



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

Unaudited 3rd Quarter Financial Statements For the Period Ended 31 October 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY 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 31/10/09	3 months ended 31/10/08	Increase/ (Decrease)	9 months ended 31/10/09	9 months ended 31/10/08	Increase/ (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1	205,042	52,259	292	450,072	148,092	204
Cost of sales		(188,561)	(45,099)	318	(410,483)	(129,817)	216
Gross profit	2	16,481	7,160	130	39,589	18,275	117
Other income/(loss)	3	739	(13)	n.m.	5,775	1,689	242
Concessionary income/(loss)	4	1	(1,422)	n.m.	(21)	(441)	(95)
Rental income		8	327	(98)	252	887	(72)
Distribution costs		(242)	(309)	(22)	(740)	(892)	(17)
Administrative costs	5	(4,318)	(4,258)	1	(12,895)	(11,077)	16
Other operating expenses		(1,184)	(1,146)	3	(2,906)	(2,859)	2
Finance costs		(513)	(352)	46	(1,109)	(1,092)	2
Profit/(loss) from operations		10,972	(13)	n.m.	27,945	4,490	522
Share of results of associated companies and joint ventures	6	7,355	14,019	(48)	23,787	23,827	-
Profit before taxation		18,327	14,006	31	51,732	28,317	83
Taxation	7	(1,477)	(841)	76	(2,994)	(3,912)	(23)
Profit after taxation for the period		16,850	13,165	28	48,738	24,405	100
Attributable to:							
Equity holders of the company	8	16,599	12,950	28	47,882	23,355	105
Minority interests		251	215	17	856	1,050	(18)
		16,850	13,165	28	48,738	24,405	100
Earnings per share (cents)							
- basic		2.25	1.75		6.48	3.16	
- diluted		2.25	1.75		6.48	3.16	

n.m.: Not Meaningful

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended 31/10/09	3 months ended 31/10/08	Increase/ (Decrease)	9 months ended 31/10/09	9 months ended 31/10/08	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	16,850	13,165	28	48,738	24,405	100
Other comprehensive income:						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	(240)	(3,931)	(94)	5,262	(4,951)	(206)
Fair value (gain)/loss on available-for-sale financial assets recycled to income statement on derecognition	(357)	455	(178)	(3,893)	455	(956)
Exchange differences on translation of the financial statements of foreign entities (net)	1,996	(7,218)	n.m.	6,738	(8,063)	n.m.
Other comprehensive income/(loss) for the period, net of tax	1,399	(10,694)	n.m.	8,107	(12,559)	n.m.
Total comprehensive income for the period	<u>18,249</u>	<u>2,471</u>	639	<u>56,845</u>	<u>11,846</u>	380
Total comprehensive income attributable to:						
Equity holders of the company	17,507	4,709	272	54,206	13,100	314
Minority interests	742	(2,238)	n.m.	2,639	(1,254)	n.m.
Total comprehensive income for the period	<u>18,249</u>	<u>2,471</u>	639	<u>56,845</u>	<u>11,846</u>	380

n.m.: Not Meaningful

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

- Group revenue increased by \$302.0M from \$148.1M during 9 months ended 31 October 2008 to \$450.1M during 9 months ended 31 October 2009. It increased by \$152.7M from \$52.3M during 3 months ended 31 October 2008 to \$205.0M during 3 months ended 31 October 2009. These increases in revenue were mainly due to increases in construction revenue. Development revenue and investment revenue were not significant.
- Gross profit increased by \$21.3M from \$18.3M during 9 months ended 31 October 2008 to \$39.6M during 9 months ended 31 October 2009. It increased by \$9.3M from \$7.2M during 3 months ended 31 October 2008 to \$16.5M during 3 months ended 31 October 2009. These increases were mainly due to the increased contributions from construction segment for projects Meritus Mandarin Hotel and Hard Rock Hotel at Sentosa. Project nex at Serangoon Central has started to contribute since January 2009.
- Other income increased by \$4.1M from \$1.7M during 9 months ended 31 October 2008 to \$5.8M during 9 months ended 31 October 2009. These increases were mainly due to the gain on disposal of equity investment. There was no significant change in other income during 3 months ended 31 October 2008 compared to 3 months ended 31 October 2009.
- This loss is derived from the gaming centre operations in Duxton Hotel Saigon which opened for business in November 2006. Our licence for operating the gaming centre was suspended by the Vietnamese government in November 2008. We have submitted our appeal to the authorities to re-instate the licence but its outcome remains unknown as of 31 October 2009. The hotel remains open and is running as per normal business operations. Concessionary loss decreased by \$0.4M from \$0.4M during 9 months ended 31 October 2008 to \$0.02M during 9 months ended 31 October 2009. It decreased by \$1.4M during 3 months ended 31 October 2009 as compared to 3 months ended 31 October 2008. These decreases were due to the suspension of the operations of the gaming centre.

