



Half-Year Financial Statement Announcement

PART I - UNAUDITED RESULTS OF THE GROUP FOR THE HALF YEAR (“HY”) ENDED 31 JULY 2007

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

		HY ended 31/07/07	HY ended 31/07/06	Change
		S\$'000	S\$'000	%
Revenue	1	62,902	45,745	38
Cost of sales		(59,002)	(36,052)	64
Gross profit	2	3,900	9,693	(60)
Other income		1,565	1,250	25
Concessionary income	3	3,790	-	n.m.
Rental income	3	744	130	472
Distribution costs		(591)	(455)	30
Administrative costs		(6,045)	(5,430)	11
Other expenses	4	(195)	(1,355)	(86)
Finance costs	5	(736)	(280)	163
Profit from operations		2,432	3,553	(32)
Share of results of associated companies	6	8,350	3,665	128
Profit before taxation		10,782	7,218	49
Taxation	7	(2,311)	(950)	143
Profit after taxation		8,471	6,268	35
Attributable to:				
Equity holders of the Company		7,655	5,703	34
Minority interests	8	816	565	44
Profit for the period		8,471	6,268	35

n.m.: Not Meaningful

1(a)(ii) Notes to the income statement

- 1 The increase in revenue was primarily due to the higher volume of construction jobs recognized, higher hotel revenue and the inclusion of the restaurant business revenue. A breakdown of revenue by industry segment is as follows:

	HY ended 31/07/07	HY ended 31/07/06	Change
	S\$'000	S\$'000	%
Construction	35,493	27,694	28
Development *	21	146	(86)
Hotels **	27,199	17,733	53
Investments	189	172	10
	<u>62,902</u>	<u>45,745</u>	38

* The Company's on-going development projects are undertaken by associated companies in which it holds minority interests. As such, the Company takes in its share of results of these associated companies but not their revenue. The small development revenue was attributed to the sale of some remnant property units by a Shanghai property development subsidiary.

** Previous period's excludes contribution from CHIJMES Investment Pte Ltd which owns restaurant businesses in Singapore. CHIJMES Investment Pte Ltd became 100% subsidiary with effect from 1 September 2006.

- 2 Gross profit declined due to construction segment suffered a loss.
- 3 Increase due to contributions from Duxton Hotel Saigon's electronic gaming centre which was opened in November 2006.
- 4 Decline due to exchange gain resulting from strong A\$ vis-à-vis S\$.
- 5 Increase mainly due to project financing taken up for Minton Rise and Duchess Residences.
- 6 Current period's figure comprises progressive recognition of profit from property development projects, viz. Twin Regency, Regency Suites, Domain 21 and One-north Residences. Previous period's figure comprises progressive recognition of profit from Twin Regency, Regency Suites and Domain 21.
- 7 The basis of tax computation is set out below:

	HY ended 31/07/07	HY ended 31/07/06	Change
	S\$'000	S\$'000	%
Income tax			
- tax charge - current	(2,311)	(1,031)	124
- over provision	-	26	n.m.
- deferred taxation	-	55	n.m.
	<u>(2,311)</u>	<u>(950)</u>	143

The higher current tax charge was mainly due to higher profit contributed from the Australian and Vietnamese hotels.

- 8 Higher minority interest in the current period due to higher profit contribution from Duxton Hotel Perth.

