



# LOW KENG HUAT (SINGAPORE) LIMITED (Reg. No. 196900209G)

## Financial Statement Announcement for the 3<sup>rd</sup> Quarter FY08/09

### PART I - UNAUDITED RESULTS OF THE GROUP FOR THE 3<sup>RD</sup> QUARTER ("Q3") ENDED 31 OCTOBER 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

		3 months ended 31/10/08	3 months ended 31/10/07	Increase/ (decrease)	9 months ended 31/10/08	9 months ended 31/10/07	Increase/ (decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	52,259	26,451	98	148,092	89,353	66
Cost of sales		(45,099)	(21,133)	113	(129,817)	(80,135)	62
Gross profit	2	7,160	5,318	35	18,275	9,218	98
Other income	3	(6)	954	n.m	1,660	2,510	(34)
Gain/(loss) on disposal of property, plant and equipment		(7)	(34)	(79)	29	(25)	n.m.
Concessionary income	4	(1,422)	884	n.m	(441)	4,674	n.m
Rental income		327	295	11	887	1,039	(15)
Distribution costs		(309)	(261)	18	(892)	(852)	5
Administrative costs	5	(4,258)	(2,452)	74	(11,077)	(8,497)	30
Other operating expenses	6	(1,146)	(511)	124	(2,859)	(706)	305
Finance costs		(352)	(197)	79	(1,092)	(933)	17
Profit from operations		(13)	3,996	n.m	4,490	6,428	(30)
Share of results of associated companies	7	14,019	2,482	465	23,827	10,832	120
Share of results of joint ventures		-	(430)	n.m	-	(430)	n.m.
Profit before taxation		14,006	6,048	132	28,317	16,830	68
Taxation	8	(841)	(1,788)	(53)	(3,912)	(4,099)	(5)
Profit after taxation		13,165	4,260	209	24,405	12,731	92
Attributable to:							
Equity holders of the Company	9	12,950	3,754	245	23,355	11,409	105
Minority interests		215	506	(58)	1,050	1,322	(21)
Profit for the period		13,165	4,260	209	24,405	12,731	92

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

- 1 Group revenue was \$148.1M for 9 months ended 31 October 2008 compared to \$89.4M for 9 months ended 31 October 2007. The increase in revenue of \$58.7 was mainly due to increase in construction revenue of \$60.6M. Development revenue and investment revenue were not significant.
- 2 Gross profit was \$18.3M for 9 months ended 31 October 2008 compared to \$9.2M for 9 months ended 31 October 2007. The increase in gross profit of \$9.1M was mainly due to the increased contributions from construction segment due to ex-gratia payment received from partners for Domain 21, cost recovery for concrete due to sand ban imposed by Indonesia in early 2007 and the completion of construction projects The Chuan, Novena Phase 3, Twin Regency and Domain 21 last year. In addition two new projects Meritus Mandarin Hotel and Hard Rock Hotel at Sentosa have commenced and are starting to contribute to our performance.
- 3 Other income decreased from \$2.5M during 9 months ended 31 October 2007 to \$1.7M during 9 months ended 31 October 2008 mainly due to the decrease in gain on disposal of equity investment and dividend income offset by a decrease in interest income.
- 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 \$4.7M during 9 months ended 31 October 2007 to negative \$0.4M during 9 months ended 31 October 2008 due to lower takings from the gaming centre operations and an additional tax provision of \$2.0M. The additional tax provision was due to a change in the tax assessment method adopted by the tax authority in Vietnam.
- 5 Administrative expenses increased by 30% from \$8.5M during 9 months ended 31 October 2007 to \$11.1M during 9 months ended 31 October 2008 mainly due to higher provision of profit share of \$3.3M. The provision of the profit share was made in accordance with service contracts.
- 6 Other operating expenses increased from \$0.7M in 9 months ended 31 October 2007 to \$2.9M during 9 months ended 31 October 2008 mainly due to an increase in impairment loss on quoted equity investment of \$2.2M, a decrease in exchange gain of \$0.3M and fixed assets written off of \$0.4M.
- 7 Increase in share of results from associated companies was mainly due to increased contributions from existing projects launched last year ie one-north Residences and Duchess Residence.
- 8 The basis of tax computation is set out below:

	3 months ended 31/10/08	3 months ended 31/10/07	Increase/ (decrease)	9 months ended 31/10/08	9 months ended 31/10/07	Increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax charge						
-current	(825)	(1,788)	(54)	(3,889)	(4,099)	(5)
- under provision	(16)	-	n.m.	(23)	-	n.m.
	<u>(841)</u>	<u>(1,788)</u>	(53)	<u>(3,912)</u>	<u>(4,099)</u>	(5)

9. Net profit attributable to shareholders increased by 105% from \$11.4M during 9 months ended 31 October 2007 to \$23.4M during 9 months ended 31 October 2008. The increase was due to higher development profit from associated companies and lower construction loss offset by lower profit from hotel and investment segments and a higher tax charge.

