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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)

2009 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 2009. 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 2009 was HK\$254,029,000 (HK\$0.75 per share), compared to HK\$185,250,000 (HK\$0.55 per share) in 2008.

The Board has recommended the payment of a final dividend of HK\$0.175 (2008: HK\$0.125) per share for the year. Together with the interim dividend of HK\$0.025 (2008: HK\$0.05) per share, the total dividend for the year ended 31 December 2009 will be HK\$0.20 (2008: HK\$0.175) 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 July 2010.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	Note	2009 HK\$'000	2008 HK\$'000
Turnover		890,416	807,810
Cost of sales		<u>(128,604)</u>	<u>(116,197)</u>
		761,812	691,613
Other revenue	3(a)	17,443	44,546
Other net income/(loss)	3(b)	107,164	(23,332)
Direct costs and operating expenses		(299,068)	(228,015)
Marketing and selling expenses		(43,137)	(35,407)
Depreciation of fixed assets		(74,980)	(71,381)
Administrative and other operating expenses		<u>(139,008)</u>	<u>(106,885)</u>
Operating profit		330,226	271,139
Increase in fair value of investment properties		<u>16,290</u>	<u>2,920</u>
		346,516	274,059
Finance costs	4(a)	(1,536)	(380)
Share of profits less losses of associates		<u>18,501</u>	<u>23,250</u>
Profit before taxation	4	363,481	296,929
Income tax	5	<u>(34,887)</u>	<u>(15,710)</u>
Profit for the year		<u>328,594</u>	<u>281,219</u>
Attributable to:			
Equity shareholders of the Company		254,029	185,250
Minority interests		<u>74,565</u>	<u>95,969</u>
Profit for the year		<u>328,594</u>	<u>281,219</u>
Earnings per share, basic and diluted (cents)	6	<u>74.7</u>	<u>54.5</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	2009	2008
	HK\$'000	HK\$'000
Profit for the year	328,594	281,219
Other comprehensive income for the year (after tax and reclassification adjustments)		
Exchange differences on translation of:		
- financial statements of overseas subsidiaries and associates	9,175	520
Available-for-sale securities:		
- changes in fair value recognised during the year and net movement in the fair value reserve	1,579	(1,917)
Total comprehensive income for the year	339,348	279,822
Attributable to:		
Equity shareholders of the Company	264,887	186,671
Minority interests	74,461	93,151
Total comprehensive income for the year	339,348	279,822

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December

	<i>Note</i>	2009 HK\$'000	2008 HK\$'000
Non-current assets			
Fixed assets	7		
- Investment properties		263,690	247,400
- Other properties and fixed assets		1,224,420	653,979
- Interests in leasehold land held for own use under operating lease		191,205	120,959
		1,679,315	1,022,338
Interest in associates		164,676	138,177
Available-for-sale securities		3,364	1,785
		1,847,355	1,162,300
Current assets			
Trading securities		2,541	37,692
Properties held for sale		324,278	332,767
Inventories		4,099	2,663
Trade and other receivables	8	70,215	36,303
Derivative financial assets		949	296
Deposits and cash		1,275,042	1,326,426
Taxation recoverable		42	-
		1,677,166	1,736,147
Current liabilities			
Bank loans	9	31,751	10,000
Trade and other payables	10	167,415	193,423
Loans from associates		1,364	1,364
Loans from minority 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
		373,590	327,504
Net current assets		1,303,576	1,408,643
Total assets less current liabilities		3,150,931	2,570,943
Non-current liabilities			
Bank loans	9	402,019	-
Loans from minority shareholders		-	96,117
Deferred tax liabilities		18,626	11,654
		420,645	107,771
NET ASSETS		2,730,286	2,463,172
Capital and reserves			
Share capital		340,200	340,200
Reserves		1,894,852	1,686,769
Total equity attributable to equity shareholders of the Company		2,235,052	2,026,969
Minority interests		495,234	436,203
TOTAL EQUITY		2,730,286	2,463,172

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 measurement basis used in the preparation of the financial statements is the historical cost basis except where stated otherwise in the accounting policies set out in the annual report to be despatched to equity shareholders.