- 5 Administrative costs increased by \$1.8M from \$11.1M during 9 months ended 31 October 2008 to \$12.9M during 9 months ended 31 October 2009. The increase was mainly due to increases in profit share which increased in tandem with the increased profit performance of the Group. The provision of profit share was made in accordance with service contracts. There was no significant increase in profit share during 3 months ended 31 October 2008 when compared to 3 months ended 31 October 2009.
- 6 There was no significant change in the share of results of associated companies and joint ventures during 9 months ended 31 October 2009 when compared to 9 months ended 31 October 2008. However it decreased by \$6.6M from \$14.0M during 3 months ended 31 October 2008 to \$7.4M during 3 months ended 31 October 2009. The decrease was mainly due to decreased contributions from one-north Residence which obtained T.O.P. in July 2009.
- 7 The basis of tax computation is set out below:

	3 months ended 31/10/09	3 months ended 31/10/08	Increase/ (Decrease)	9 months ended 31/10/09	9 months ended 31/10/08	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Income tax						
- tax charge						
- (over)/ under provision	(236)	16	n.m.	(236)	23	n.m.
- foreign tax	1,713	825	108	3,230	3,889	(17)
	<u>1,477</u>	<u>841</u>	76	<u>2,994</u>	<u>3,912</u>	(23)

Income tax decreased by \$0.9M from \$3.9M during 9 months ended 31 October 2008 to \$3.0M during 9 months ended 31 October 2009. The decrease was due to lower tax provision as a result of lower profits from hotels segment. No tax provision was made for construction segment as there were sufficient unutilised tax losses. Income tax increased by \$0.7M from \$0.8M during 3 months ended 31 October 2008 to \$1.5M during 3 months ended 31 October 2009 mainly due to under provision of \$0.5M for Duxton Hotel Perth during 1HFY09/10.

- 8 Net profit attributable to shareholders increased by \$24.5M from \$23.4M during 9 months ended 31 October 2008 to \$47.9M during 9 months ended 31 October 2009. It increased by \$3.6M from \$13.0M during 3 months ended 31 October 2008 to \$16.6M during 3 months ended 31 October 2009. These increases were mainly due to higher construction profit and investment gain offset by lower profit from hotels.

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 31/10/09 \$'000	Group 31/01/09 \$'000	Note	Company 31/10/09 \$'000	Company 31/01/09 \$'000
ASSETS					
Non-current assets					
Investment properties	12,226	8,062	1	8,581	4,267
Property, plant and equipment	69,035	67,972	1	6,339	11,222
Subsidiaries	-	-		85,452	64,674
Associated companies and joint ventures	184,193	175,134	2	173,440	159,939
Investments	36,935	7,580	3	2,309	1,891
Deferred tax assets	528	212		-	-
	<u>302,917</u>	<u>258,960</u>		<u>276,121</u>	<u>241,993</u>
Current assets					
Inventories	433	462		-	-
Work-in-progress	863	4,977	4	-	4,027
Trade and other receivables	164,895	63,677	5	157,555	58,174
Amounts owing by subsidiaries (trade)	-	-		-	1,298
Cash and cash equivalents	66,960	31,904	6	48,528	17,920
	<u>233,151</u>	<u>101,020</u>		<u>206,083</u>	<u>81,419</u>
Total assets	<u>536,068</u>	<u>359,980</u>		<u>482,204</u>	<u>323,412</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Reserves	2,231	862	7	535	-
Retained profits	84,317	47,517		56,768	26,226
Exchange fluctuation account	4,295	(660)	8	(279)	-
	<u>252,706</u>	<u>209,582</u>		<u>218,887</u>	<u>188,089</u>
Minority interests	11,355	8,716		-	-
Total equity	<u>264,061</u>	<u>218,298</u>		<u>218,887</u>	<u>188,089</u>
Non-current liabilities					
Bank borrowings	6,000	-	6	6,000	-
Other payables	1,303	677		-	-
Deferred tax liabilities	577	575		541	541
	<u>7,880</u>	<u>1,252</u>		<u>6,541</u>	<u>541</u>
Current liabilities					
Trade and other payables	250,042	94,110	9	232,193	80,520
Amounts owing to subsidiaries	-	-		16,512	14,601
Advances received from a joint venture	898	850		898	850
Amount owing to a minority shareholder of subsidiaries (non-trade)	2,746	3,230		-	-
Amount owing to holding company (non-trade)	-	51		-	51
Provision for directors' fee	150	170		150	170
Provision for taxation	3,289	3,450		21	21
Bank borrowings	7,002	38,569	6	7,002	38,569
	<u>264,127</u>	<u>140,430</u>		<u>256,776</u>	<u>134,782</u>
Total liabilities	<u>272,007</u>	<u>141,682</u>		<u>263,317</u>	<u>135,323</u>
Total equity and liabilities	<u>536,068</u>	<u>359,980</u>		<u>482,204</u>	<u>323,412</u>

