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**Financial Statement and Dividend Announcement for the 1<sup>st</sup> Quarter  
FY08/09**

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

**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 | 3 months<br>ended<br>30/04/08<br>S\$'000 | 3 months<br>ended<br>30/04/07<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|--|------|--|--|------------------------------|
| Revenue  | 1    | 26,786                                   | 28,683                                   | (7)                          |
| Cost of sales  |      | (21,233)                                 | (27,805)                                 | (24)                         |
| Gross profit   | 2    | 5,553                                    | 878                                      | 532                          |
| Other income   | 3    | 1,133                                    | 1,875                                    | (40)                         |
| Gain on disposal of property, plant and<br>equipment |      | 37                                       | 61                                       | (39)                         |
| Concessionary income                                 | 4    | 691                                      | 2,741                                    | (75)                         |
| Distribution costs                                   |      | (285)                                    | (258)                                    | 10                           |
| Administrative costs                                 | 5    | (3,747)                                  | (2,847)                                  | 32                           |
| Other operating expenses                             |      | (539)                                    | (496)                                    | 9                            |
| Finance costs  |      | (395)                                    | (283)                                    | 40                           |
| Profit from operations                               |      | 2,448                                    | 1,671                                    | 46                           |
| Share of results of associated companies             | 6    | 4,272                                    | 2,601                                    | 64                           |
| Profit before taxation                               |      | 6,720                                    | 4,272                                    | 57                           |
| Taxation   | 7    | (1,358)                                  | (1,087)                                  | 25                           |
| Profit after taxation for the year                   |      | 5,362                                    | 3,185                                    | 68                           |
| Attributable to:                                     |      |  |  |                              |
| Equity holders of the company                        | 8    | 4,881                                    | 2,740                                    | 78                           |
| Minority interests                                   | 9    | 481                                      | 445                                      | 8                            |
|  |      | 5,362                                    | 3,185                                    | 68                           |

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

- 1 Group revenue was \$26.8M for 1QFY08/09 compared to \$28.7M for 1QFY07/08. The decrease in revenue of \$1.9M was mainly due to an increase in hotel revenue of \$2.4M offset by a decrease in construction revenue of \$4.3M. Development revenue and investment revenue for the company were not significant.
- 2 Gross profit was \$5.6M for 1QFY08/09 compared to \$0.9M for 1QFY07/08. The increase in gross profit of \$4.7M was mainly due to the higher contributions from hotel segment of \$1.9M and decrease in construction loss of \$2.8M due to the completion of construction projects The Chuan, Novena Phase 3, Twin Regency and Domain 21 in FY07/08.
- 3 Other income decreased from \$1.9M in 1QFY07/08 to \$1.1M in Q1FY08/09 mainly due to a decrease in exchange gain.
- 4 This income is derived from the gaming centre operations in Duxton Hotel Saigon which opened for business in November 2006. The concessionary income decreased from \$2.7M in 1QFY07/08 to \$0.7M in 1QFY08/09 due to lower takings from the gaming centre operations and the exchange impact of falling USD.
- 5 Administrative expenses increased by 32% from \$2.7M in 1QFY07/08 to \$3.7M in 1QFY08/09 mainly due to provision of profit share that was not provided for in 1QFY07/08. This provision was made in accordance with service contracts.
- 6 Increase in share of results from associated companies was due to increased contributions from existing projects launched last year ie Regency Suites, one-north residences, Southbank, Duchess Residence and completion of Twin Regency in FY07/08.
- 7 The basis of tax computation is set out below:

|                        | 3 months<br>ended<br>30/04/08<br>S\$'000 | 3 months<br>ended<br>30/04/07<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|------------------------|--|--|------------------------------|
| Income tax             |  |  |                              |
| - tax charge - current | -  | 6  | n.m                          |
| - under provision      | 3  | -  | n.m                          |
| - foreign tax          | 1,355                                    | 1,081                                    | 25                           |
|                        | <u>1,358</u>                             | <u>1,087</u>                             | 25                           |