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

	Group 31/07/07 S\$'000	Group 31/01/07 S\$'000	Note	Company 31/07/07 S\$'000	Company 31/01/07 S\$'000
ASSETS					
Non-current assets					
Investment properties	4,401	4,421	1	-	-
Property, plant and equipment	82,419	80,459		10,020	10,209
Development land	3,440	3,440		3,440	3,440
Subsidiaries	-	-		83,009	89,175
Associated companies	102,347	105,164		89,459	94,487
Joint ventures	1,014	1,017		1,014	1,017
Investments	16,670	14,718		3,464	2,797
Deferred tax assets	127	129		-	-
	<u>210,418</u>	<u>209,348</u>		<u>190,406</u>	<u>201,125</u>
Current assets					
Inventories	454	463		-	-
Work-in-progress	5,578	14,814	2	4,715	13,951
Trade and other receivables	19,355	15,726		12,191	12,299
Amounts owing by subsidiaries (trade)	-	-		19,938	19,322
Cash and cash equivalents	28,873	30,809		2,936	865
	<u>54,260</u>	<u>61,812</u>		<u>39,780</u>	<u>46,437</u>
Total assets	<u>264,678</u>	<u>271,160</u>		<u>230,186</u>	<u>247,562</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	71,277		161,863	71,277
Reserves	10,598	8,089		1,233	575
Retained profits	21,245	106,989		21,910	115,184
Exchange fluctuation account	6,209	4,407		-	-
	<u>199,915</u>	<u>190,762</u>		<u>185,006</u>	<u>187,036</u>
Minority interests	7,943	6,852		-	-
Total equity	<u>207,858</u>	<u>197,614</u>		<u>185,006</u>	<u>187,036</u>
Non-current liabilities					
Other payables	396	385		-	-
Deferred tax liabilities	524	536		617	617
	<u>920</u>	<u>921</u>		<u>617</u>	<u>617</u>
Current liabilities					
Trade and other payables	27,795	26,719		14,815	15,363
Amounts owing to subsidiaries	-	-		11,412	8,372
Amount owing to a minority shareholder of subsidiaries (non-trade)	5,812	5,885		-	-
Advances received from a joint venture	850	850		850	850
Provision for directors' fee	85	148		85	148
Current tax payable	3,978	4,059		21	212
Bank borrowings	17,380	34,964	3	17,380	34,964
	<u>55,900</u>	<u>72,625</u>		<u>44,563</u>	<u>59,909</u>
Total liabilities	<u>56,820</u>	<u>73,546</u>		<u>45,180</u>	<u>60,526</u>
Total equity and liabilities	<u>264,678</u>	<u>271,160</u>		<u>230,186</u>	<u>247,562</u>

Notes to the balance sheet

- 1 The Group has classified its investment properties separately from property, plant and equipment on adoption of FRS 40 – Investment Property, as stated in paragraph 5.
- 2 Decrease mainly due to the completion of projects, namely *Twin Regency* and *Domain 21*.
- 3 Decrease mainly due to capital repayment and dividends received from an associated company.

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

	31/07/07		31/01/07	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	-	17,380	-	34,964
Amount repayable after one year	-	-	-	-
	-	17,380	-	34,964

Details of any collateral

Nil.

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

	Note	HY ended 31/07/07	HY ended 31/07/06
		S\$'000	S\$'000
Cash Flows from Operating Activities			
Profit before taxation		10,782	7,218
Share of results of associated companies		(8,350)	(3,665)
Adjustments for:			
Depreciation of property, plant and equipment		2,552	2,009
Exchange differences	1	(1,136)	(54)
(Gain)/loss on disposal of			
- property, plant and equipment		(9)	(5)
- an associated company		-	127
- equity investments		(67)	(79)
Fair value gains on derecognition of available-for-sale financial assets		(159)	(22)
Impairment loss on unquoted equity investments		511	-
Impairment on receivables		15	304
Impairment on receivables no longer required		(35)	(158)
Goodwill in an associated company written off		-	37
Interest expense		737	280
Interest income		(1,273)	(1,104)
Operating profit before working capital changes		3,568	4,888
Inventories and work-in-progress		9,245	(3,530)
Receivables		(3,478)	(4,177)
Payables		939	(5,062)
Cash generated from/(used in) operations		10,274	(7,881)
Interest paid		(655)	(232)
Income tax paid		(2,392)	(11,464)
Net cash generated from/(used in) operating activities		7,227	(19,577)
Balance carried forward		7,227	(19,577)

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

	Note	HY ended 31/07/07	HY ended 31/07/06
		S\$'000	S\$'000
Balance brought forward		7,227	(19,577)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(1,475)	(140)
Acquisition of quoted equity investments		(10)	(1,730)
Capital contribution made towards associated companies		-	(6,900)
Interest received		535	579
Capital reduction of an associated company		-	12,500
Advances made to associated companies		(8,260)	(10,224)
Capital repayment from an associated company		14,700	-
Capital return from an associated company in liquidation		43	-
Dividends from an associated company		1,500	4,876
Proceeds from sale of investments		279	633
Proceeds from sale of property, plant and equipment		123	6
Net proceeds from disposal of investments in an associated company		-	1,188
Net cash generated from investing activities		<u>7,435</u>	<u>788</u>
Cash Flows from Financing Activities			
Share options exercised		-	100
Dividends paid to shareholders of the Company		(2,525)	(7,376)
Dividends paid to minority shareholder of a subsidiary		(23)	(303)
Rights Issue expenses		(288)	-
Receipts from associated companies		3,903	1,001
Loans from financial institutions obtained		13,550	41,100
Loans from financial institutions repaid		(30,450)	(32,055)
Net cash generated from/(used in) financing activities		<u>(15,833)</u>	<u>2,467</u>
Net decrease in cash and cash equivalents		(1,171)	(16,322)
Cash and cash equivalents at beginning of the period		<u>29,382</u>	<u>38,231</u>
Cash and cash equivalents at the end of the period		<u><u>28,211</u></u>	<u><u>21,909</u></u>

Notes to the cash flow statement

- 1 Higher exchange gain due to A\$ vis-à-vis S\$.
- 2 Cash and cash equivalents are net of bank overdrafts.