The accounting policies are consistent with those used in the annual financial statements for the year ended 31 December 2008, with the addition of the following new and amended HKFRSs that are first effective for the current accounting period of the Group and the Company:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Amendments to HKFRS 7, Financial instruments: Disclosures - improving disclosures about financial instruments
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, Consolidated and separate financial statements - cost of an investment in a subsidiary, jointly controlled entity or associate
- HKAS 23 (revised 2007), Borrowing costs

The amendment to HKAS 23 has had no material impact on the Group’s financial statements as the amendment was consistent with policy already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group’s chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group’s chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group’s financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group’s most senior executive management, and has resulted in additional reportable segments being identified and presented. Corresponding amounts have been provided on a basis consistent with the revised segment information.
- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income.

Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.
- The "Improvements to HKFRS (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. None of these amendments have resulted in changes to the Group's accounting policies.
- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries and associates, whether out of pre or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendments, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2009 and which have not been adopted in these financial statements.

		Effective for accounting periods beginning on or after
HKFRS 3 (Revised)	Business combinations	1 July 2009
Amendments to HKAS 27	Consolidation and separate financial statements	1 July 2009
Amendments to HKAS 39	Financial instruments: Recognition and measurement - Eligible hedged items	1 July 2009
HK(IFRIC) 17	Distributions of non-cash assets to owners	1 July 2009
Improvements to HKFRSs 2009		1 July 2009 or 1 January 2010

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretation is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

2. Principal activities and Segment reporting

Analysis of the Group's turnover according to principal activities:

	2009 HK\$'000	2008 HK\$'000
Hotel and club operations		
- Rooms	267,213	224,845
- Food and beverage	174,577	145,270
- Slot machine income	339,549	288,021
- Others	29,818	26,827
	811,157	684,963
Proceeds from the sale of properties	47,695	82,053
Rental income	27,469	34,488
Management fee income	4,095	6,306
	890,416	807,810

Analysis of the Group's segment results is as follows:

	<i>External turnover</i> HK\$'000	<i>Inter- segment turnover</i> HK\$'000	<i>Total turnover</i> HK\$'000	<i>Depreciation of fixed assets</i> HK\$'000	<i>Finance costs</i> HK\$'000	<i>Share of results of associates</i> HK\$'000	<i>Income tax</i> HK\$'000	<i>Contribution to profit</i> HK\$'000
2009								
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	34,565	2,104	36,669	(9,535)	(32)	-	(4,153)	26,475
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	(34,887)	328,594
2008								
Hotel operations	679,344	-	679,344	(62,303)	(116)	23,250	(14,088)	217,038
- Vietnam	617,960	-	617,960	(51,225)	-	14,815	(14,088)	191,399
- The People's Republic of China	61,384	-	61,384	(11,078)	(116)	-	-	17,204
- Canada	-	-	-	-	-	8,435	-	8,435
Property development	82,053	-	82,053	-	-	-	-	66,676
Property investment	43,535	1,473	45,008	(9,002)	(162)	-	(1,394)	8,126
Investment and corporate	2,878	12,071	14,949	(76)	(102)	-	(228)	(10,621)
- Macau	-	-	-	-	-	-	-	7,129
- Others	2,878	12,071	14,949	(76)	(102)	-	(228)	(17,750)
Inter-segment elimination	-	(13,544)	(13,544)	-	-	-	-	-
Total	807,810	-	807,810	(71,381)	(380)	23,250	(15,710)	281,219

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

	2009 HK\$'000	2008 HK\$'000
(a) <i>Other revenue</i>		
Interest income from bank deposits	14,949	42,507
Dividend income from listed available-for-sale and trading securities	107	200
Other revenue from hotel and club operations and miscellaneous income	2,387	1,839
	<u>17,443</u>	<u>44,546</u>
(b) <i>Other net income/(loss)</i>		
Net exchange gain	107,940	15,548
Net realised and unrealised losses on trading securities	(1,003)	(38,721)
Gain/(loss) on disposal of fixed assets	227	(159)
	<u>107,164</u>	<u>(23,332)</u>

