

Westminster Travel Limited
(Incorporated in the Republic of Singapore)
(Company Registration No: 200814792H)

**UNAUDITED HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2010**

Westminster Travel Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 23 January 2009. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Consolidated Interim Income Statement

HK\$'000	Six-month period ended		Change
	31/12/10	31/12/09	%
Revenue	98,863	78,641	25.7%
Other income	9,548	9,402	1.6%
Expenses			
- Selling	(48,620)	(42,932)	13.2%
- Administrative	(32,472)	(29,156)	11.4%
Profit from operations	27,319	15,955	71.2%
Share of profit less loss of jointly controlled entities	1,262	1,417	-10.9%
Profit before income tax	28,581	17,372	64.5%
Income tax expense	(4,740)	(2,922)	62.2%
Profit for the period	23,841	14,450	65.0%
Attributable to:			
Equity holders of the Company	23,120	14,125	63.7%
Non-controlling interest	721	325	121.8%
Profit for the period	23,841	14,450	65.0%

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Condensed Consolidated Interim Statement of Comprehensive Income

HK\$'000	Six-month period ended		Change
	31/12/10	31/12/09	%
Profit for the period	23,841	14,450	65.0%
Other comprehensive income:			
Exchange differences arising on translation of foreign operations	512	1,397	-63.4%
Total comprehensive income	24,353	15,847	53.7%
Total comprehensive income attributable to:			
Equity holders of the Company	23,632	15,522	52.2%
Non-controlling interest	721	325	121.8%
Total comprehensive income for the period	24,353	15,847	53.7%

1(a)(ii) The following items have been included in arriving at profit for the period:

HK\$'000	Six-month period ended		Change
	31/12/10	31/12/09	%
Other income			
Development fund and segment fee	4,081	4,765	-14.4%
Interest income			
- a jointly controlled entity	-	2	n.m.
- bank deposits	138	92	50.0%
Write-back of provision for customer and supplier claims	4,950	3,524	40.5%
Selling and administrative expenses			
Amortisation of intangible assets	1,037	1,037	-
Depreciation	1,249	1,241	0.6%
Employee benefit expense	56,337	50,382	11.8%
Operating lease rentals on land and buildings paid to			
- a related company	141	47	200.0%
- third parties	6,279	6,304	-0.4%
Rental expenses on hire of office equipment	187	172	8.7%
Provision for impairment of trade and other receivables	5	-	n.m.
Loss on disposal of property, plant and equipment	2	-	n.m.

n.m. – not meaningful

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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

HK\$'000	Group		Company	
	As at 31/12/10	As at 30/06/10	As at 31/12/10	As at 30/06/10
ASSETS				
Current assets				
Bank deposits, cash and cash equivalents	109,490	105,423	1,340	899
Trade receivables	223,500	242,300	-	-
Deposits and other receivables	124,798	140,779	359	426
Amounts due from a shareholder and directors	25	170	-	-
Amounts due from subsidiaries	-	-	39,734	56,275
Amounts due from jointly controlled entities	1,620	-	-	-
	<u>459,433</u>	<u>488,672</u>	<u>41,433</u>	<u>57,600</u>
Non-current assets				
Investments in jointly controlled entities	10,916	9,654	-	-
Property, plant and equipment	7,888	6,878	-	-
Intangible assets	67,305	68,342	-	-
Investments in subsidiaries	-	-	195,225	195,225
Deferred income tax assets	267	375	-	-
	<u>86,376</u>	<u>85,249</u>	<u>195,225</u>	<u>195,225</u>
Total assets	545,809	573,921	236,658	252,825
LIABILITIES				
Current liabilities				
Trade payables	163,621	202,542	-	-
Accruals and other payables	67,805	72,781	1,208	766
Provisions for other liabilities and charges	42,481	37,909	-	-
Amounts due to jointly controlled entities	4,355	3,030	-	-
Current income tax payable	7,406	6,067	-	-
	<u>285,668</u>	<u>322,329</u>	<u>1,208</u>	<u>766</u>
Non-current liabilities				
Deferred income tax liabilities	2,736	2,950	-	-
Total liabilities	288,404	325,279	1,208	766
NET ASSETS	257,405	248,642	235,450	252,059
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	231,885	231,885	231,885	231,885
Capital reserve	5,962	5,962	2,547	2,547
Currency translation reserve	3,023	2,511	2,202	2,224
Merger reserve	(35,225)	(35,225)	-	-
Retained earnings/(Accumulated loss)	49,821	41,541	(1,184)	15,403
	<u>255,466</u>	<u>246,674</u>	<u>235,450</u>	<u>252,059</u>
Non-controlling interest	1,939	1,968	-	-
Total equity	257,405	248,642	235,450	252,059

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

The Group did not have any borrowings and debts as at 31 December 2010 and 30 June 2010.