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 31/10/08 S\$'000	Group 31/01/08 S\$'000	Note	Company 31/10/08 S\$'000	Company 31/01/08 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	8,105	8,310	1	4,297	4,387
Property, plant and equipment	66,087	76,306	1	8,490	8,681
Subsidiaries	-	-		69,745	76,413
Associated companies	173,965	159,765	2	159,549	145,814
Joint ventures	776	776		776	776
Investments	7,618	13,544	3	1,827	2,996
	<u>256,551</u>	<u>258,701</u>		<u>244,684</u>	<u>239,067</u>
<b>Current assets</b>					
Inventories	508	536		-	-
Work-in-progress	11,531	13,298	4	10,582	12,435
Trade and other receivables	51,679	18,162	5	45,948	10,998
Amounts owing by subsidiaries (trade)	-	-		1,320	19,320
Cash and cash equivalents	19,368	27,243	6	801	317
	<u>83,086</u>	<u>59,239</u>		<u>58,651</u>	<u>43,070</u>
<b>Total assets</b>	<u>339,637</u>	<u>317,940</u>		<u>303,335</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	435	4,983	7	-	765
Retained profits	41,521	27,401		22,330	18,603
Exchange fluctuation account	(1,089)	4,618		(306)	-
	<u>202,730</u>	<u>198,865</u>		<u>183,887</u>	<u>181,231</u>
Minority interests	7,450	8,704		-	-
<b>Total equity</b>	<u>210,180</u>	<u>207,569</u>		<u>183,887</u>	<u>181,231</u>
<b>Non-current liabilities</b>					
Other payables	664	355		-	-
Deferred tax liabilities	502	468		594	594
	<u>1,166</u>	<u>823</u>		<u>594</u>	<u>594</u>
<b>Current liabilities</b>					
Trade and other payables	67,978	23,589	8	53,601	10,948
Amounts owing to subsidiaries	-	-		13,560	13,048
Amount owing to a minority shareholder of subsidiaries (non-trade)	3,559	4,530		-	-
Amount owing to holding company (non-trade)	50	2		50	2
Advances received from a joint venture	850	850		850	850
Provision for directors' fee	113	170		113	170
Provision for taxation	5,082	5,134		21	21
Bank borrowings	50,659	75,273	6	50,659	75,273
	<u>128,291</u>	<u>109,548</u>		<u>118,854</u>	<u>100,312</u>
<b>Total liabilities</b>	<u>129,457</u>	<u>110,371</u>		<u>119,448</u>	<u>100,906</u>
<b>Total equity and liabilities</b>	<u>339,637</u>	<u>317,940</u>		<u>303,335</u>	<u>282,137</u>

## Notes to the balance sheet

- 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 \$8.1M and \$66.1M respectively as at 31 October 2008 due to the depreciation charge of these investment properties and property, plant and equipment.
- 2 Balances of associated companies increased from \$159.8M as at 31 January 2008 to \$174.0M as at 31 October 2008 mainly due to increased share of profits at associated companies offset by 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 decreased from \$13.5M as of 31 January 2008 to \$7.6M as of 31 October 2008. The decrease of \$5.9M was due to sale of quoted equity shares totaling \$4.0M and a decrease in fair value reserves of \$2.2M.
- 4 Work-in-progress decreased from \$13.3M as of 31 January 2008 to \$11.5M as of 31 October 2008 due to billing for projects one-north Residences and Regency Suite as a result of higher completion percentages.
- 5 Trade and other receivables increased from \$18.2M as of 31 January 2008 to \$51.7M as of 31 October 2008 mainly due to billing for Hard Rock Hotel, Meritus Mandarin Hotel and one-north Residences. Subsequent to 31 October 2008, \$26.7M was received from these projects.
- 6 Group bank borrowings decreased from \$75.3M as at 31 January 2008 to \$50.7M as at 31 October 2008 mainly due to the repayment of loans from associated companies, receipt of advance payment from developers and payment of dividend to shareholders. Working capital was negative \$50.3M as of 31 January 2008 compared to negative \$45.2M as of 31 October 2008 as all bank borrowings are unsecured revolving short-term loans. Net gearing was 15.4% as at 31 October 2008 after taking into account a cash position of \$19.4M. Subsequent to 31 October 2008, bank borrowings of \$41.2M were rolled over.
- 7 Reserves decreased from \$5.0M as at 31 January 2008 to \$0.4M as at 31 October 2008 due to disposal of quoted equities and decrease in fair value reserves for quoted equities.
- 8 Trade and other payables increased from \$23.6M as at 31 January 2008 to \$68.0M as at 31 October 2008 in tandem with the increase in construction activities.