4. Profit before taxation

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

	2009 HK\$'000	2008 HK\$'000
(a) <i>Finance costs</i>		
Interest on bank loans and other borrowings wholly repayable within five years	1,518	291
Interest paid on amount due to an affiliated company	18	86
Other borrowing costs	–	3
	<u>1,536</u>	<u>380</u>
(b) <i>Staff costs</i>		
Salaries, wages and other benefits	126,423	68,381
Contributions to defined contribution retirement plans	3,344	3,164
	<u>129,767</u>	<u>71,545</u>
(c) <i>Other items</i>		
Cost of properties sold	8,489	15,377
Cost of inventories	120,115	100,820
Auditors' remuneration		
- Audit services	1,615	1,468
- Other services	949	445
Operating lease charges for hire of premises	1,679	205
Rentals receivable from investment properties less direct outgoings of HK\$3,689,000 (2008: HK\$2,990,000)	(21,572)	(30,768)
Other rental income less direct outgoings	(8,870)	(10,933)

5. Income tax

	2009 HK\$'000	2008 HK\$'000
<i>Current tax - Overseas</i>		
Provision for the year	32,368	25,382
Over-provision in respect of prior years (Note (iii))	(4,451)	(10,409)
	<u>27,917</u>	<u>14,973</u>
<i>Deferred tax</i>		
Change in value of investment properties	2,023	827
Future benefit of tax losses recognised	(196)	397
Origination and reversal of temporary differences	5,143	(487)
	<u>6,970</u>	<u>737</u>
	<u><u>34,887</u></u>	<u><u>15,710</u></u>

Notes:

- (i) No provision has been made for Hong Kong Profits Tax as the Company has tax losses brought forward which exceeded the taxable profit for the year and 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) 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 2009, 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\$4,197,000 (2008: HK\$10,409,000) was credited to the consolidated income statement for the year ended 31 December 2009.

6. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$254,029,000 (2008: HK\$185,250,000) and on the 340,200,000 ordinary shares in issue during the years ended 31 December 2009 and 31 December 2008.

There is no potential diluted ordinary share during the years ended 31 December 2009 and 31 December 2008.

7. Fixed assets

In July 2009, the Group acquired a hotel from an independent third party for an aggregate consideration of US\$90,000,000 (equivalent to approximately HK\$697,500,000). The hotel is located in San Francisco, California, United States.

8. 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 date:

	2009 HK\$'000	2008 HK\$'000
Current or less than one month	36,579	11,236
One to three months	13,578	7,142
More than three months but less than twelve months	961	48
	51,118	18,426

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.

9. Bank loans

	2009 HK\$'000	2008 HK\$'000
Repayable within one year or on demand	31,751	10,000
Repayable after one year but within two years	16,751	–
Repayable after two years but within five years	385,268	–
	402,019	–
	433,770	10,000
Unsecured	15,000	10,000
Secured	418,770	–
	433,770	10,000

10. Trade and other payables

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

	2009 HK\$'000	2008 HK\$'000
Due within one month or on demand	9,817	8,517
Due after one month but within three months	1,490	15,726
Due after three months but within six months	565	1,655
	11,872	25,898

11. Dividends

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

	2009 HK\$'000	2008 HK\$'000
Interim dividend declared and paid of HK\$0.025 (2008: HK\$0.05) per ordinary share	8,505	17,010
Final dividend proposed after the end of the reporting date of HK\$0.175 (2008: HK\$0.125) per ordinary share	59,535	42,525
	<u>68,040</u>	<u>59,535</u>

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

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

	2009 HK\$'000	2008 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.125 (2008: HK\$0.12) per ordinary share	42,525	40,824

12. Commitments

- (a) At 31 December 2009, capital commitments outstanding not provided for in the financial statements are as follows:

	2009 HK\$'000	2008 HK\$'000
Contracted for	12,924	14,302
Authorised but not contracted for	13,570	3,742
	<u>26,494</u>	<u>18,044</u>

- (b) At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2009 HK\$'000	2008 HK\$'000
Leases on premises expiring:		
- within one year	420	259
- after one year but within five years	453	-
	<u>873</u>	<u>259</u>

13. Events after the reporting period

In February 2010, the Group formed a joint venture with an independent third party in respect of the acquisition of interests in a property located in Tokyo, Japan for a consideration of JPY1,735,667,782 (equivalent to approximately HK\$147,532,000).