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

- 8 Net profit attributable to shareholders increased by 78% from \$2.7M in 1QFY07/08 to \$4.9M in 1QFY08/09. The increase was due to higher development profit from associated companies, higher profit from hotel operation and lower construction loss offset by lower profit from gaming centre operation and higher taxation charge and minority interests.
- 9 Higher minority interests in the current year were due to better profit performance at *Duxton Hotel Perth*.

n.m. : Not Meaningful

**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<br>as at<br>30/04/08<br>S\$'000 | Group<br>as at<br>31/01/08<br>S\$'000 | Note | Company<br>as at<br>30/04/08<br>S\$'000 | Company<br>as at<br>31/01/08<br>S\$'000 |
|--|---------------------------------------|---------------------------------------|------|---|---|
| <b>ASSETS</b>  |                                       |                                       |      |   |   |
| <b>Non-current assets</b>  |                                       |                                       |      |   |   |
| Investment properties  | 8,230                                 | 8,310                                 | 1    | 4,357                                   | 4,387                                   |
| Property, plant and equipment                                      | 74,914                                | 76,306                                | 1    | 8,692                                   | 8,681                                   |
| Subsidiaries   | -                                     | -                                     |      | 75,624                                  | 76,413                                  |
| Associated companies   | 154,782                               | 159,765                               | 2    | 140,552                                 | 145,814                                 |
| Joint ventures   | 776                                   | 776                                   |      | 776                                     | 776                                     |
| Investments  | 15,522                                | 13,544                                | 3    | 3,120                                   | 2,996                                   |
|  | <u>254,224</u>                        | <u>258,701</u>                        |      | <u>233,121</u>                          | <u>239,067</u>                          |
| <b>Current assets</b>  |                                       |                                       |      |   |   |
| Inventories  | 499                                   | 536                                   |      | -                                       | -                                       |
| Work-in-progress   | 15,198                                | 13,298                                | 4    | 14,336                                  | 12,435                                  |
| Trade and other receivables  | 20,069                                | 18,162                                | 5    | 13,707                                  | 10,998                                  |
| Amounts owing by subsidiaries (trade)                              | -                                     | -                                     |      | 5,249                                   | 19,320                                  |
| Cash and cash equivalents  | 18,228                                | 27,243                                | 6    | 987                                     | 317                                     |
|  | <u>53,994</u>                         | <u>59,239</u>                         |      | <u>34,279</u>                           | <u>43,070</u>                           |
| <b>Total assets</b>  | <u>308,218</u>                        | <u>317,940</u>                        |      | <u>267,400</u>                          | <u>282,137</u>                          |
| <b>EQUITY AND LIABILITIES</b>                                      |                                       |                                       |      |   |   |
| <b>Capital and reserves</b>  |                                       |                                       |      |   |   |
| Share capital  | 161,863                               | 161,863                               |      | 161,863                                 | 161,863                                 |
| Reserves   | 6,066                                 | 4,983                                 | 7    | 943                                     | 765                                     |
| Retained profits   | 32,282                                | 27,401                                |      | 19,085                                  | 18,603                                  |
| Exchange fluctuation account                                       | 3,717                                 | 4,618                                 |      | -                                       | -                                       |
|  | <u>203,928</u>                        | <u>198,865</u>                        |      | <u>181,891</u>                          | <u>181,231</u>                          |
| Minority interests   | 9,155                                 | 8,704                                 |      | -                                       | -                                       |
| <b>Total equity</b>  | <u>213,083</u>                        | <u>207,569</u>                        |      | <u>181,891</u>                          | <u>181,231</u>                          |
| <b>Non-current liabilities</b>                                     |                                       |                                       |      |   |   |
| Other payables   | 340                                   | 355                                   |      | -                                       | -                                       |
| Deferred tax liabilities   | 465                                   | 468                                   |      | 594                                     | 594                                     |
|  | <u>805</u>                            | <u>823</u>                            |      | <u>594</u>                              | <u>594</u>                              |
| <b>Current liabilities</b>   |                                       |                                       |      |   |   |
| Trade and other payables   | 23,422                                | 23,589                                |      | 9,518                                   | 10,948                                  |
| Amounts owing to subsidiaries                                      | -                                     | -                                     |      | 13,046                                  | 13,048                                  |
| Advances received from a joint venture                             | 850                                   | 850                                   |      | 850                                     | 850                                     |
| Amount owing to a minority shareholder of subsidiaries (non-trade) | 4,566                                 | 4,530                                 |      | -                                       | -                                       |
| Amount owing to holding company (non-trade)                        | 51                                    | 2                                     |      | 51                                      | 2                                       |
| Provision for directors' fee                                       | 170                                   | 170                                   |      | 170                                     | 170                                     |
| Provision for taxation   | 4,012                                 | 5,134                                 | 8    | 21                                      | 21                                      |
| Bank borrowings  | 61,259                                | 75,273                                | 6    | 61,259                                  | 75,273                                  |
|  | <u>94,330</u>                         | <u>109,548</u>                        |      | <u>84,915</u>                           | <u>100,312</u>                          |
| <b>Total liabilities</b>   | <u>95,135</u>                         | <u>110,371</u>                        |      | <u>85,509</u>                           | <u>100,906</u>                          |
| <b>Total equity and liabilities</b>                                | <u>308,218</u>                        | <u>317,940</u>                        |      | <u>267,400</u>                          | <u>282,137</u>                          |