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

HK\$'000	Six-month period ended	
	31/12/10	31/12/09
Cash flows from operating activities		
Profit for the period	23,841	14,450
Adjustments for:		
- Income tax expenses	4,740	2,922
- Exchange differences	505	1,425
- Amortisation of intangible assets	1,037	1,037
- Depreciation of property, plant and equipment	1,249	1,241
- Loss on disposal of property, plant and equipment	2	-
- Interest income	(138)	(94)
- Share of profit less loss of jointly controlled entities	(1,262)	(1,417)
	29,974	19,564
Changes in working capital		
- Decrease/(increase) in trade receivables, deposits and other receivables	34,781	(17,064)
- Decrease in trade payables, accruals and other payables	(43,897)	(937)
- Increase/(decrease) in provisions for other liabilities and charges	4,572	(1,250)
- Changes in balances with jointly controlled entities	(295)	1,530
- Decrease in amounts due from a shareholder and directors	145	44
Net cash generated from operations	25,280	1,887
Income tax paid	(3,507)	(5,879)
Net cash generated from/(used in) operating activities	21,773	(3,992)
Cash flows from investing activities		
Decrease in bank deposits with maturity over three months	5,000	-
Purchase of property, plant and equipment	(2,254)	(866)
Interest received	138	94
Net cash generated from/(used in) investing activities	2,884	(772)
Cash flows from financing activities		
Dividends paid	(14,840)	(7,000)
Dividends paid to non-controlling interest	(750)	(1,250)
Net cash used in financing activities	(15,590)	(8,250)
Net increase/(decrease) in cash and cash equivalents	9,067	(13,014)
Cash and cash equivalents at beginning of the financial period	85,423	110,296
Cash and cash equivalents at end of the financial period	94,490	97,282
Analysis of cash and cash equivalents:		
Bank deposits and cash and cash equivalents at end of the financial period	109,490	97,282
Less: Bank deposits with maturity over three months at date of placing	(15,000)	-
Cash and cash equivalents at end of the financial period	94,490	97,282

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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

HK\$'000	Attributable to equity holders of the Company						Non-controlling interest	Total
	Share Capital	Capital reserve	Currency translation reserve	Merger reserve	Retained earnings	Sub-total		
The Group								
Balance at 1 July 2010	231,885	5,962	2,511	(35,225)	41,541	246,674	1,968	248,642
Comprehensive income								
- Profit for the period	-	-	-	-	23,120	23,120	721	23,841
Other comprehensive income								
- Exchange differences arising on translation of foreign operations	-	-	512	-	-	512	-	512
Total comprehensive income for the period	-	-	512	-	23,120	23,632	721	24,353
Dividends paid	-	-	-	-	(14,840)	(14,840)	(750)	(15,590)
Balance at 31 December 2010	231,885	5,962	3,023	(35,225)	49,821	255,466	1,939	257,405
Balance at 1 July 2009	231,885	5,962	609	(35,225)	18,983	222,214	2,498	224,712
Comprehensive income								
- Profit for the period	-	-	-	-	14,125	14,125	325	14,450
Other comprehensive income								
- Exchange differences arising on translation of foreign operations	-	-	1,397	-	-	1,397	-	1,397
Total comprehensive income for the period	-	-	1,397	-	14,125	15,522	325	15,847
Dividends paid	-	-	-	-	(7,000)	(7,000)	(1,250)	(8,250)
Balance at 31 December 2009	231,885	5,962	2,006	(35,225)	26,108	230,736	1,573	232,309

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HK\$'000	Share Capital	Capital reserve	Currency translation reserve	(Accumulated loss)/Retained earnings	Total
The Company					
Balance at 1 July 2010	231,885	2,547	2,224	15,403	252,059
Comprehensive income					
- Profit for the period	-	-	-	(1,747)	(1,747)
Other comprehensive income					
- Exchange differences arising on translation of the Company	-	-	(22)	-	(22)
Total comprehensive income for the period	-	-	(22)	(1,747)	(1,769)
Dividends paid	-	-	-	(14,840)	(14,840)
Balance at 31 December 2010	231,885	2,547	2,202	(1,184)	235,450
Balance at 1 July 2009	231,885	2,547	686	(11,687)	223,431
Comprehensive income					
- Profit for the period	-	-	-	19,468	19,468
Other comprehensive income					
- Exchange differences arising on translation of the Company	-	-	1,209	-	1,209
Total comprehensive income for the period	-	-	1,209	19,468	20,677
Dividends paid	-	-	-	(7,000)	(7,000)
Balance at 31 December 2009	231,885	2,547	1,895	781	237,108

