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## Full Year Financial Statements and Dividend Announcement

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### PART I - UNAUDITED RESULTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

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

	Note	FY ended 31/01/08	FY ended 31/01/07	Increase/ (Decrease)
		S\$'000	S\$'000	%
Revenue	1	113,322	117,287	(3)
Cost of sales		(101,642)	(85,674)	19
Gross profit	2	11,680	31,613	(63)
Other income		3,385	2,949	15
(Loss)/gain on disposal of property, plant and equipment		(141)	19	n.m.
Concessionary income	3	6,397	-	n.m.
Distribution costs		(1,780)	(2,029)	(12)
Administrative costs		(12,824)	(11,732)	9
Other operating expenses	4	(1,844)	(10,682)	(83)
Finance costs	5	(1,155)	(876)	32
Profit from operations		3,718	9,262	(60)
Share of results of associated companies	6	16,368	7,919	107
Share of results of joint ventures	7	(240)	-	n.m.
Profit before taxation		19,846	17,181	16
Taxation	8	(4,416)	(2,647)	67
Profit after taxation for the year		15,430	14,534	6
Attributable to:				
Equity holders of the company		13,687	13,134	4
Minority interests	9	1,743	1,400	25
		15,430	14,534	6

n.m.: Not Meaningful

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

- 1 Group revenue was \$113.3M for FY07/08 compared to \$117.3M for FY06/07. After accounting for \$11.8M gaming revenue that was included in the revenue for FY06/07, group revenue for FY07/08 increased by \$7.8M (7%) compared to FY06/07. The increase in revenue was mainly due to an increase in hotel revenue of \$15.2M partially offset by a decrease in construction revenue of \$7.1M. Development revenue and investment revenue for the company were not significant. The company's on-going development projects are undertaken by associated companies in which it holds minority interests. As such, the company takes into account its share of results of these associated companies but not their revenue. A breakdown of revenue by industry segment is as follows:

	<b>FY ended 31/01/08 S\$'000</b>	<b>FY ended 31/01/07 S\$'000</b>	<b>Increase/(Decrease) %</b>
Construction	56,777	63,929	(11)
Development	21	255	(92)
Hotels	56,135	52,744	6
Investments	389	359	8
	<u>113,322</u>	<u>117,287</u>	(3)

- 2 Gross profit was \$11.7M for FY07/08 compared to \$22.4M for FY06/07 after accounting for the gross profit of gaming centre operations that was included in FY06/07. The decrease in gross profit of \$10.7M was solely due to the construction segment incurring a gross loss of \$13M in FY07/08 as a result of substantial increases in construction costs. The gross margin for the hotel and F&B business remained relatively constant.
- 3 This income is derived from the gaming centre operations in Duxton Hotel Saigon which opened for business in November 2006. In FY06/07 the results of gaming centre operations were accounted for under individual revenue, cost and expense items. The concessionary income for the three months in FY06/07 would have been \$2.4M if we had reclassified the individual revenue, cost and expense items.
- 4 Other operating expenses decreased by 61% from \$4.9M in FY06/07 to \$1.9M in FY07/08 after accounting for the expenses of gaming centre that was included in FY06/07. One of the main reasons for the decrease in other operating expenses was the exchange gain of \$0.8M in FY07/08 compared to an exchange loss of \$1.6M in FY06/07. In addition provision for impairment loss of investment was \$0.9M lower in FY07/08 compared to FY06/07.
- 5 Increase in finance costs was due to increased working capital requirements for the construction and development projects.
- 6 Increase in share of results from associated companies was due to increased contributions from existing and new development projects launched during the year. Please refer to note 8 under the caption "Development" for further details.

- 7 The share of results of joint ventures is the provision for foreseeable loss on the project in Beirut, Lebanon. Total provision for foreseeable loss as of 31 January 2008 was approximately \$1.5M for this project.
- 8 The basis of tax computation is set out below:

	<b>FY ended 31/01/08</b>	<b>FY ended 31/01/07</b>	<b>Increase/ (Decrease)</b>
	S\$'000	S\$'000	%
Income tax			
- tax charge - current	(2,184)	(1,850)	18
- tax deducted at source	(15)	(90)	(83)
- under provision	(29)	(549)	(95)
- foreign tax	(2,220)	(616)	260
- Deferred taxation	32	387	(92)
- Change in tax rate	-	71	n.m.
	<u>(4,416)</u>	<u>(2,647)</u>	67

Increase in taxation was due to increased profits at *Duxton Hotel Perth* and *Duxton Hotel Saigon*.