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

	31/10/08		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	-	50,659	-	75,273
Amount repayable after one year	-	-	-	-
	-	50,659	-	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**

	Note	9 months ended 31/10/08	9 months ended 31/10/07
		S\$'000	S\$'000
<b>Cash Flows from Operating Activities</b>			
Profit before taxation		28,317	16,830
Share of results of associated companies		(23,827)	(10,832)
Share of results of joint ventures		-	430
Adjustments for:			
Depreciation of property, plant and equipment		3,384	3,526
Depreciation of investment properties		131	120
(Gain)/loss on disposal of			
- property, plant and equipment		(29)	25
- investment properties		-	(48)
- equity investments		(60)	(67)
Fair value loss/(gain) on derecognition of available-for-sale financial assets		455	(159)
Loss on liquidation of a subsidiary		-	10
Impairment loss on quoted equity investments		1,794	511
Impairment on receivables		-	16
Impairment on receivables no longer required		(6)	(34)
Interest expense		1,092	736
Interest income		(1,012)	(1,273)
<b>Operating profit before working capital changes</b>		<b>10,239</b>	<b>9,791</b>
Inventories and work-in-progress		1,364	7,163
Receivables		(25,286)	(844)
Payables		39,269	(3,422)
<b>Cash generated from/(used in) operations</b>		<b>25,586</b>	<b>12,688</b>
Interest paid		(1,076)	(674)
Income tax paid		(3,914)	(2,680)
<b>Net cash generated from/(used in) operating activities</b>		<b>20,596</b>	<b>9,334</b>
<b>Balance carried forward</b>		<b>20,596</b>	<b>9,334</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)**

Note	9 months ended 31/10/08	9 months ended 31/10/07
	S\$'000	S\$'000
<b>Balance brought forward</b>	20,596	9,334
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(1,475)	(1,780)
Acquisition of quoted equity investments	(5,039)	(9)
Interest received	236	205
Advances repaid from associated companies	5,708	6,571
Capital contribution made to an associated company	-	(8,729)
Capital return from associated companies in liquidation	-	14,782
Dividends from an associated company	3,600	1,500
Proceeds from sale of investments	4,046	279
Proceeds from sale of property, plant and equipment	291	290
Proceeds from sale of investment properties	-	177
<b>Net cash generated from/(used in) investing activities</b>	<b>7,367</b>	<b>13,286</b>
<b>Cash Flows from Financing Activities</b>		
Dividends paid to shareholders of the Company	(9,235)	(2,525)
Dividends paid to minority shareholder of a subsidiary	-	(22)
Rights Issue expenses	-	(288)
Loans from financial institutions obtained	77,885	22,920
Loans from financial institutions repaid	(99,789)	(44,370)
<b>Net cash generated from/(used in) financing activities</b>	<b>(31,139)</b>	<b>(24,285)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,176)</b>	<b>(1,665)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>21,435</b>	<b>29,382</b>
<b>Exchange differences on translation of cash and cash equivalents at beginning of the period</b>	<b>(1,973)</b>	<b>1,414</b>
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b>16,286</b>	<b>29,131</b>

The Group has unused bank facilities of \$99.0M as of 31 October 2008.

