before any further credit is granted. The exposures to these credit risks (including loans to associates) are monitored on an ongoing basis.

The Group does not have significant concentration of credit risk.

10. Bank loans

	2010	2009
	HK\$'000	HK\$'000
Repayable within one year or on demand	411,977	31,751
Repayable after one year but within two years	20,236	16,751
Repayable after two years but within five years	337,782	385,268
	358,018	402,019
	769,995	433,770
Unsecured	10,000	15,000
Secured	759,995	418,770
	769,995	433,770

At 31 December 2010, the bank loans were secured by:

- (i) land and building on Taipa Island classified as properties held for sale with a carrying value of HK\$93,431,000 (2009: HK\$98,718,000),
- (ii) hotel property and certain fixed assets of the Group with aggregate carrying value of HK\$678,879,000 (2009: HK\$691,897,000), and
- (iii) bank deposits of HK\$516,235,000 (2009: HK\$Nil) and outstanding forward foreign currency contracts in notional amounts of HK\$366,959,000 (2009: HK\$Nil).

11. Trade and other payables

Included in trade and other payables are trade payables with the following ageing analysis:

	2010	2009
	HK\$'000	HK\$'000
Due within one month or on demand	11,722	9,817
Due after one month but within three months	5,772	1,490
Due after three months	44,975	565
	62,469	11,872

12. Dividends

- (a) Dividends payable to equity shareholders of the Company attributable to the year

	2010	2009
	HK\$'000	HK\$'000
Interim dividend declared and paid of HK\$0.025 (2009: HK\$0.025) per ordinary share	8,505	8,505
Final dividend proposed after the end of the reporting period of HK\$0.175 (2009: HK\$0.175) per ordinary share	59,535	59,535
	68,040	68,040

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2010	2009
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.175 (2009: HK\$0.125) per ordinary share	59,535	42,525

13. Commitments

- (a) At 31 December 2010, capital commitments outstanding not provided for in the financial statements are as follows:

	2010	2009
	HK\$'000	HK\$'000
Contracted for	4,353	12,924
Authorised but not contracted for	19,763	13,570
	24,116	26,494

- (b) At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2010	2009
	HK\$'000	HK\$'000
Leases on premises expiring:		
- within one year	384	420
- after one year but within five years	260	453
	644	873

14. Restatement of comparatives

As a result of the adoption of HKAS 12 (Amended), certain comparative figures have been adjusted to reflect the increase in accrual of deferred tax liabilities related to investment properties carried at fair value. Further details of these changes in accounting policies are disclosed in note 2.

REVIEW OF OPERATIONS

Our Group's turnover for 2010 increased by 33% to HK\$1,188 million, as compared to HK\$890 million in 2009.

A summary and analysis of the operations are as follows.

Vietnam

During the financial year 2010, the Vietnamese economy has gradually recovered from a period of consolidation in 2009. Total turnover from Vietnam operations rose to HK\$617 million, an increase of 2% as compared to the previous year. Vietnam's contribution to the Group's profit was HK\$172 million, an increase of 10% as compared to the previous year.

Sheraton Saigon Hotel and Towers The hotel reported an increase in average occupancy rate during 2010 to 64%, as compared to 52% in 2009. Average room rate for 2010 was US\$165 per room night. This, however, represents a reduction when compared with US\$184 per room night achieved for 2009. The hotel has continued to maintain its position as one of the premier hotels in the city's central district. Its luxurious rooms, extensive facilities and well recognized brand name have continued to help Sheraton Saigon Hotel win a significant number of international and local awards in 2010 as a top hotel in Vietnam.

Caravelle Hotel For 2010, average room rate was at US\$138 per room night, as compared to US\$161 in 2009. Caravelle has been able to capitalize on its rich history of over 50 years and has consolidated its position as one of the most internationally recognized nostalgic hotel properties in Vietnam. Contribution to Group profit was HK\$13 million, an increase of 28% as compared to HK\$10 million in 2009.