- 9 Higher minority interests in the current year were due to better profit performance at *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**

	<b>Group</b> <b>31/01/08</b> S\$'000	<b>(Restated)</b> <b>Group</b> <b>31/01/07</b> S\$'000	<b>Note</b>	<b>Company</b> <b>31/01/08</b> S\$'000	<b>(Restated)</b> <b>Company</b> <b>31/01/07</b> S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	8,310	8,727	1	4,387	4,507
Property, plant and equipment	76,306	75,951	1	8,681	5,702
Development land	-	3,440	1	-	3,440
Subsidiaries	-	-		76,413	89,175
Associated companies	159,765	105,164	2	145,814	94,487
Joint ventures	776	1,017		776	1,017
Investments	13,544	14,718		2,996	2,797
Deferred tax assets	-	129		-	-
	<u>258,701</u>	<u>209,146</u>		<u>239,067</u>	<u>201,125</u>
<b>Current assets</b>					
Inventories	536	463		-	-
Work-in-progress	13,298	14,814		12,435	13,951
Trade and other receivables	18,162	15,726		10,998	12,299
Amounts owing by subsidiaries (trade)	-	-		19,320	19,322
Cash and cash equivalents	27,243	30,809	3	317	865
	<u>59,239</u>	<u>61,812</u>		<u>43,070</u>	<u>46,437</u>
<b>Total assets</b>	<u>317,940</u>	<u>270,958</u>		<u>282,137</u>	<u>247,562</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	161,863	71,277		161,863	71,277
Reserves	4,983	7,764		765	575
Retained profits	27,401	107,112		18,603	115,184
Exchange fluctuation account	4,618	4,407		-	-
	<u>198,865</u>	<u>190,560</u>		<u>181,231</u>	<u>187,036</u>
Minority interests	8,704	6,852		-	-
<b>Total equity</b>	<u>207,569</u>	<u>197,412</u>		<u>181,231</u>	<u>187,036</u>
<b>Non-current liabilities</b>					
Other payables	355	385		-	-
Deferred tax liabilities	468	536		594	617
	<u>823</u>	<u>921</u>		<u>594</u>	<u>617</u>
<b>Current liabilities</b>					
Trade and other payables	23,589	26,719		10,948	15,363
Amounts owing to subsidiaries	-	-		13,048	8,372
Advances received from a joint venture	850	850		850	850
Amount owing to a minority shareholder of subsidiaries (non-trade)	4,530	5,885		-	-
Amount owing to holding company (non-trade)	2	-		2	-
Provision for directors' fee	170	148		170	148
Provision for taxation	5,134	4,059		21	212
Bank borrowings	75,273	34,964	3	75,273	34,964
	<u>109,548</u>	<u>72,625</u>		<u>100,312</u>	<u>59,909</u>
<b>Total liabilities</b>	<u>110,371</u>	<u>73,546</u>		<u>100,906</u>	<u>60,526</u>
<b>Total equity and liabilities</b>	<u>317,940</u>	<u>270,958</u>		<u>282,137</u>	<u>247,562</u>

## Notes to the balance sheets

- 1 The net book value of investment properties, fixed assets and development land as of 31 January 2007 had been restated with the adoption of FRS 40, Investment Property, in FY07/08. The net book value of investment properties decreased from \$8.7M as at 31 January 2007 to \$8.3M as at 31 January 2008 as a result of the depreciation charge of these investment properties. There was no other significant impact on the profit and loss of the group due to the reclassification.
- 2 Balances of associated companies increased from \$105.2M as at 31 January 2007 to \$159.8M as at 31 January 2008. The increase was mainly attributed to the \$42.7M loan extended to Peak Garden Pte Ltd on 23 January 2008 for Minton Rise project at Hougang Street 11, \$10.6M bridging loan to Bina Meganmas Sdn Bhd for bungalow lots project at Iskandar Development Region, South Johore, \$8.7M cost of investment in Suasana Simfoni for condominium project at Jalan Conlay, Kuala Lumpur, \$5.3M cost of investment in Binakawa Sdn Bhd for township development in Seri Alam, Johore and the repayment of \$12.3M by Valley Development for Domain 21 project and other projects.
- 3 Group bank borrowings increased from \$35.0M as at 31 January 2007 to \$75.3M as at 31 January 2008 mainly due to the financing of Minton Rise project on 23 January 2008. Other borrowings were in line with increasing working capital requirements of the construction and development businesses. Net gearing was 24.2% as at 31 January 2008 after taking into account a cash position of \$27.2M. Subsequent to 31 January 2008, bank borrowings of \$63.1M were rolled over.