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options and warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of shares	Paid-up capital HK\$'000
Balance as at 30 June 2010 and 31 December 2010	280,000,000	231,885

The Company did not have any outstanding convertibles, options and treasury shares as at 31 December 2009 and 31 December 2010.

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1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company	As at 31/12/10	As at 30/6/10
Total number of issued shares (excluding treasury shares)	280,000,000	280,000,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares during and as at the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial information as set out in paragraphs 1, 4, 5 and 6 of this announcement are extracted from the condensed interim financial information that has been reviewed in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The following is the independent auditors' review report dated 11 February 2011 on the condensed interim financial information of the Company and its subsidiaries for the six-month period ended 31 December 2010.

Report on the review of condensed interim financial information to the Board of Directors (the "Board") of Westminster Travel Limited for the six-month period ended 31 December 2010.

Introduction

We have reviewed the accompanying condensed interim financial information of Westminster Travel Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 2 to 21*, which comprises the interim balance sheets of the Company and of the Group as at 31 December 2010 and the related condensed consolidated interim income statement of the Group, the condensed consolidated interim statement of comprehensive income of the Group, the condensed interim statements of changes in equity of the Company and of the Group and the consolidated interim cash flow statement of the Group for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Financial Reporting Standard 34 ("FRS 34"), 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with FRS 34.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 11 February 2011

* The page numbers are stated in the report of the review of condensed interim financial information dated 11 February 2011 included in the condensed interim financial information for the six-month period ended 31 December 2010 of Westminster Travel Limited and its subsidiaries.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group are consistent with those used in the financial statements of the Group for the financial year ended 30 June 2010.

The condensed interim financial information of this announcement has been prepared in accordance with Singapore Financial Reporting Standard 34 ("FRS 34"), 'Interim Financial Reporting'.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current reporting period, the Group has adopted the revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective for first-time adoption during the current financial year. The adoption of these revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

The Group	Six-month period ended	
	31/12/10	31/12/09
Profit attributable to equity holders of the Company (HK\$'000)	23,120	14,125
Weighted average number of ordinary shares outstanding for earnings per ordinary share ("EPS")	280,000,000	280,000,000
EPS (HK cents)		
Basic and diluted EPS	8.3	5.0

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7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:-

	Group		Company	
	As at 31/12/10	As at 30/06/10	As at 31/12/10	As at 30/06/10
Net asset value ("NAV") attributable to the Company's equity holders per ordinary share (HK cents)	91.2	88.1	84.1	90.0
Number of ordinary shares used in computation of NAV per share	280,000,000	280,000,000	280,000,000	280,000,000

The Group's and the Company's NAV per ordinary share as at 31 December 2010 and 30 June 2010 were calculated based on the net assets of the Group and the Company at the respective balance sheet date over 280,000,000 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Condensed Consolidated Interim Statement of Comprehensive Income

Six-month period ended 31 December 2010 ("HY2011") as compared to the six-month period ended 31 December 2009 ("HY2010")

Revenue of the Group increased by 25.7% to HK\$98.9 million for HY2011 as compared to HY2010. Leveraging on the economy's recovery and robust demand for travel since early 2010, the Group continued to expand its leisure and corporate travel segments. Three (3) more retail branches were opened between November 2010 and January 2011. The Group's revenue from corporate, wholesale and leisure travel segments for HY2011 recorded an increase of 31.5%, 15.5% and 27.3% respectively as compared to HY2010.

Other income of the Group increased to HK\$9.5 million for HY2011, which represented an increase of 1.6% from HY2010. The increase in other income was mainly contributed by the increase in write back of provision for supplier and customer claims.

Selling expenses of HK\$48.6 million was recorded by the Group in HY2011, which represented an increase of 13.2% from HK\$42.9 million in HY2010. The increase in selling expenses was mainly due to increased advertisements, promotions and human resources for the expansion of the leisure travel business.

Administrative expenses of the Group amounted to HK\$32.5 million in HY2011 was 11.4% higher as compared to HY2010. The increase in administrative expenses in HY2011 was mainly attributable to the increase in staff costs, rental expenses, depreciation and office expenses for the business expansion.