Notes to the balance sheets

- 1 The net book value of investment properties increased by \$4.1M from \$8.1M as at 31 January 2009 to \$12.2M as at 31 October 2009. The increase was mainly due to the reclassification from property, plant and equipment of \$4.6M to investment properties as more warehouse space were being leased out. Net book value of property, plant and equipment increased by \$1.0M from \$68.0M as at 31 January 2009 to \$69.0M as at 31 October 2009. The increase was mainly due to exchange revaluation gain from our property, plant and equipment in Australia due to the appreciation of Australian dollar against Singapore dollar.
- 2 Associated companies and joint ventures increased by \$9.1M from \$175.1M as at 31 January 2009 to \$184.2M as at 31 October 2009. The increase was mainly due to increased share of profits of joint venture companies.
- 3 Investments increased by \$29.3M from \$7.6M as at 31 January 2009 to \$36.9M as at 31 October 2009. The increase was mainly due to acquisition of quoted investments and increase in fair value of available-for-sale financial assets. These investments were made with the objective of optimising our cash holdings and earning higher returns compared to the current low interest offered by banks.
- 4 Work-in-progress decreased by \$4.1M from \$5.0M as at 31 January 2009 to \$0.9M as at 31 October 2009 due to higher percentage of completion of projects.
- 5 Trade and other receivables increased by \$101.2M from \$63.7 as at 31 January 2009 to \$164.9M as at 31 October 2009 due to increased construction activities. Subsequent to 31 October 2009, \$45.3M was collected from owners.
- 6 Bank borrowings decreased by \$25.6M from \$38.6M as at 31 January 2009 to \$13.0M as at 31 October 2009 as a result of improved cashflow mainly due to progress payments from construction projects, dividends from joint ventures and associate companies and proceeds from liquidation of a subsidiary. Working capital was negative \$39.4M as at 31 January 2009 compared to negative \$30.3M as at 31 October 2009 since more than 50% of bank borrowings were unsecured revolving short-term loans. There was no gearing as at 31 October 2009 since cash and cash equivalents exceeded bank borrowings by \$54.0M. Net gearing was 3.2% as of 31 January 2009. Subsequent to 31 October 2009, bank borrowings of \$13.0M were rolled over.
- 7 Reserves increased by \$1.3M from \$0.9M as at 31 January 2009 to \$2.2M as at 31 October 2009 due to increase in fair value reserves for quoted equity investments.
- 8 Exchange fluctuation account increased from negative \$0.7M as at 31 January 2009 to \$4.3M as at 31 October 2009 mainly due to appreciation of Australian dollar against the Singapore dollar.
- 9 Trade and other payables increased by \$155.9M from \$94.1M as at 31 January 2009 to \$250.0M as at 31 October 2009 in tandem with the increase in construction activities. Subsequent to 31 October 2009, \$4.5M was paid to vendors.