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

	As at 31/01/08		As at 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	-	75,273	-	34,964
Amount repayable after one year	-	-	-	-
	-	75,273	-	34,964

### Details of any collateral

None of the group's assets are being collateralized to secure bank borrowings.

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

	<b>FY ended 31/01/08 S\$'000</b>	<b>FY ended 31/01/07 S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	19,846	17,181
Share of results of associated companies	(16,368)	(7,919)
Share of results of joint ventures	240	-
Adjustments for:		
Depreciation of property, plant and equipment	4,770	4,246
Depreciation of investment properties	175	159
Dividends from associated companies	1,500	4,872
Exchange differences	69	844
Project income of a former associated company previously not recognised	-	(1,709)
Loss/(gain) on disposal of :		
- property, plant and equipment	141	(19)
- equity investments	(67)	(79)
- investment properties	(94)	(44)
- associated companies	-	127
Fair value gains on derecognition of available-for-sale financial assets	(158)	(22)
Impairment loss on:		
- unquoted equity investments	-	1,502
- receivables	569	305
- receivables no longer required	(32)	(186)
Bad debts written off	36	54
Return on liquidation of a subsidiary	9	-
Loss on liquidation of an associated company	-	(25)
Goodwill written off	-	65
Interest expense	1,155	876
Interest income	(2,428)	(2,371)
<b>Operating profit before working capital changes</b>	<b>9,363</b>	<b>17,857</b>
Inventories and work-in-progress	1,443	(8,148)
Receivables	(2,464)	4,423
Payables	(4,499)	5,843
<b>Cash generated from operations</b>	<b>3,843</b>	<b>19,975</b>
Interest paid	(1,181)	(791)
Income tax paid	(3,243)	(10,975)
<b>Net cash (used in)/generated from operating activities</b>	<b>(581)</b>	<b>8,209</b>
<b>Balance carried forward</b>	<b>(581)</b>	<b>8,209</b>

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)**

	FY ended 31/01/08 S\$'000	FY ended 31/01/07 S\$'000
<b>Balance brought forward</b>	(581)	8,209
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(2,085)	(6,504)
Acquisition of quoted equity investments	(2,207)	(2,189)
Amount owing by associated companies	4,954	(7,240)
Interest received	1,078	1,070
Advances made to associated companies	(43,996)	(29,088)
Capital return from liquidation of an associated company	-	300
Proceeds from sale of investments	280	633
Proceeds from sale of property, plant and equipment	509	19
Net cash outflow on acquisition of a former associated company, now a subsidiary (Note A)	-	(345)
Capital reduction in a former associated company	-	12,500
Net proceeds from disposal of an associated company	647	1,188
Net proceeds from disposal of investment properties	336	155
<b>Net cash used in investing activities</b>	<b>(40,484)</b>	<b>(29,501)</b>
<b>Cash Flows from Financing Activities</b>		
Share options exercised	-	100
Dividends paid to shareholders of the company	(2,524)	(7,376)
Dividends paid to minority shareholder of a subsidiary	(22)	(4,789)
Rights issue	(288)	-
Receipts from investee company	-	13
Loans from financial institutions obtained	71,823	69,050
Loans from financial institutions repaid	(35,870)	(44,555)
<b>Net cash generated from financing activities</b>	<b>33,119</b>	<b>12,443</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,946)</b>	<b>(8,849)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>29,381</b>	<b>38,230</b>
<b>Cash and cash equivalents at the end of the year (Note B)</b>	<b>21,435</b>	<b>29,381</b>

The group has unused bank facilities of \$69M as of 31 January 2008.