The United States ("US")

W San Francisco Following the successful acquisition of the hotel in July 2009 at a consideration of US\$90 million, 2010 was the first time that full year results were reported for this hotel, as compared to results for a 5-month period being reported for 2009. During 2010, average occupancy for the hotel was very robust at 81%. Average room rate held steady at US\$232 per room night. Total turnover for the year was HK\$343 million. Contribution to profit was HK\$ 17 million.

Macau

The Macau economy has improved significantly in 2010 as compared to the previous year. This has a positive impact on the operating results of the Group. Turnover from property development in Macau rose by more than two folds to HK\$106 million, and contributed HK\$88 million to the Group's profit in 2010. Turnover from property investment in Macau also rose by 13% to HK\$42 million, and contributed HK\$18 million to the Group's profit in 2010.

The People's Republic of China

Holiday Inn Wuhan Riverside Occupancy rate during 2010 rose to 70%, as compared to 65% in the previous year. There was also an increase in average room rate in 2010 to Rmb 359 per room night, as compared to Rmb 352 per room night in 2009. Total turnover increased by 12% as compared to 2009 to HK\$61 million in 2010.

Canada

The continuing strength of the Canadian dollar relative to the US dollar has continued to make Canada a less attractive destination for business and leisure travels. The impact has affected the Group's ongoing operations in Canada. Contribution to profit by operations in Canada dropped by 49% to HK\$4 million in 2010.

The Sheraton Ottawa Hotel In 2010, the hotel reported an average room rate of C\$137, a reduction as compared to C\$141 in the previous year. A year ago, the hotel renewed the franchise arrangement with Starwood Hotels and Resorts Worldwide Inc. for another five years. As part of that arrangement, the hotel will continue to carry out renovations and improvements to the property over a three-year period.

Doubletree by Hilton, Toronto In 2010, the hotel reported an average room rate of C\$111 as compared to C\$112 in 2009. Occupancy, however, increased to 65% in 2010, as compared to 62% in 2009.

Japan

Further to the acquisition of investment interests in a freehold residential property in Tokyo, Japan in February 2010, the details of which were included in the Chairman's Statement last year, the Group has successfully acquired investment interests in another freehold residential property in the same city in June 2010. The property, which is held for rental income, is a 12-storey building located in Tokyo with 77 residential units totaling approximately 51,000 square feet. The acquisition further capitalizes on the Group's experience in property investment and is intended to be held on a long term basis.

Other Net Loss

Net exchange loss for 2010 amounted to HK\$11.7 million, as compared to a gain of HK\$108 million in 2009.

Net realized and unrealized gains on trading securities amounted to HK\$3,000, as compared to net losses of HK\$1 million in 2009.

Primarily as a result of the net exchange loss and the reduction in losses on trading securities, the Group reported other net loss of HK\$12 million.

FINANCIAL REVIEW

The Group's turnover was HK\$1,188,469,000 for the year ended 31 December 2010, an increase of 33% over the corresponding period in 2009. This increase was primarily attributable to the full year results of W San Francisco, which was acquired in July 2009, and increase in sales of properties held for sale situated in Macau. Profit from operations was HK\$436,989,000 for the year ended 31 December 2010 as compared to HK\$346,516,000 in 2009. Profit attributable to equity shareholders amounted to HK\$270,751,000 (2009 (restated): HK\$253,881,000)).

As 31 December 2010, the Group has total bank loans and other borrowings of HK\$915,098,000 (2009: HK\$585,863,000) and deposits and cash of HK\$1,562,611,000 (2009: HK\$1,275,042,000). Of the total bank loans of HK\$769,995,000 (2009: HK\$433,770,000), HK\$411,977,000 (2009: HK\$31,751,000) are repayable within one year, HK\$20,236,000 (2009: HK\$16,751,000) are repayable after one year but within two years and the remaining of HK\$337,782,000 (2009: HK\$385,268,000) are repayable after two years but within five years.

The Group's bank borrowings are mostly in Hong Kong dollar, United States dollars and Japanese Yen. Bank deposits and cash are mostly in Hong Kong dollars, Australian dollars, Canadian dollars, United States dollars, Japanese Yen and Renminbi. The Group's bank borrowings are on a floating rate basis. Taking into account cash at bank and in hand and credit facilities available, the Group has sufficient working capital for its present requirements.