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

	As at 31/10/09		As at 31/01/09	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	-	7,002	-	38,569
Amount repayable after one year	-	6,000	-	-
	-	13,002	-	38,569

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**

	9 months ended 31/10/09	9 months ended 31/10/08
	\$'000	\$'000
Cash Flows from Operating Activities		
Profit before taxation	51,732	28,317
Share of results of associated companies and joint ventures	(23,787)	(23,827)
		-
Adjustments for:		
Depreciation of property, plant and equipment	2,836	3,384
Depreciation of investment properties	301	131
Gain on disposal of:		
- property, plant and equipment	(14)	(29)
- quoted equity investments	-	(60)
- investment properties	(33)	-
Fair value (gain)/loss on derecognition of available-for-sale financial assets	(3,893)	455
Impairment loss on available-for-sale financial assets	545	1,794
Gain on liquidation of subsidiaries	(444)	-
Interest expense	1,109	1,092
Interest income	(665)	(1,012)
Operating profit before working capital changes	27,687	10,245
Inventories and work-in-progress	4,253	1,364
Receivables	(101,660)	(25,292)
Payables	156,783	39,269
Cash generated from operations	87,063	25,586
Interest paid	(1,163)	(1,076)
Income tax paid	(3,736)	(3,914)
Net cash generated from/(used in) operating activities	82,164	20,596
Balance carried forward	82,164	20,596

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)**

	9 months ended 31/10/09	9 months ended 31/10/08
	\$'000	\$'000
Balance brought forward	82,164	20,596
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(818)	(1,475)
Acquisition of quoted equity investments	(34,804)	(5,039)
Interest received	150	236
Advances received from/ (made to) an associated company and joint ventures	4,020	5,708
Dividends from an associated company and joint ventures	10,703	3,600
Proceeds from sale of quoted equity investments	10,090	4,046
Proceeds from sale of property, plant and equipment	74	291
Proceeds from liquidation of subsidiaries	444	-
Proceeds from disposal of investment property	107	-
Net cash generated from/(used in) investing activities	(10,034)	7,367
Cash Flows from Financing Activities		
Dividends paid to shareholders of the Company	(11,082)	(9,235)
Loans from financial institutions obtained	33,500	77,885
Loans from financial institutions repaid	(59,000)	(99,789)
Net cash generated from/(used in) financing activities	(36,582)	(31,139)
Net increase/(decrease) in cash and cash equivalents	35,548	(3,176)
Cash and cash equivalents at beginning of the period	31,891	21,435
Exchange differences on translation of cash and cash equivalents at beginning of the period	(479)	(1,973)
Cash and cash equivalents at the end of the period (Note A)	66,960	16,286

The Group has unused bank facilities of \$129.4M as of 31 October 2009.

The Group generated a net increase of \$35.5M cash flow during 9 months ended 31 October 2009 compared to net decrease of \$3.2M cash flow during 9 months ended 31 October 2008. The net increase in cash and cash equivalents was due to net cash of \$82.1M generated from operating activities offset by \$25.5M net repayment of bank loans, \$11.1M payment of dividends and a net cash of \$10.0M used in investing activities.

A. Cash and cash equivalents are net of bank overdrafts.

	9 months ended 31/10/09	9 months ended 31/10/08
	\$'000	\$'000
<u>Cash and cash equivalents at the end of the period</u>		
Cash and bank balances	66,960	19,368
Bank overdraft	-	(3,082)
	66,960	16,286

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 quarter

	Share Capital \$'000	Reserves \$'000	Retained Profits \$'000	Exchange Fluctuation Account \$'000	Total \$'000
The Company					
Balance at 1.2.2008	161,863	765	18,603	-	181,231
Exchange translation adjustment	-	(30)	-	-	(30)
Net fair value loss on available-for-sale financial assets recognised directly to equity	-	(735)	-	(306)	(1,041)
Net loss recognised directly to equity	-	(765)	-	(306)	(1,071)
Net profit for the period	-	-	12,962	-	12,962
Total comprehensive expense 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
Balance at 1.2.2009	161,863	-	26,226	-	188,089
Net fair value gain on available-for-sale financial assets recognised directly to equity	-	604	-	-	604
Fair value gain on available-for-sale financial assets recycled to income statement on derecognition	-	(69)	-	-	(69)
Loss not recognised in income statement	-	-	-	(279)	(279)
Net gain/(loss) recognised directly to equity	-	535	-	(279)	256
Net profit for the period	-	-	41,624	-	41,624
Total comprehensive income and expense for the period	-	535	41,624	(279)	41,880
2009 dividends paid	-	-	(11,082)	-	(11,082)
Balance at 31.10.2009	161,863	535	56,768	(279)	218,887

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 quarter (cont'd)