REVIEW OF OPERATIONS

The Group's turnover for 2009 increased by 10% to HK\$890 million, as compared to HK\$808 million in 2008.

A summary and analysis of the operations are as follows.

Vietnam

The consolidation of the Vietnamese economy in 2009 has affected the Group's turnover as well as the share of results of the associated company. Vietnam's contribution to the Group's profit was HK\$156 million, a reduction of 19% as compared to the previous year.

Sheraton Saigon Hotel and Towers Average room rate for 2009 was US\$184 per room night, which was one of the highest amongst international hotels in Ho Chi Minh City. This, however, represents a reduction when compared with US\$229 per room night achieved for 2008. The hotel's central location, luxurious rooms, and well recognized brand name are factors which foster its premier position in the market. Sheraton Saigon Hotel continues to win a significant number of international and local hotel awards in 2009 as a top hotel in Vietnam.

Caravelle Hotel For 2009, average room rate was at US\$161 per room night, as compared to US\$197 in 2008. The hotel has just celebrated its 50th Anniversary since first opening and remains one of the most internationally recognized nostalgic hotel properties in Vietnam. Contribution to Group profit was HK\$10 million, a reduction of 30% as compared to HK\$15 million in 2008.

The United States ("US")

As reported to shareholders by way of a circular, the Group has completed the purchase of the *W San Francisco* in July 2009 at a consideration of US\$90 million. W San Francisco is a five-star, 404-room hotel property superbly located in the business district of one of the most popular gateway cities in US. The purchase was negotiated in the first half of 2009, at a time of the economic cycle which allowed the Group to take advantage of the uncertainties prevailing in the investment market at that time. The hotel is now one of the Group's major assets and will continue to be managed by Starwood Hotels and Resorts Worldwide Inc, one of the strongest brand names in the hotel industry with proven track records worldwide. Since the Group's acquisition of the property, operating results have been encouraging.

Macau

The Macau economy was also undergoing a consolidation in 2009. This was particularly apparent in the first half of the year, when the level of economic activity, including the number and value of property transactions, fell significantly. Turnover of the Group in 2009 from Macau operations reduced by 46% to HK\$68 million as compared to the previous year. Supported by foreign exchange gains, however, contribution to profit only reduced by 17% to HK\$68 million for the full year.

The People's Republic of China

Holiday Inn Wuhan Riverside Average room rate achieved for 2009 was Rmb 352 per room night, as compared to Rmb 371 per room night in 2008. Total turnover reduced to HK\$54 million in 2009, a reduction of 11% as compared to 2008.

Canada

The Canadian economy was also negatively affected by the financial tsunami, which has reduced the level of domestic economic activity, as well as the number of US visitors to Canada. The continuing strength of the Canadian currency relative to US dollar has also made Canada a less attractive destination for business and leisure travels. The impact has significantly affected the Group's ongoing Canadian operations.

The Sheraton Ottawa Hotel For 2009, the hotel reported an average room rate of C\$141, a reduction as compared to C\$164 for the previous year. The hotel has also renewed the franchise arrangement with Starwood Hotels and Resorts Worldwide Inc for another 5 years. As part of that arrangement, the hotel will effect property renovation and improvement over a three-year period.

Doubletree by Hilton, Toronto For 2009, the hotel reported an average room rate of C\$112 as compared to C\$114 in 2008. Occupancy, however, has dropped significantly to 62% from the 2008 occupancy rate of 75%.

Four Points by Sheraton, Quebec The hotel, in which the Group holds 25%, was disposed of in July 2009. Profit attributable to the Group as a result of the disposal amounted to approximately HK\$9.6 million.