PLEDGE OF ASSETS

As at 31 December 2010, a hotel property and certain properties held for sale with an aggregate value of HK\$772,310,000 (2009: HK\$790,615,000), bank deposits of HK\$516,235,000 (2009: HK\$ Nil) and outstanding forward foreign currency contracts with notional amount of HK\$366,959,000 (2009: HK\$ Nil) were mortgaged to banks to secure bank loans and banking facilities granted to the Group.

CONTINGENT LIABILITIES

At 31 December 2010, there were outstanding counter indemnities relating to guarantees issued by bankers of a subsidiary in favour of the Macau SAR Government in respect of properties held for sale amounting to HK\$8,252,000 (2009: HK\$8,252,000).

At 31 December 2010, guarantees given by a subsidiary and the Company to a bank to secure banking facilities made available to an associate amounted to HK\$39,090,000 (2009: HK\$36,765,000).

A subsidiary of the Group is involved in litigation arising in its hotel and club operations. Having reviewed these outstanding claims and taking into account legal advice received, the directors are of the opinion that it is too early to evaluate the outcome of these claims and that the amounts cannot be reliably estimated at this point of time. Accordingly, no provision for these claims has been made in the financial statements for the year ended 31 December 2010.

PROSPECTS

2010 was a year of modest recovery as compared to the very difficult economic and financial adjustment period in 2009. The recovery was driven to a large extent less by sustained economic activities than by a generous dose of monetary easing across the globe as well as by various fiscal stimulus packages. Yet the world economy is still plagued with uncertainties arising from high unemployment and a less than buoyant housing market in the US and Europe. Recent natural disasters in Japan as well as political uncertainties in North Africa have also added to the frailties of the world economic order. The Chinese economy, however, is expected to continue to perform well in 2011. Against this background, the Group is cautiously optimistic about its prospects in 2011.

The Group will continue to manage its assets and businesses prudently, with a view towards sustainable growth for the long term. That will continue to be our goal as we move forward to seek further investments to enhance shareholders value.

PERSONNEL

At 31 December 2010, the Group had approximately 1,725 employees. A policy of localizing as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the year under review.

CORPORATE GOVERNANCE

The Company, for the accounting period covered by the financial statements, had been in compliance with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules, except that the Company had not appointed a chief executive officer, since day-to-day operations of the Group were undertaken by the management teams in the respective geographical locations under the supervision of the executive directors. In respect of the management of the Board, the role was undertaken by Mr HO Kian Guan, Executive Chairman of the Company. The Board is of the view that this structure has served the Company well in the past years and does not impair the balance of responsibility between the Board and the management of the business. Further, the non-executive directors of the Company were not appointed for a specific term. In practice, however, they are subject to retirement by rotation not less than once every three years.

SECURITIES TRANSACTIONS BY DIRECTORS

The Board adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

CLOSURE OF REGISTER OF MEMBERS

In order to determine who are entitled to attend the 2011 Annual General Meeting and qualified for the proposed final dividend, the register of members will be closed from Tuesday, 24 May 2011 to Monday, 30 May 2011, both days inclusive, during which period no transfer of shares can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 May 2011.

ANNUAL GENERAL MEETING

The forthcoming Annual General Meeting of the Company will be held on Monday, 30 May 2011.

By Order of the Board
Keck Seng Investments (Hong Kong) Limited
HO Kian Guan
Executive Chairman

Hong Kong, 31 March 2011

As at the date of this announcement, the Board of the Company comprises Mr HO Kian Guan, Mr HO Kian Hock, Mr TSE See Fan Paul, Mr CHAN Lui Ming Ivan, Ms YU Yuet Chu Evelyn, Mr HO Chung Tao and Mr HO Chung Hui (whose alternate is Mr HO Chung Kain) as executive directors, Mr HO Kian Cheong as non-executive director, and Dr CHAN Yau Hing Robin, Mr KWOK Chi Shun Arthur and Ms WANG Poey Foon Angela as independent non-executive directors.