The Group	Share Capital \$'000	Reserves \$'000	Retained Profits \$'000	Exchange Fluctuation Account \$'000	Sub-total \$'000	Minority Interests \$'000	Total \$'000
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 loss on available-for-sale financial assets recognised directly to equity	-	(4,951)	-	-	(4,951)	-	(4,951)
Fair value loss on available-for-sale financial assets recycled to income statement on derecognition	-	455	-	-	455	-	455
Loss not recognised in income statement	-	-	-	(5,707)	(5,707)	(2,304)	(8,011)
Net loss recognised directly to equity	-	(4,548)	-	(5,707)	(10,255)	(2,304)	(12,559)
Net profit for the period	-	-	23,355	-	23,355	1,050	24,405
Total comprehensive expense 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
Balance at 1.2.2009	161,863	862	47,517	(660)	209,582	8,716	218,298
Net fair value gain on available-for-sale financial assets recognised directly to equity	-	5,262	-	-	5,262	-	5,262
Fair value gain on available-for-sale financial assets recycled to income statement on derecognition	-	(3,893)	-	-	(3,893)	-	(3,893)
Gain not recognised in income statement	-	-	-	4,955	4,955	1,783	6,738
Net gain recognised directly to equity	-	1,369	-	4,955	6,324	1,783	8,107
Net profit for the period	-	-	47,882	-	47,882	856	48,738
Total comprehensive income for the period	-	1,369	47,882	4,955	54,206	2,639	56,845
2009 dividends paid	-	-	(11,082)	-	(11,082)	-	(11,082)
Balance at 31.10.2009	161,863	2,231	84,317	4,295	252,706	11,355	264,061

- 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 31 October 2009 compared to 31 October 2008.

There were no outstanding executives' share options granted as at 31 October 2009 and 31 October 2008.

There was no treasury share held or issued as at 31 October 2009 and 31 October 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 31/10/09	As at 31/01/09
Number of issued shares excluding treasury shares	738,816,000	738,816,000

- 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 2009.

- 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, except for those as disclosed under paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 February 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS.

The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (Revised) Presentation of Financial Statements and the identification of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance in accordance with the FRS 108 Operating Segments.

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

	3 months ended 31/10/09	3 months ended 31/10/08	9 months ended 31/10/09	9 months ended 31/10/08
Earnings per ordinary share for the period based on net profit attributable to shareholders of the Company:				
(i) Based on weighted average number of ordinary shares in issue	2.25 cents	1.75 cents	6.48 cents	3.16 cents
(ii) On a fully diluted basis	2.25 cents	1.75 cents	6.48 cents	3.16 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

	Group		Company	
	31/10/09	31/01/09	31/10/09	31/01/09
Net asset value per ordinary share	34 cents	28 cents	30 cents	25 cents
Net tangible assets backing per ordinary share	34 cents	28 cents	30 cents	25 cents

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 287.9% from \$106.6M during 9 months ended 31 October 2008 to \$413.6M during 9 months ended 31 October 2009. It increased by 364.9% from \$41.3M during 3 months ended 31 October 2008 to \$191.8M during 3 months ended 31 October 2009. The increases were due to the higher percentage of completion for on-going projects Hard Rock Hotel at Sentosa, Meritus Mandarin Hotel and commencement of new project nex at Serangoon Central Mall.

Net profit before tax & minority interests for construction segment was \$13.0M during 9 months ended 31 October 2009 compared to a negative \$9.2 during 9 months ended 31 October 2008. It was \$7.7M during 3 months ended 31 October 2009 compared to negative \$1.7M during 3 months ended 31 October 2008. The improved profit performance was due to positive contributions for construction projects at Meritus Mandarin, Hard Rock Hotel at Sentosa and nex at Serangoon Central offset by earlier loss-making projects including Regency Suite, one-north Residence and Southbank. Regency Suite and one-north Residence obtained T.O.P. in Nov 2008 and July 2009 respectively.