**NOTE**

A. **The group acquired a subsidiary (formerly an associated company) in FY06/07 and no such transaction happened in FY07/08. The fair value of assets acquired and liabilities assumed were as follows:**

	FY ended 31/01/08 S\$'000	FY ended 31/01/07 S\$'000
<u>Net assets acquired</u>		
Property, plant and equipment	-	775
Current assets	-	281
Cash and bank balances	-	2,365
Current liabilities	-	(739)
	-	2,682
Goodwill on acquisition	-	28
Purchase consideration	-	2,710
Less: cash and bank balances acquired	-	(2,365)
<b>Net cash outflow on acquisition</b>	<b>-</b>	<b>345</b>

**B. Cash and cash equivalents are net of bank overdrafts.**

	<b>FY ended 31/01/08 S\$'000</b>	<b>FY ended 31/01/07 S\$'000</b>
<u>Cash and cash equivalents at the end of the year</u>		
Cash and bank balances	27,243	30,809
Overdraft	(5,808)	(1,428)
	<u>21,435</u>	<u>29,381</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**

	Share Capital	Reserves	Retained Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>				
Balance at 1.2.2006	71,177	13,483	65,127	149,787
Transfer to retained profits	-	(13,462)	13,462	-
Transfer of retained profits of a former associated company, now a subsidiary	-	-	1,503	1,503
Net fair value gains on available-for-sale financial assets recognised directly to equity	-	575	-	575
Fair value gains on available-for-sale financial assets recycled to income statement on derecognition	-	(21)	-	(21)
Net gains recognised directly to equity	-	554	-	554
Net profit for the year	-	-	42,468	42,468
Total recognised income for the year	-	554	42,468	43,022
Share options exercised	100	-	-	100
2006 dividends paid	-	-	(7,376)	(7,376)
Balance at 31.1.2007	71,277	575	115,184	187,036
Net fair value gains on available-for-sale financial assets recognised directly to equity	-	190	-	190
Net gains recognised directly to equity	-	190	-	190
Net loss for the year	-	-	(3,183)	(3,183)
Total recognised income and expenses for the year	-	190	(3,183)	(2,993)
Shares issued pursuant to Rights Issue	90,874	-	(90,874)	-
Rights issue expenses	(288)	-	-	(288)
2007 dividends paid	-	-	(2,524)	(2,524)
Balance at 31.1.2008	161,863	765	18,603	181,231

**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
<b>The Group</b>							
Balance at 1.2.2006							
- as previously reported	71,177	37,845	66,132	5,870	181,024	10,509	191,533
Effect on adopting FRS 40	-	(325)	123	-	(202)	-	(202)
Restated balance	71,177	37,520	66,255	5,870	180,822	10,509	191,331
Transfer to retained profits	-	(35,099)	35,099	-	-	-	-
Net fair value gains on available-for-sale financial assets recognised directly to equity	-	5,364	-	-	5,364	-	5,364
Fair value gains on available-for-sale financial assets recycled to income statement on derecognition	-	(21)	-	-	(21)	-	(21)
Loss not recognised in income statement	-	-	-	(1,463)	(1,463)	(268)	(1,731)
Net gains/(losses) recognised directly to equity	-	5,343	-	(1,463)	3,880	(268)	3,612
Net profit for the year	-	-	13,134	-	13,134	1,400	14,534
Total recognised income and expenses for the year	-	5,343	13,134	(1,463)	17,014	1,132	18,146
Share options exercised	100	-	-	-	100	-	100
2006 dividends paid	-	-	(7,376)	-	(7,376)	(4,789)	(12,165)
Balance at 31.1.2007	71,277	7,764	107,112	4,407	190,560	6,852	197,412
Net fair value losses on available-for-sale financial assets recognised directly to equity	-	(2,623)	-	-	(2,623)	-	(2,623)
Fair value gains on available-for-sale financial assets recycled to income statement on derecognition	-	(158)	-	-	(158)	-	(158)
Gain not recognised in income statement	-	-	-	211	211	131	342
Net gains/(losses) recognised directly to equity	-	(2,781)	-	211	(2,570)	131	(2,439)
Net profit for the year	-	-	13,687	-	13,687	1,743	15,430
Total recognised income and expenses for the year	-	(2,781)	13,687	211	11,117	1,874	12,991
Shares issued pursuant to Rights Issue	90,874	-	(90,874)	-	-	-	-
Rights issue expenses	(288)	-	-	-	(288)	-	(288)
2007 dividends paid	-	-	(2,524)	-	(2,524)	(22)	(2,546)
Balance at 31.1.2008	161,863	4,983	27,401	4,618	198,865	8,704	207,569

- 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 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**

Share capital increased from \$71.3M as at 31 January 2007 to \$161.9M as at 31 January 2008 following the successful completion of the Rights Issue of 2 for every 1 existing share 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 9 July 2007.