Japan

As announced in February 2010, the Group has formed a joint venture which successfully acquired investment interests in a freehold residential property in Tokyo, Japan at a consideration of approximately 1.736 billion yen. The 12-storey property comprises 77 residential units with a total gross floor area of approximately 36,000 square feet. It is centrally located in the Ginza area of Tokyo and currently enjoys a high occupancy rate. The acquisition capitalizes on the Group's experience in property investment and the property is intended to be held on a long term basis.

The joint venture has also entered into an agreement with a Japanese operator under which the operator shall on behalf of the joint venture conduct the business of acquiring, holding, receiving income from, managing and dealing with the newly acquired property.

Other Net Income

Net exchange gain for 2009 amounted to HK\$108 million, as compared to HK\$16 million in 2008.

Net realized and unrealized losses on trading securities amounted to HK\$1 million, as compared to a loss of HK\$39 million in 2008.

Primarily as a result of the increase in net exchange gain and the reduction in losses on trading securities, the Group reported other net income of HK\$107 million.

FINANCIAL REVIEW

The Group's turnover was HK\$890,416,000 for the year ended 31 December 2009, an increase of 10% over the corresponding period in 2008. This increase was primarily attributable to revenue generated from W San Francisco in US since August 2009 in spite of a decrease in revenue from sale of properties in Macau. Profit from operations was HK\$346,516,000 for the year ended 31 December 2009 as compared to HK\$274,059,000 in 2008. Profit attributable to equity shareholders for the year ended 31 December 2009 amounted to HK\$254,029,000 (2008: HK\$185,250,000).

As 31 December 2009, the Group has total bank loans and other borrowings of HK\$585,863,000 (2008: HK\$194,118,000) and deposits and cash of HK\$1,275,042,000 (2008: HK\$1,326,426,000). Of the total bank loans of HK\$433,770,000, HK\$31,751,000 (2008: HK\$10,000,000) are repayable within one year, HK\$16,751,000 (2008: HK\$Nil) are repayable after one year but within two years and the remaining of HK\$385,268,000 (2008: HK\$Nil) are repayable after two years but within five years.

The Group's bank borrowings are mostly in Hong Kong dollars and US dollars. Bank deposits and cash are mostly in Hong Kong dollars, Australian dollars, Canadian dollars and US dollars. 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 2009, a hotel property and certain properties held for sale with aggregate value of HK\$790,615,000 (2008: certain properties held for sale with aggregate value of HK\$101,437,000) were mortgaged to banks to secure a bank loan and a banking facility granted to the Group.

CONTINGENT LIABILITIES

At 31 December 2009, 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 (2008: HK\$8,252,000).

At 31 December 2009, guarantees given by a subsidiary and the Company to a bank to secure banking facilities made available to an associate amounted to HK\$36,765,000 (2008: HK\$31,941,000).

PROSPECTS

2009 was one of the most difficult years faced by the world economy in recent times. Asia has been less affected during this crisis than other developed economies as a result of the continuing economic growth in China. Monetary policies and fiscal intervention on a worldwide basis has also mitigated the effect of the financial tsunami. The various economies in which the Group operates are by and large less volatile at the present moment as compared to the first half of 2009. This should have a satisfactory impact on the Group's 2010 operations.

As pointed out in the Chairman's Statement last year, the Group continues to view new investments prudently and with a view towards managing growth in the long term. The two investments in US and Japan which were made in the past 15-month period were achieved after comprehensive financial reviews and lengthy negotiations. That will continue to be the Group guiding principles as the Group moves forward to seek further investments to enhance shareholders value.

PERSONNEL

At 31 December 2009, the Group had approximately 1,802 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 2010 Annual General Meeting and qualified for the proposed final dividend, the register of members will be closed from Monday, 21 June 2010 to Friday, 25 June 2010, 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 Friday, 18 June 2010.

ANNUAL GENERAL MEETING

The forthcoming Annual General Meeting of the Company will be held on Friday, 25 June 2010.

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

Hong Kong, 26 April 2010

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.