Hotel & F&B business

Revenue for hotel & F&B businesses decreased by 14.0% from \$41.2M during 9 months ended 31 October 2008 to \$35.4M during 9 months ended 31 October 2009. The decrease in hotel revenue of \$5.8M was attributable to lower revenue from Duxton Hotel Perth, Duxton Hotel Saigon and Starworth group of companies. The decrease in hotel revenue was due to lower room rates and occupancy rates at both hotels compared to last year. Revenue increased by 18.6% from \$10.9M during 3 months ended 31 October 2008 to \$12.9M during 3 months ended 31 October 2009 as a result of higher occupancy rate at Duxton Hotel Perth compared to 3 months ended 31 October 2008. The net profit before tax and minority interests for hotel segment decreased by \$4.7M from \$15.4M during 9 months ended 31 October 2008 to \$10.7M during 9 months ended 31 October 2009. It decreased by \$0.4M from \$4.0M during 3 months ended 31 October 2008 to \$3.6M during 3 months ended 31 October 2009 mainly due to the decrease in hotel revenue and concessionary income from the gaming centre operation.

Development

Contributions from associated companies and joint ventures increased by 3.0% from \$23.5M during 9 months ended 31 October 2008 to \$24.2M during 9 months ended 31 October 2009. It decreased by \$6.7M from \$14.0M during 3 months ended 31 October 2008 to \$7.3M during 3 months ended 31 October 2009. The decrease was mainly due to decreased contributions from joint venture for one-north Residence as it obtained T.O.P. in July 2009.

Investments

The Group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equity investments. Net profit before tax and minority interest in investment segment increased by \$5.3M from negative \$1.4M during 9 months ended 31 October 2008 to \$3.9M during 9 months ended 31 October 2009. It increased by \$2.0M from negative \$2.2M during 3 months ended 31 October 2008 to negative \$0.2M during 3 months ended 31 October 2009. These increases in net profit before tax and minority interest were due to gains on disposal of quoted equity investments offset by impairment of quoted equity investment.

Net profit attributable to shareholders

Net profit attributable to shareholders increased by \$24.5M from \$23.4M during 9 months ended 31 October 2008 to \$47.9M during 9 months ended 31 October 2009. It increased by \$3.6M from \$13.0M during 3 months ended 31 October 2008 to \$16.6M during 3 months ended 31 October 2009. These increases were due to higher construction profits, higher development profit from associated companies and joint ventures and higher profit from investment segments, offset by lower profit from hotels.

Balance Sheet

The Group remains in a strong financial position. Group shareholders' funds increased by 20.5% from \$209.6M as at 31 January 2009 to \$252.5M as at 31 October 2009. Group bank borrowings decreased by 66.3% from \$38.6M as at 31 January 2009 to \$13.0M as at 31 October 2009. Cash and cash equivalents increased by 109.9% from \$31.9M as at 31 January 2009 to \$67.0M as at 31 October 2009.

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

Not applicable.

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

Overall economic environment has improved during the last six months. Against the backdrop of a volatile and uncertain economic climate, the Group will continue to focus on our core business, improve operational efficiency and implement cost management measures. The Group will initiate the search for new projects and continue to seek other businesses that generate consistent revenue and profitability streams.

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? No

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

Not applicable

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

	Turnover		Net Profit/(loss) before tax & minority interests	
	9 months ended	9 months ended	9 months ended	9 months ended
	31/10/09	31/10/08	31/10/09	31/10/08
	\$'000	\$'000	\$'000	\$'000
By Industry				
Construction	413,596	106,637	12,999	(9,184)
Development	148	-	24,159	23,466
Hotels	35,381	41,164	10,716	15,422
Investments	947	291	3,858	(1,387)
	<u>450,072</u>	<u>148,092</u>	<u>51,732</u>	<u>28,317</u>

	Turnover		Net Profit/(loss) before tax & minority interests	
	3 months ended	3 months ended	3 months ended	3 months ended
	31/10/09	31/10/08	31/10/09	31/10/08
	\$'000	\$'000	\$'000	\$'000
By Industry				
Construction	191,790	41,251	7,658	(1,736)
Development	-	-	7,306	13,977
Hotels	12,935	10,907	3,598	4,005
Investments	317	101	(235)	(2,240)
	<u>205,042</u>	<u>52,259</u>	<u>18,327</u>	<u>14,006</u>

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

The group's construction business is conducted primarily in Singapore except for a single project in Beirut, Lebanon completed in February 2007.

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

The group has 2 hotels, viz. Duxton Hotel Perth in Australia and Duxton Hotel Saigon in Vietnam. While the licence for operating electronic gaming centre held by Duxton Hotel Saigon was suspended in November 2008, the hotel remains open and is running as per normal business operations. The outcome of our appeal against the suspension remains unknown as of 31 October 2009.

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

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

15. 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 ended 31 October 2009 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

11 December 2009