There were no outstanding executives' share options granted as at 31 January 2008.

There was no treasury share held or issued as at 31 January 2008 and as at 31 January 2007.

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

	<b>FY ended 31/01/08</b>	<b>FY ended 31/01/07</b>
No of issued shares excluding treasury shares	369,408,000	123,136,000

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

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 31 January 2008.

- 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 had 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 disclosed under paragraph 5 below.

**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 is effective for annual periods beginning on or after 1 January 2007. FRS 40 permits investment properties to be stated at either fair value or cost less accumulated depreciation and impairment losses. Before 1 January 2007, the group's investment properties and related plant and equipment and improvements, other than the freehold residential apartments at Lot 262, Mukim of Ampang, Wilayah Persekutuan held under Geran 5813, GCB Court, Kuala Lumpur, were accounted for under FRS 16 – Property, Plant and Equipment and were stated at cost less accumulated depreciation and impairment losses. On adoption of FRS 40, the group has reclassified the carrying value of their investment properties and related plant and equipment and improvements from property, plant and equipment to investment properties and continues to state at cost less accumulated depreciation and impairment losses. Comparatives have been restated accordingly.

The group adopts the conservative policy of depreciating its investment properties as allowed under FRS 40. However, if the group had adopted a revaluation policy as commonly practiced by most Singapore listed developers, its profit after tax and minority interests would have increased to approximately \$21M after taking into account the fair value gains on investment properties from FY06/07 to FY07/08. The group holds the view that by taking the valuation route, this will reflect inappropriately the unrealized profits due to market fluctuations from year to year. Therefore, it has continued to adopt the conservative policy of depreciating its investment properties as allowed by FRS 40. This cost approach will provide a consistent yearly assessment of its core cash generation earnings.

Other than FRS 40, the group adopted various new/revised Financial Reporting Standards issued by the Accounting Standards Council, which took effect from 1 January 2007. The adoption of these Standards does not have a significant impact on the group's financial statements.

**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**

	<b>FY ended 31/01/08</b>	<b>FY ended 31/01/07 (Restated)</b>
Earnings per ordinary share for the year based on net profit attributable to shareholders of the company:		
(i) Based on weighted average number of ordinary shares in issue	4.17 cents	4.21 cents
(ii) On a fully diluted basis	4.17 cents	4.21 cents

The decrease in EPS was due to the increase in number of issued shares due to the Rights Issue successfully completed in July 2007. The EPS for FY07/08 would have been 11.12 cents if the number of shares had remained the same as last year. The EPS for FY06/07 was 10.67 cents.

**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	
	31/01/08	31/01/07	31/01/08	31/01/07
Net asset value per ordinary share	54 cents	155 cents	49 cents	152 cents
Net tangible assets backing per ordinary share	54 cents	155 cents	49 cents	152 cents

The decrease in NTA was due to the increased number of issued shares due to the successful completion of the Rights Issue in July 2007. The NTA would have been 162 cents if the number of shares had remained the same as last year.

**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 business segments are construction, property development, hotels and investments. In recent years, the company shifted the emphasis of its business mix from hotels to property development. Since last year, the group started to build up its land bank in Malaysia which has been lagging behind the other regions.

**Construction**

Construction revenue decreased by 11% from \$63.9M in FY06/07 to \$56.8M in FY07/08. This decrease was due to the completion of major projects ie Novena Square Extension, The Chuan, Twin Regency and Domain 21 and the lower percentage of completion of on-going projects ie One North Residence, Southbank and Regency Suites in FY07/08.