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Profit from operations of the Group amounted to HK\$27.3 million in HY2011, which represented an increase of 71.2% from HK\$16.0 million in HY2010. The substantial increase was in tandem with the revenue growth in HY2011.

Share of profit less loss of jointly controlled entities decreased by 10.9% to HK\$1.3 million in HY2011. The decrease was attributable to the share of operating loss of a newly incorporated jointly controlled entity, Westweb Holdings Limited, and its subsidiaries ("**Westweb Group**"), which amounted to HK\$0.4 million. Following the announcement of the joint venture with Webjet Limited in June 2010, Westweb Group has commenced its preparation for its new business-to-customer online travel platforms in both Hong Kong and Singapore. The Westweb Group is pleased to announce the official launch of the online platform in Hong Kong (website: www.webjet.com.hk) and the soft launch of another online platform in Singapore (website: www.webjet.com.sg) in January 2011. By excluding this HK\$0.4 million share of loss, the Group recorded a growth of 17.6% in the share of operating profit of another jointly controlled entity, Hogg Robinson Westminster Hong Kong Limited ("**HRG-WTL**").

Income tax expense increased by 62.2% to HK\$4.7 million in HY2011. The effective tax rate was 16.6% for HY2011 (HY2010:16.8%).

Net profit attributable to equity holders of the Company increased by 63.7% from HK\$14.1 million in HY2010 to HK\$23.1 million in HY2011. The increase was contributed from the revenue growth recorded in HY2011.

Consolidated Balance Sheet

Non-current assets as at 31 December 2010 amounted to HK\$86.4 million, which represented an increase of HK\$1.1 million. The increase was due to the increase in fixed assets as a result of additions of property, plant and equipment for the Singapore subsidiary's office relocation as well as the three (3) new retail branches in Hong Kong, and capital investments in the newly incorporated Westweb Group during the reporting period.

Trade receivables and trade payables decreased by HK\$18.8 million and HK\$38.9 million to HK\$223.5 million and HK\$163.6 million respectively as at 31 December 2010. The decrease in balance of trade receivables and trade payables as at 31 December 2010 was attributable to a decrease in gross turnover and purchases in December 2010 when compared to June 2010.

Provisions for other liabilities and charges increased to HK\$42.5 million as at 31 December 2010. The increase in balance was mainly due to the HK\$4.6 million net refund payables recorded during the period under review.

Deferred income tax liabilities as at 31 December 2010 was HK\$2.7 million (30 June 2010: HK\$3.0 million). The decrease reflected the tax effect as a result of amortization of intangible asset.

The Company had a positive working capital of HK\$173.8 million as at 31 December 2010.

Consolidated Cash Flow Statement

Cash and cash equivalents of the Group increased by HK\$22.1 million for HY2011.

Net cash generated from operating activities for HY2011 was HK\$21.8 million, the increase of which mainly resulted from the increase in the Group's revenue and profit for HY2011.

Net cash generated from investing activities for HY2011 amounting to HK\$2.8 million was attributable to the release of bank deposits with maturity over three (3) months which was offset by the additions of property, plant and equipment for the Group's Singapore subsidiary's operations and the three (3) new retail branches in Hong Kong.

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Net cash used in financing activities for HY2011 amounting to HK\$15.6 million represented final dividends paid to the Company's shareholders and non-controlling interest.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement for the current financial period had been previously disclosed to shareholders.

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

Demand for travel services is expected to remain robust for 2011. However, higher targets are also required by the travel products suppliers. Thus, the management believes that the market will be more challenging and competitive in 2011. Moreover, the travel market is susceptible to external factors such as economic fluctuations, inflations, political instability and natural disasters. Thus, the Group will continue to take a cautious approach in executing its expansion plans for corporate, wholesale and leisure travel segments in order to build a strong foundation for its long-term growth.

11. If a decision regarding dividend has been made: -

a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Not applicable.

b) (i) Amount per share (cents)

Not applicable.

(ii) Previous corresponding period (cents)

Nil.

c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

d) The date the dividend is payable.

Not applicable.

e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No interim dividend has been declared.

13. Confirmation pursuant of Rule 705(5) of Listing Manual of the SGX-ST

The Board hereby confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the six-month period ended 31 December 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Hazel Chia Luang Chew

Company Secretary

11 February 2011

On behalf of the Board of Directors

Larry Lo Fai Wah

Director

11 February 2011

Henry Chu Tak Shun

Director