## Notes to the balance sheets

- 1 The net book value of investment properties and property, plant and equipment decreased from \$8.3M and \$76.3M respectively as at 31 January 2008 to \$8.2M and \$74.9M respectively as at 30 April 2008 due to the depreciation charge of these investment properties and property, plant and equipment.
- 2 Balances of associated companies decreased from \$159.8M as at 31 January 2008 to \$154.8M as at 30 April 2008 mainly due to the repayment of bridging loan of \$7.0M from Bina Meganmas Sdn Bhd and receipt of \$3.6M dividends from an associated company.
- 3 Investment increased from \$13.5M as of 31 January 2008 to \$15.5M as of 30 April 2008. The increase of \$2.0M was due to purchase of quoted equity shares totaling \$1.0M and increase in fair value reserves of \$1.0M.
- 4 Work-In-Progress increased from \$13.3M as of 31 January 2008 to \$15.2M as of 30 April 2008. Major part of the increase was due to work done for the two new projects ie renovation at Meritus Mandarin Hotel and construction of Hardrock Hotel at Sentosa.
- 5 Trade and other receivables increased from \$18.2M as of 31 January 2008 to \$20.1M as of 30 April 2008 was mainly due to billing for one-north residences.
- 6 Group bank borrowings decreased from \$75.3M as at 31 January 2008 to \$61.3M as at 30 April 2008 mainly due to the repayment of \$7.0M bridging loan from Bina Meganmas Sdn Bhd and receipt of \$3.6M dividend from an associated company. Net gearing was 21.1% as at 30 April 2008 after taking into account a cash position of \$18.2M. Subsequent to 30 April 2008, bank borrowings of \$60.4M were rolled over.
- 7 Reserves increased from \$5.0M as at 31 January 2008 to \$6.1M as at 30 April 2008 due to increase in fair value reserves for quoted equities.
- 8 Provision for taxation decreased from \$5.1M as at 31 January 2008 to \$4.0M as at 30 April 2008 due to payment of tax of \$2.4M and provision for taxation of \$1.3M.

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

|  | As at 30/04/08     |                      | As at 31/01/08     |                      |
|--|--------------------|----------------------|--------------------|----------------------|
|  | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Amount repayable in one year or less, or on demand | -                  | 61,259               | -                  | 75,273               |
| Amount repayable after one year                    | -                  | -                    | -                  | -                    |
|  | -                  | 61,259               | -                  | 75,273               |