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

	As at 31/10/08 S\$'000	As at 31/10/07 S\$'000
Cash and bank balances	19,368	29,763
Overdraft	(3,082)	(632)
	<b>16,286</b>	<b>29,131</b>

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	Exchange Fluctuation Account	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>					
Balance at 1.2.2007	71,277	575	115,184	-	187,036
Net fair value gains on available-for-sale financial assets recognised directly to equity	-	193	-	-	193
Net gains recognised directly to equity	-	193	-	-	193
Total recognised expense for the period - net loss	-	-	(448)	-	(448)
Total recognised income and expenses for the period	-	193	(448)	-	(255)
Share issued pursuant to Rights Issue	90,874	-	-	-	90,874
Rights Issue expenses	(288)	-	-	-	(288)
2007 dividends paid	-	-	(93,399)	-	(93,399)
Balance at 31.10.2007	161,863	768	21,337	-	183,968
Balance at 1.2.2008	161,863	765	18,603	-	181,231
Exchange translation adjustments	-	(30)	-	-	(30)
Net fair value losses on available-for-sale financial assets recognised directly to equity	-	-	-	(306)	(306)
Net fair value losses on available-for-sale financial assets recognised to income statement on impairment	-	(735)	-	-	(735)
Net losses recognised directly to equity	-	(765)	-	(306)	(1,071)
Total recognised income for the period - net profit	-	-	12,962	-	12,962
Total recognised expenses and income for the period	-	(765)	12,962	(306)	11,891
2008 dividends paid	-	-	(9,235)	-	(9,235)
Balance at 31.10.2008	161,863	-	22,330	(306)	183,887

**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 1.2.2007	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	-	(179)	-	-	(179)	-	(179)
Fair value gains on available-for-sale financial assets recycled to income statement on derecognition	-	(159)	-	-	(159)	-	(159)
Gain not recognised in income statement	-	-	-	1,192	1,192	746	1,938
Net (losses)/gains recognised directly to equity	-	(338)	-	1,192	854	746	1,600
Total recognised income for the period - net profit	-	-	11,409	-	11,409	1,322	12,731
Total recognised expenses and income for the period	-	(338)	11,409	1,192	12,263	2,068	14,331
Share Issue pursuant to Rights Issue	90,874	-	-	-	90,874	-	90,874
Rights Issue expenses	(288)	-	-	-	(288)	-	(288)
2007 dividends paid	-	-	(93,399)	-	(93,399)	(23)	(93,422)
Balance at 31.10.2007	161,863	7,426	25,122	5,599	200,010	8,897	208,907
Balance at 1.2.2008	161,863	4,983	27,401	4,618	198,865	8,704	207,569
Exchange translation adjustments	-	(52)	-	-	(52)	-	(52)
Net fair value gains on available-for-sale financial assets recognised directly to equity	-	435	-	-	435	-	435
Net fair value losses on available-for-sale financial assets recognised to income statement on impairment	-	(5,386)	-	-	(5,386)	-	(5,386)
Fair value losses on available-for-sale financial assets recycled to income statement on derecognition	-	455	-	-	455	-	455
(Loss)/gain not recognised in income statement	-	-	-	(5,707)	(5,707)	(2,304)	(8,011)
Net (losses)/gains recognised directly to equity	-	(4,548)	-	(5,707)	(10,255)	(2,304)	(12,559)
Total recognised income for the period - net profit	-	-	23,355	-	23,355	1,050	24,405
Total recognised expenses and income for the period	-	(4,548)	23,355	(5,707)	13,100	(1,254)	11,846
2008 dividends paid	-	-	(9,235)	-	(9,235)	-	(9,235)
Balance at 31.10.2008	161,863	435	41,521	(1,089)	202,730	7,450	210,180



**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**

During the year, a share-split exercise was successfully completed where each ordinary share held by shareholder was split into two ordinary shares. As a result of this share-split exercise, the number of shares increased from 369,408,000 as of 31 January 2008 to 738,816,000 as of 31 October 2008. A total of 369,408,000 shares were allotted, listed and quoted on the official list of the Singapore Exchange Securities Trading Limited on 20 June 2008.

Other than the increase in the number of issued shares, there was no change in the company's share capital as at 31 October 2008 compared to 31 January 2008.

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

There was no treasury share held or issued as at 31 October 2008 and 31 January 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**

	As at 31/10/08	As at 31/01/08
No of issued shares excluding treasury shares	738,816,000	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 31 October 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 31/10/08</b>	<b>3 months ended 31/10/07</b>	<b>9 months ended 31/10/08</b>	<b>9 months ended 31/10/07</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	1.75 cents	0.51 cents	3.16 cents	1.54 cents
(ii) On a fully diluted basis	1.75 cents	0.51 cents	3.16 cents	1.54 cents

Comparative figures for earnings per ordinary share have been adjusted for the Share Split of shares effected on 20 June 2008.