1(d)(i) A statement (for the issuer and 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

	Share Capital	Reserves	Retained Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
The Company				
Balance at 1.2.2006	71,177	13,483	65,127	149,787
Fair value gains of available-for-sale financial assets recycled to income statement on derecognition	-	(95)	-	(95)
Share options exercised	100	-	-	100
Net profit for the period	-	-	4,970	4,970
2006 dividends paid	-	-	(7,376)	(7,376)
Balance at 31.7.2006	<u>71,277</u>	<u>13,388</u>	<u>62,721</u>	<u>147,386</u>
Balance at 1.2.2007	71,277	575	115,184	187,036
Share issued pursuant to Rights Issue	90,874	-	-	90,874
Rights Issue expenses	(288)	-	-	(288)
Net fair value gains on available-for-sale financial assets recognised directly to equity	-	658	-	658
Net profit for the period	-	-	125	125
2007 dividends paid	-	-	(93,399)	(93,399)
Balance at 31.7.2007	<u>161,863</u>	<u>1,233</u>	<u>21,910</u>	<u>185,006</u>

1(d)(i) A statement (for the issuer and 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 (cont'd)

	Share Capital	Reserves	Retained Profits	Exchange Fluctuation Account	Sub-total	Minority Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
Balance at 1.2.2006	71,177	37,845	66,132	5,870	181,024	10,509	191,533
Net fair value gains of available-for-sale financial assets recognised directly to equity	-	(4)	-	-	(4)	-	(4)
Share of an associated company reserve	-	115	-	-	115	-	115
Share options exercised	100	-	-	-	100	-	100
Loss not recognised in income statement	-	-	-	(895)	(895)	(133)	(1,028)
Net profit for the period	-	-	5,703	-	5,703	565	6,268
2006 dividends paid	-	-	(7,376)	-	(7,376)	(303)	(7,679)
Balance at 31.7.2006	71,277	37,956	64,459	4,975	178,667	10,638	189,305
Balance at 1.2.2007	71,277	8,089	106,989	4,407	190,762	6,852	197,614
Shares Issue pursuant to Rights issue	90,874	-	-	-	90,874	-	90,874
Rights Issue expenses	(288)	-	-	-	(288)	-	(288)
Net fair value gains of available-for-sale financial assets recognised directly to equity	-	2,668	-	-	2,668	-	2,668
Fair value gains of available- for-sale financial assets recycled to income statement on derecognition	-	(159)	-	-	(159)	-	(159)
Gain not recognised in income statement	-	-	-	1,802	1,802	298	2,100
Net profit for the period	-	-	7,655	-	7,655	816	8,471
2007 dividends paid	-	-	(93,399)	-	(93,399)	(23)	(93,422)
Balance at 31.7.2007	161,863	10,598	21,245	6,209	199,915	7,943	207,858

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 or 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 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

Share capital increased to \$161.86m from \$71.28m as at 31 January 2007 following the successful completion of the Rights Issue of 2 for every 1 existing shares held by shareholders at a subscription price of \$0.369 per share. A total of 246,272,000 shares were allotted, listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited on 09 July 2007.

As at 31 July 2007, there were no outstanding executives' share options granted.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

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

Not applicable.

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 January 2007, except for those as disclosed under Paragraph 5.

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

The Group has adopted FRS 40 – *Investment Property*, which became operative from 1 January 2007. FRS 40 permits investment properties to be stated at either fair value or cost less accumulated depreciation and accumulated impairment losses. In prior years, investment properties were accounted for under FRS 16 – *Property, Plant and Equipment* at cost less accumulated depreciation and accumulated impairment losses. On adoption of FRS 40, the Group will reclassify the carry value of their investment properties from property, plant and equipment to investment properties, which will continue to be stated at cost less accumulated depreciation and accumulated impairment losses. Comparatives have been restated accordingly.

Other than FRS 40, the Group adopted various new/revised Financial Reporting Standards, which took effect from 1 January 2007, there has been no change in the accounting policies and methods of computation adopted by the Group.

The application of the new/revised accounting standards and interpretations is not expected to have any material impact on the financial statements of the Group.