The increase in net loss before tax & minority interests for construction segment increased from \$4.0M in FY06/07 to \$21.3M in FY07/08. This increase was due to the increase in gross loss to \$13.0M in FY07/08 which was a result of substantial increases in construction costs, particularly costs of sand and granite caused by restrictions imposed by exporting countries in February 2007 and inflationary pressures in commodities pricing towards the last quarter of FY07/08. These construction projects were undertaken by the group for associated companies at prices determined at the time of entering into the joint venture agreement with the partners to tender for the sites. Management is working with the partners in recovering these cost increases.

**Hotel & F&B business**

Revenue for hotel & F&B businesses increased from \$52.7M in FY06/07 to \$56.1M in FY07/08. In FY06/07 the results of gaming centre operations were accounted for under individual revenue, cost and expense items. However in FY07/08, the group accounted for the results of the gaming centre as "Concessionary income" for better presentation purposes. Hotel revenue increased by 37% to \$56.1M in FY07/08 from \$40.9M in FY06/07 after accounting for \$11.8M of gaming centre revenue that was included in FY06/07. The increase in hotel revenue of \$15.2M was attributable to higher revenue from *Duxton Hotel Saigon* and *Duxton Hotel Perth* and our F&B business arm consisting of Starworth group of companies. The higher hotel revenue was due to increased occupancy and room rates in both hotels in FY07/08 compared to FY06/07. In addition there was a net foreign exchange gain of \$1M on the increased hotel revenue. The results of Starworth group of companies which operate the restaurants at Chimes and Vivo City were consolidated with effect from 1 September 2006. The net profit before tax and minority interests for hotel segment increased 92% to \$24.8M in FY07/08 from \$12.9M in FY06/07.

## **Development**

The company's major on-going development projects are undertaken by associated companies in which it holds minority interests. As such, the company recognizes its share of profit/loss of these associated companies as "Share of results of associated companies" but not their revenue.

Contributions from associated companies increased 107% from \$7.9M in FY06/07 to \$15.2M in FY07/08 as more projects were launched and sold. Current year contributions came from Twin Regency (fully sold), Domain 21 (fully sold), Regency Suites (fully sold), Southbank (fully sold), one-north Residences (fully sold except for 2 shop units) and Duchess Residences (fully sold except for 1 unit). The contributions in FY06/07 came from three projects only namely Twin Regency (fully sold), Domain 21 (fully sold) and Regency Suites (fully sold).

## **Investments**

The group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equities. The contributions from this segment were not significant.

## **Net profit attributable to shareholders**

Net profit attributable to shareholders increased by 4% from \$13.1M in FY06/07 to \$13.7M in FY07/08. The increase was due to higher development profit from associated companies and hotel operations offsetted by higher construction loss and higher taxation charge and minority interests.

## **Balance Sheet**

The group remains in a strong financial position. Group shareholders' funds increased from \$190.8M as at 31 January 2007 to \$199.0M as at 31 January 2008. Group bank borrowings increased from \$35.0M as at 31 January 2007 to \$75.2M as at 31 January 2008 in line with increasing working capital requirements for the construction and development businesses. Net gearing was 24.2% as at 31 January 2008 after taking into account a cash position of \$27.2M. Subsequent to 31 January 2008, bank borrowings of \$63.1M were rolled over.

### **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 half year financial results for the period ended 31 July 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 group is cautiously optimistic about its business prospect notwithstanding the impact of the US slowdown on Singapore and the region.

The construction industry is expected to grow above last year's contract awarded value of \$24.5 billion. This growth is supported by many high value jobs coming on stream as Singapore transforms itself into a global city that will continue to attract investors. At the same time competition in construction resources with other booming regional economies and inflationary pressures will add pressure to the group's construction costs. Hence competitive tender pricing and cost control are two major challenges that the group will face in the coming year. The group's strategy is therefore to be selective in project tendering and the group will secure projects that leads to higher growth and profitability.

The group's strategy is bearing fruits and the group is pleased to be awarded the construction contract for the additions and alterations to retail and hotel podium of existing Meritus Mandarin Hotel worth \$146M. This project is scheduled to be completed in June 2009 and will contribute to the performance of the group next year.