**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>31/10/08</b>	<b>31/01/08</b>	<b>31/10/08</b>	<b>31/01/08</b>
Net asset value per ordinary share	28 cents	54 cents	25 cents	49 cents
Net tangible assets backing per ordinary share	28 cents	54 cents	25 cents	49 cents

The decrease in NTA per share was due to the increased number of shares due to the Share Split. NTA increased by \$3.8M to \$202.7M as of 31 October 2008 from \$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 increased by 131.7% from \$46.0M for 9 months ended 31 October 2007 to \$106.6M for 9 months ended 31 October 2008. The increase was due to the higher percentage of completion for on-going projects one-north Residences and Regency Suites, the starting of new projects Hardrock Hotel at Sentosa and Meritus Mandarin Hotel.

Net loss before tax & minority interests for construction segment decreased from \$14.1M for 9 months ended 31 October 2007 to \$9.2M for 9 months ended 31 October 2008. This decrease was due to the decrease in gross loss to \$0.8M during 9 months ended 31 October 2008 compared to \$9.2M during 9 months ended 31 October 2007 as some cost recoveries were concluded with partners, earlier projects including Twin Regency and Domain 21 were completed during 2007 and new projects Meritus Mandarin Hotel and Hard Rock Hotel at Sentosa were started. The earlier 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 continues to work with the partners to recover more cost increases.

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

Revenue for hotel & F&B businesses decreased by 4.2% from \$43.0M during 9 months ended 31 October 2007 to \$41.2M during 9 months ended 31 October 2008. The decrease in hotel revenue of \$1.8M was attributable to lower revenue from Duxton Hotel Perth offset by higher revenue from Duxton Hotel Saigon. The decrease in hotel revenue was due to the weaker A\$ although the room rates at both hotels were higher than last year. Revenue from our F&B business arm consisting of the Starworth group of companies remains relatively constant. The net profit before tax and minority interests for hotel segment decreased by 24.5% to \$15.4M for 9 months ended 31 October 2008 from \$20.4M for 9 months ended 31 October 2007 solely due to the decrease in concessionary income from the gaming centre operation.

### **Development**

Contributions from associated companies increased by 147.4% from \$9.5M for 9 months ended 31 October 2007 to \$23.5M for 9 months ended 31 October 2008 mainly due to higher contributions from one-north Residences (fully sold except for 2 shop units), Duchess Residences (fully sold except for 1 unit) and Regency Suites (fully sold) offset by reduced contribution from completed project Domain 21.

### **Investments**

The Group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equities. This segment incurred \$1.4M of net loss before tax and minority interest during 9 months ended 31 October 2008 compared to a net profit before tax and minority interest of \$1.0M during 9 months ended 31 October 2007. The decrease in net profit before tax and minority interest of \$2.4M was due to sale of some quoted equities and increase in fair value reserves as such investments had to be marked to market.

### **Net profit attributable to shareholders**

Net profit attributable to shareholders increased by 104.7% from \$11.4M during 9 months ended 31 October 2007 to \$23.3M during 9 months ended 31 October 2008. The increase was due to higher development profit from associated companies and lower construction loss offset by lower profit from hotel and investment segments and higher taxation charge.

**Balance Sheet**

The Group remains in a strong financial position. Group shareholders' funds increased 2% from \$198.9M as at 31 January 2008 to \$202.7M as at 31 October 2008. Group bank borrowings decreased from \$75.3M as at 31 January 2008 to \$50.7M as at 31 October 2008 due to repayment of loans from associated companies, dividend from an associated company and advance payment from construction projects. Net gearing was 15.4% as at 31 October 2008 after taking into account a cash position of \$19.4M as compared to net gearing of 24.2% as of 31 January 2008. Subsequent to 31 October 2008, bank borrowings of \$41.2M 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 global financial crisis which was triggered by the US subprime problem has spread to other industries. Governments of most countries, including Singapore, have announced that their economies are in recession. There is no certainty on how long the recession is going to last. The Group secured another project worth \$295.0M in November 2008 to construct and build a mega shopping mall cum bus interchange complex at Serangoon Central. The Group's total order book as at November 2008 now stands at approximately \$900.0M. The Group's remaining two hotels in Perth and Ho Chi Minh City are expected to continue to perform well despite the more challenging economic environment 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? No

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**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared or recommended for the 9 months financial period ended 31 October 2008.

**13. Confirmation by Directors**

We, Low Keng Boon and Low Poh Kuan, being two directors of the Group, do hereby confirm on behalf of 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 9 months financial period ended 31 October 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

15 December 2008