### 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>3 months<br/>ended<br/>30/04/08<br/>S\$'000</b> | <b>3 months<br/>ended<br/>30/04/07<br/>S\$'000</b> |
|--|--|--|
| <b>Cash Flows from Operating Activities</b>                    |  |  |
| Profit before taxation   | 6,720  | 4,272  |
| Share of results of associated companies                       | (4,272)  | (2,601)  |
| Adjustments for:   |  |  |
| Depreciation of property, plant and equipment                  | 1,190  | 1,219  |
| Depreciation of investment properties                          | 44   | 40   |
| Exchange differences   | 249  | (522)  |
| Gain on disposal of :  |  |  |
| - property, plant and equipment                                | (37)   | (60)   |
| - equity investments   | (470)  | (226)  |
| Impairment loss on:  |  |  |
| - associated company   | -  | (4)  |
| - receivables no longer required                               | (6)  | -  |
| Deficit on liquidation of a subsidiary                         | -  | 10   |
| Interest expense   | 395  | 283  |
| Interest income  | (399)  | (621)  |
| <b>Operating profit before working capital changes</b>         | <b>3,414</b>                                       | <b>1,790</b>                                       |
| Inventories and work-in-progress                               | (1,845)  | 2,695  |
| Receivables  | (1,901)  | (3,079)  |
| Payables   | (99)   | (1,608)  |
| <b>Cash generated from /(used in) operations</b>               | <b>(431)</b>                                       | <b>(202)</b>                                       |
| Interest paid  | (413)  | (222)  |
| Income tax paid  | (2,480)  | (757)  |
| <b>Net cash generated from /(used in) operating activities</b> | <b>(3,324)</b>                                     | <b>(1,181)</b>                                     |
| <b>Balance carried forward</b>                                 | <b>(3,324)</b>                                     | <b>(1,181)</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)**

|  | <b>3 months<br/>ended<br/>30/04/08<br/>S\$'000</b> | <b>3 months<br/>ended<br/>30/04/07<br/>S\$'000</b> |
|--|--|--|
| <b>Balance brought forward</b>                                       | (3,324)  | (1,181)  |
| <b>Cash Flows from Investing Activities</b>                          |  |  |
| Acquisition of property, plant and equipment                         | (538)  | (549)  |
| Acquisition of quoted equity investments                             | (3,939)  | (9)  |
| Interest received  | 130  | 245  |
| Advances made to associated companies                                | 5,571  | (5,583)  |
| Dividends from associated companies                                  | 3,600  | -  |
| Proceeds from sale of investments                                    | 3,421  | 279  |
| Proceeds from sale of property, plant and equipment                  | 59   | 278  |
| <b>Net cash generated from / (used in) investing activities</b>      | <u>8,304</u>                                       | <u>(5,339)</u>                                     |
| <b>Cash Flows from Financing Activities</b>                          |  |  |
| Loans from financial institutions obtained                           | 9,150  | 13,550   |
| Loans from financial institutions repaid                             | (18,154)   | (5,500)  |
| <b>Net cash generated from / (used in) from financing activities</b> | <u>(9,004)</u>                                     | <u>8,050</u>                                       |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>         | (4,024)  | 1,530  |
| <b>Cash and cash equivalents at beginning of the period</b>          | <u>21,435</u>                                      | <u>29,382</u>                                      |
| <b>Cash and cash equivalents at the end of the period (Note A)</b>   | <u><u>17,411</u></u>                               | <u><u>30,912</u></u>                               |

The Group has unused bank facilities of \$76.4M as of 30 April 2008.

**A. Cash and cash equivalents are net of bank overdraft.**

|                        | <b>As at<br/>30/04/08<br/>S\$'000</b> | <b>As at<br/>30/04/07<br/>S\$'000</b> |
|------------------------|---------------------------------------|---------------------------------------|
| Cash and bank balances | 18,228                                | 30,912                                |
| Overdraft              | (817)                                 | -                                     |
|                        | <u>17,411</u>                         | <u>30,912</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 31.1.2007  | 71,277        | 575      | 115,184          | 187,036 |
| Net fair value gains on available-for-sale financial assets recognised directly to equity | -             | 215      | -                | 215     |
| Net gains recognised directly to equity   | -             | 215      | -                | 215     |
| Net loss for the period   | -             | -        | (2,679)          | (2,679) |
| Total recognised income and expenses for the period                                       | -             | 215      | (2,679)          | (2,464) |
| Balance at 30.4.2007  | 71,277        | 790      | 112,505          | 184,572 |
| Balance at 31.1.2008  | 161,863       | 765      | 18,603           | 181,231 |
| Net fair value gains on available-for-sale financial assets recognised directly to equity | -             | 178      | -                | 178     |
| Net gains recognised directly to equity   | -             | 178      | -                | 178     |
| Net profit for the period   | -             | -        | 482              | 482     |
| Total recognised income for the period  | -             | 178      | 482              | 660     |
| Balance at 30.4.2008  | 161,863       | 943      | 19,085           | 181,891 |