The group's development project launches have been well received and are 99% sold. The better-than expected profits in associated companies will continue to be recognized progressively based on stages of construction completion. The development projects on hand are -

1. *Regency Suites* at Kim Tian Road launched in October 2005 and fully sold;
2. *Southbank* at North Bridge Road launched in June 2006 and fully sold;
3. *One-north Residences* at one-north Gateway launched in March 2007 and fully sold (save for 2 shop units);
4. *Duchess Residences* at Duchess Avenue launched in June 2007 and fully sold (save for 1 unit);
5. An industrial land project in Seri Alam, South Johor to be launched by first half of FY08/09;
6. *Panorama*, a luxury condominium, at Persiaran Hampshire, near to Kuala Lumpur City Centre, to be launched by first half of FY08/09;
7. *Minton Rise*, a large mid-market condominium, at Hougang Street 11, to be launched later this year;
8. A high end condominium/service apartments at Jalan Conlay, near to major shopping belt in Kuala Lumpur City Centre, to be launched later this year;
9. A township consisting of shops and houses at Seri Alam Central, South Johor to be launched later this year.
10. Bungalow lots project at IDR, South Johor, to be launched next year.

The above projects are expected to contribute significantly to the group's profit in the next few years.

The group's remaining two hotels in Perth and Ho Chi Minh City are expected to continue to perform well in view of the booming economies in Western Australia and Vietnam respectively.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any dividend declared/recommended for the current financial period reported on? Yes

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount	:	2.5 cents per ordinary share Tax exempt (one-tier tax)
Tax Rate	:	NIL

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	:	First and final	Special
Dividend Type	:	Cash	Cash
Dividend Amount	:	2.5 cents per ordinary share less tax	90.0 cents per ordinary share less tax
Tax Rate	:	18.0%	18.0%

### **(c) Date payable**

The proposed dividend, if approved at the Annual General Meeting, will be paid on or about 20 June 2008.

### **(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the company will be closed from 6 June 2008 to 9 June 2008 (both days inclusive), for the purpose of determining shareholders' entitlements to the proposed dividends. Registrable transfers received by the company's Share Registrar, KCK CorpServe Pte. Ltd. at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721, up to 5.00 p.m., on 5 June 2008 will be registered before entitlements to the dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

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

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

	Turnover		Profit/(loss) before tax & minority interests	
	FY ended 31/01/08	FY ended 31/01/07	FY ended 31/01/08	FY ended 31/01/07
	S\$'000	S\$'000	S\$'000	S\$'000
<b>By Industry</b>				
Construction	56,777	63,929	(21,308)	(4,019)
Development	21	255	15,169	7,852
Hotels	56,135	52,744	24,756	12,930
Investments	389	359	1,229	418
	<u>113,322</u>	<u>117,287</u>	<u>19,846</u>	<u>17,181</u>

	Turnover		Profit/(loss) before tax & minority interests	
	FY ended 31/01/08	FY ended 31/01/07	FY ended 31/01/08	FY ended 31/01/07
	S\$'000	S\$'000	S\$'000	S\$'000
<b>By Geography</b>				
Singapore	68,185	68,035	(4,303)	2,001
Australia	32,046	27,660	11,757	8,179
Vietnam	12,880	21,171	12,409	7,015
Malaysia	190	167	97	14
Others	21	254	(114)	(28)
	<u>113,322</u>	<u>117,287</u>	<u>19,846</u>	<u>17,181</u>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

The group's construction business is conducted primarily in Singapore except for a single project in Beirut, Lebanon.

Its on-going development business is mainly in Singapore and it is expanding this business to Malaysia.

The group has 2 hotels left, viz. Duxton Hotel Perth in Australia and Duxton Hotel Saigon in Vietnam. In September 2006, the restaurant-related associated companies became wholly owned subsidiaries.

The main investments are investment properties in Singapore, Malaysia and Shanghai as well as some quoted equities.

Please refer to paragraph 8 above on changes in turnover and profit.



15. **A breakdown of sales**

Group			
	FY ended 31/01/08	FY ended 31/01/07	Increase/(Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	62,902	45,745	38
Operating profit after tax before deducting minority interests reported for first half year	8,471	6,268	35
Sales reported for second half year	50,420	71,542	(30)
Operating profit after tax before deducting minority interests reported for second half year	6,959	8,266	(16)

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary		
- First and final	9,235	2,524
- Special	-	90,874
Total	9,235	93,398

**BY ORDER OF THE BOARD**

Low Keng Boon  
Managing Director

26 March 2008