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

	HY ended 31/07/07	HY ended 31/07/06
Earnings per ordinary share for the period based on net profit attributable to shareholders of the Company:		
(i) Based on weighted average number of ordinary shares in issue	2.07 cents	2.32 cents
(ii) On a fully diluted basis	2.07 cents	2.32 cents

The earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial period.

The comparative figures for earnings per ordinary share and weighted average number of ordinary shares in issue and outstanding have been adjusted to account for the effect of the Rights Issue as mentioned in Paragraph 1(d)(ii) above.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31/07/07	31/07/06	31/07/07	31/07/06
Net asset value per ordinary share	54 cents	145 cents	50 cents	120 cents
Net tangible assets backing per ordinary share	54 cents	145 cents	50 cents	120 cents

The figures for 31 July 2007 were calculated based on 369,408,000 ordinary shares whereas those for the prior period-end were calculated based on 123,136,000 ordinary shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Introduction

The Group's four main business segments are construction, property development, hotels, and investments. In recent years, the company business strategy was to focus more on property development in Malaysia and Singapore. This year it has also started looking at the real estate market in Vietnam with a view for expansion.

Group

Group revenue rose by 38% from \$45.7 million to \$62.9 million due chiefly to higher contributions from construction jobs, higher hotel revenue and the inclusion of restaurant businesses for the first time in the segment.

Gross profit margin declined from 21% to 6.2% due entirely to the construction segment incurring a loss of \$7.97 million for the period. This segment alone accounted for 56% of the Group revenue.

Construction

Construction revenue registered an increase of 28% from \$27.7 million to \$35.5 million compared to the corresponding period of the previous year. This was due to more works being completed progressively. However, gross profit showed a loss of \$7.97 million due to substantial increases in construction costs, particularly costs of sand and granite caused by restrictions imposed by exporting countries of the material in February 2007. The three on-going construction contracts were done for development projects undertaken by our associated companies at prices determined at the time of entering into the joint-venture agreement with our partners to tender for the sites. It is estimated that the total loss for these contracts when completed will not exceed \$15 million.

The on-going project in Beirut has been completed and hand over is expected soon.

Development

The on-going development projects are undertaken by associated companies of the Company. As such, the Company takes in its share of results of the associated companies but not their revenues. During the period under review, contributions from this segment increased by 128% from \$3.67 million to \$8.35 million due mainly to these development projects namely, *Twin Regency*, *Domain 21* and *One North Residences* (100% sold - contribution for the first time).

Hotels

The remaining two hotels (Duxton Hotel Perth and Duxton Hotel Saigon) continued to perform well with revenue increased by 25% from \$17.7 to \$22.2 million due to higher occupancy and improvement on average room rate.

The Electronic Gaming Centre at Duxton Hotel Saigon contributed significantly to the profitability of the hotel for the first time since opened in November 2006.

The segment revenue of \$27.2 million included \$5 million of the restaurant businesses of CHIJMES Investment Pte Ltd for the first time since becoming a 100% subsidiary in September 2006.

Balance Sheet

The financial position of the Group remained strong for the period reported with share capital increase from \$71.3 million to \$161.9 million. Bank borrowings were substantially reduced from \$35 million as at 31 January 2007 to \$17.4 million due mainly to proceeds received in July 2007 from capital repayment of a development associated company.

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

The actual results in this announcement are consistent with the prospect statement which the company made when it announced its results for the financial year ended 31 January 2007.

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

The construction industry continues to be competitive with escalating material costs coupled with a shortage of skilled construction workers. It is expected that the three on-going construction contracts undertaken for our associated companies will continue to incur losses for reasons as explained in para 8.

The Group's development projects are expected to continue to do well with the recent launch of two new projects namely, *One North Residences* (100% sold) and *Duchess Residences* (98% sold) during the period under review. The other on-going projects in Singapore include SouthBank and Regency Suites.

Across the causeway, the Group is expanding its land portfolio in the recently announced South Johor Economic Region.

For the hotel segment, it is expected to continue to perform well in view of the strong economic growth in both western Australia and South Vietnam. The Electronic Gaming Centre at Duxton Hotel Saigon is expected to continue to generate good cashflow and income for the hotel.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended for the period under review.

BY ORDER OF THE BOARD

Low Keng Boon
Managing Director

STATEMENT BY DIRECTORS
Pursuant to SGX Listing Rule 705(4)

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial results to be false or misleading. Based on our knowledge, the financial statements and other financial information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report.

ON BEHALF OF THE BOARD

Low Keng Boon
Managing Director

Low Poh Kuan
Executive Director