**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)**

|   | <b>Share Capital</b> | <b>Reserves</b> | <b>Retained Profits</b> | <b>Exchange Fluctuation Account</b> | <b>Sub-total</b> | <b>Minority Interests</b> | <b>Total</b> |
|---|----------------------|-----------------|-------------------------|-------------------------------------|------------------|---------------------------|--------------|
|   | S\$'000              | S\$'000         | S\$'000                 | S\$'000                             | S\$'000          | S\$'000                   | S\$'000      |
| <b>The Group</b>  |                      |                 |                         |                                     |                  |                           |              |
| Balance at 31.1.2007  | 71,277               | 7,764           | 107,112                 | 4,407                               | 190,560          | 6,852                     | 197,412      |
| Net fair value gains on available-for-sale financial assets recognised directly to equity | -                    | 2,480           | -                       | -                                   | 2,480            | -                         | 2,480        |
| Gain not recognised in income statement   | -                    | -               | -                       | 816                                 | 816              | 524                       | 1,340        |
| Net gains recognised directly to equity   | -                    | 2,480           | -                       | 816                                 | 3,296            | 524                       | 3,820        |
| Net profit for the period   | -                    | -               | 2,740                   | -                                   | 2,740            | 445                       | 3,185        |
| Total recognised income and expenses for the period                                       | -                    | 2,480           | 2,740                   | 816                                 | 6,036            | 969                       | 7,005        |
| Balance at 30.4.2007  | 71,277               | 10,244          | 109,852                 | 5,223                               | 196,596          | 7,821                     | 204,417      |
| Balance at 31.1.2008  | 161,863              | 4,983           | 27,401                  | 4,618                               | 198,865          | 8,704                     | 207,569      |
| Net fair value gains on available-for-sale financial assets recognised directly to equity | -                    | 1,083           | -                       | -                                   | 1,083            | -                         | 1,083        |
| Loss not recognised in income statement   | -                    | -               | -                       | (901)                               | (901)            | (30)                      | (931)        |
| Net gains/(losses) recognised directly to equity  | -                    | 1,083           | -                       | (901)                               | 182              | (30)                      | 152          |
| Net profit for the period   | -                    | -               | 4,881                   | -                                   | 4,881            | 481                       | 5,362        |
| Total recognised income and expenses for the period                                       | -                    | 1,083           | 4,881                   | (901)                               | 5,063            | 451                       | 5,514        |
| Balance at 30.4.2008  | 161,863              | 6,066           | 32,282                  | 3,717                               | 203,928          | 9,155                     | 213,083      |

- 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**

There was no change in the company's share capital as at 30 April 2008 compared to 31 January 2008.

There were no outstanding executives' share options granted as at 30 April 2007 and 30 April 2008.

There was no treasury share held or issued as at 30 April 2007 and 30 April 2008.

- 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>As at<br/>30/04/08</b> | <b>As at<br/>31/01/08</b> |
|---|---------------------------|---------------------------|
| No of issued shares excluding treasury shares | 369,408,000               | 369,408,000               |

- 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 30 April 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 2008.

- 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**

Not applicable.

**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>3 months<br/>ended<br/>30/04/08</b> | <b>3 months<br/>ended<br/>30/04/07</b> |
|---|--|--|
| 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  | 1.32 cents                             | 1.34 cents                             |
| (ii) On a fully diluted basis   | 1.32 cents                             | 1.34 cents                             |

The decrease in EPS in Q1FY08/09 compared to Q1FY07/08 was due to the increase in number of issued shares due to the Rights Issue announced in March 2007 and successfully completed in July 2007.

