



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

**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 ended 30/04/08 S\$'000	3 months ended 30/04/07 S\$'000	Increase/ (Decrease) %
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 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:

	<b>3 months ended 30/04/08 S\$'000</b>	<b>3 months ended 30/04/07 S\$'000</b>	<b>Increase/ (Decrease) %</b>
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**

	<b>Group as at 30/04/08 S\$'000</b>	<b>Group as at 31/01/08 S\$'000</b>	<b>Note</b>	<b>Company as at 30/04/08 S\$'000</b>	<b>Company as at 31/01/08 S\$'000</b>
<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><b>308,218</b></u>	<u><b>317,940</b></u>		<u><b>267,400</b></u>	<u><b>282,137</b></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><b>213,083</b></u>	<u><b>207,569</b></u>		<u><b>181,891</b></u>	<u><b>181,231</b></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><b>95,135</b></u>	<u><b>110,371</b></u>		<u><b>85,509</b></u>	<u><b>100,906</b></u>
<b>Total equity and liabilities</b>	<u><b>308,218</b></u>	<u><b>317,940</b></u>		<u><b>267,400</b></u>	<u><b>282,137</b></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 S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured 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 ended 30/04/08 S\$'000</b>	<b>3 months ended 30/04/07 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 ended 30/04/08 S\$'000</b>	<b>3 months ended 30/04/07 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 30/04/08 S\$'000</b>	<b>As at 30/04/07 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 30/04/08</b>	<b>As at 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 ended 30/04/08</b>	<b>3 months ended 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 30/04/08</b>	<b>As at 31/01/08</b>	<b>As at 30/04/08</b>	<b>As at 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