**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**

|  | <b>Group</b>              |                           | <b>Company</b>            |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | <b>As at<br/>30/04/08</b> | <b>As at<br/>31/01/08</b> | <b>As at<br/>30/04/08</b> | <b>As at<br/>31/01/08</b> |
| Net asset value per ordinary share             | 55 cents                  | 54 cents                  | 49 cents                  | 49 cents                  |
| Net tangible assets backing per ordinary share | 55 cents                  | 54 cents                  | 49 cents                  | 49 cents                  |

The increase in NTA per share was due to the increased NTA of \$203.9M as of 30 April 2008 compared to \$198.9M as of 31 January 2008.

**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**

**Construction**

Construction revenue decreased by 28% from \$15.6M in 1QFY07/08 to \$11.3M in 1QFY08/09. This decrease was due to the completion of major projects ie Novena Square Extension, The Chuan, Twin Regency and Domain 21 in FY07/08 and the lower percentage of completion of on-going projects ie one-north residence, Southbank and Regency Suites in 1QFY08/09.

Despite the decrease in construction revenue, net loss before tax & minority interests for construction segment decreased from \$5.2M in 1QFY07/08 to \$3.3M in 1QFY08/09. This decrease was due to the decrease in gross loss to \$1.9M in 1QFY08/09 compared to \$4.8M in 1QFY07/08 as more projects were completed in 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 to recover some of the cost increases.

## **Hotel & F&B business**

Revenue for hotel & F&B businesses increased from \$13.0M in 1QFY07/08 to \$15.4M in 1QFY08/09. The increase in hotel revenue of \$2.4M was attributable to higher revenue from Duxton Hotel Saigon and Duxton Hotel Perth and our F&B business arm consisting of the Starworth group of companies. The higher hotel revenue was due to increased room rates in both hotels in 1QFY08/09 compared to 1QFY07/08. The net profit before tax and minority interests for hotel segment decreased 19% to \$5.4M in 1QFY08/09 from \$6.7M in Q1FY07/08 solely due to the decrease in concessionary income from the gaming centre operation.

## **Development**

Contributions from associated companies increased 64% from \$2.6M in 1QFY07/08 to \$4.3M in 1QFY08/09 mainly due to contributions from 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).

## **Investments**

The Group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equities. This segment contributed \$0.5M of net profit before tax and minority interest in 1QFY08/09 compared to \$0.3M in 1QFY07/08. The increase of \$0.2M was due to sale of some quoted equities.

## **Net profit attributable to shareholders**

Net profit attributable to shareholders increased by 78% from \$2.7M in 1QFY07/08 to \$4.9M in 1QFY08/09. The increase was due to higher development profit from associated companies, higher profit from hotel operation and lower construction loss offsetted by lower profit from gaming centre operation and higher taxation charge and minority interests.

## **Balance Sheet**

The Group remains in a strong financial position. Group shareholders' funds increased from \$198.9M as at 31 January 2008 to \$203.9M as at 30 April 2008. Group bank borrowings decreased from \$75.3M as at 31 January 2008 to \$61.3M as at 30 April 2008 due to repayment of loans from associated companies and dividend from an associated company. Net gearing was 21.1% as at 30 April 2008 after taking into account a cash position of \$18.2M as compared to net gearing of 24.2% as of 31 January 2008. Subsequent to 30 April 2008, bank borrowings of \$60.4M 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**

Nil

**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 remains cautiously optimistic about its business prospects despite the volatility in global markets and the increased inflationary pressures on costs. 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 : NIL  
Dividend Type : NIL  
Dividend Amount : NIL  
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 : NIL  
Dividend Type : NIL  
Dividend Amount : NIL  
Tax Rate : NIL

**(c) Date payable**

N.A.

**(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 first quarter ended 30 April 2008.

**13. Confirmation by Directors**

We, Low Keng Boon and Low Poh Kuan, being two directors of the Group, do hereby confirm on behalf on the directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors, which may render the unaudited consolidated financial results for the first quarter ended 30 April 2008 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Low Keng Boon  
Managing Director

Low Poh Kuan  
Executive Director

**BY ORDER OF THE BOARD**

Low Keng Boon  
Managing Director

13 June 2008