ROXY-PACIFIC HOLDINGS LIMITED

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2008

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Roxy-Pacific Holdings Limited

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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

	Group Third quarter ended 30 Sep		Change Increase / (Decrease)	Group 9 months ended 30 Sep		Change Increase / (Decrease)
	2008	2007		2008	2007	
	$'000	$'000	%	$'000	$'000	%
Revenue	**34,936**	19,614	78%	**100,072**	62,059	61%
Cost of sales	**(21,024)**	(10,616)	98%	**(58,661)**	(34,752)	69%
Gross profit	**13,912**	8,998	55%	**41,411**	27,307	52%
Other operating income	**2,340**	113	1969%	**4,933**	871	466%
Distribution expenses	**(429)**	(425)	1%	**(1,248)**	(1,114)	12%
Administrative expenses	**(2,279)**	(1,555)	47%	**(6,665)**	(4,270)	56%
Other operating expenses	**(2,913)**	(3,103)	-6%	**(8,752)**	(6,964)	26%
Finance costs	**(998)**	(1,050)	-5%	**(3,149)**	(3,218)	-2%
Profit before tax	**9,633**	2,978	224%	**26,530**	12,612	110%
Taxation	**(933)**	(414)	125%	**(4,731)**	(2,336)	103%
Profit after taxation	**8,700**	2,564	239%	**21,799**	10,276	112%
Profit before tax is arrived at after charging:						
Allowance for doubtful debts and bad debts written off	**9**	6	50%	**21**	21	-
Depreciation of property, plant & equipment	**501**	376	33%	**1,408**	1,194	18%
Directors' fees	**42**	-	n/m	**119**	-	n/m
Interest on borrowings	**998**	1,050	(5%)	**3,149**	3,218	(2%)
Loss on disposal of property, plant & equipment	**-**	29	n/m	**5**	31	(84%)
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	**3,502**	3,440	2%	**9,929**	7,246	37%
- contribution to defined contribution plans	**218**	196	11%	**642**	509	26%
- other personnel expenses	**258**	227	14%	**776**	649	20%
Share issue expenses	**-**	-	-	**197**	-	n/m
and crediting:						
Foreign exchange gain	**11**	9	22%	**32**	32	-
Gain on sale of quoted equity investment	**-**	-	-	**-**	74	n/m
Interest income	**(1)**	82	(101%)	**171**	217	(21%)
Fair value gain on revaluation of investment properties	**2,303**	-	n/m	**4,606**	549	739%

n/m: Not meaningful

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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		Company	
	30-Sep-08	**31-Dec-07**	**30-Sep-08**	**31-Dec-07**
	S$'000	**S$'000**	**S$'000**	**S$'000**
ASSETS				
Non-Current				
Intangible assets	**2,040**	2,040	**-**	-
Property, plant and equipment	**67,397**	65,597	**-**	-
Subsidiaries	**-**	-	**36,443**	35,443
Investment properties	**35,246**	30,640	**-**	-
	104,683	98,277	**36,443**	35,443
Current				
Properties for sale under development	**200,816**	162,836	**-**	-
Inventories	**138**	132	**-**	-
Trade receivables	**10,023**	12,126	**17**	10
Other receivables	**744**	1,549	**16**	620
Amount due from subsidiaries	**-**	-	**13,080**	3
Project accounts	**60,126**	23,732	**-**	-
Fixed deposits	**35,519**	5,670	**23,196**	-
Cash and bank balances	**4,253**	4,311	**258**	142
	311,619	210,356	**36,567**	775
Total assets	**416,302**	308,633	**73,010**	36,218
Equity				
Capital and reserves				
Share capital	**45,475**	9,190	**45,475**	9,190
Additional paid up share capital	**1,924**	1,924	**1,924**	1,924
Retained profits	**59,992**	44,559	**22,621**	22,606
	107,391	55,673	**70,020**	33,720
Liabilities				
Non-Current				
Bank loans (secured)	**191,155**	155,397	**-**	-
Deferred income taxes	**10,217**	8,373	**-**	-
	201,372	163,770	**-**	-
Current				
Trade payables	**5,069**	4,833	**54**	-
Other payables	**14,727**	11,283	**2,784**	44
Amount due to subsidiaries	**-**	-	**-**	2,454
Provision for taxation	**2,594**	-	**152**	-
Short-term bank loans (secured)	**85,149**	73,074	**-**	-
	107,539	89,190	**2,990**	2,498
Total equity & Liabilities	**416,302**	308,633	**73,010**	36,218

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

	30-Sep-08		31-Dec-07	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	85,149	-	73,074	-
Amount repayable after one year	191,155	-	155,397	-
	276,304	**-**	**228,471**	**-**

Details of collaterals

The bank loans are secured by:

a) investment properties;

b) rental income from investment properties;

c) proceeds from sale of investment properties;

d) joint guarantee of four directors and the Company;

e) freehold land and building;

f) properties for sale under development;

h) proceeds from sale of properties for sale under development

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

	Third quarter ended 30 Sep		9 months ended 30 Sep	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Cash Flows from Operating Activities				
Profit before taxation	**9,633**	2,978	**26,530**	12,612
Adjustments for:				
Depreciation of property, plant and equipment	**501**	376	**1,408**	1,194
Interest expense	**998**	1,050	**3,149**	3,218
Interest income	**1**	(82)	**(171)**	(217)
Fair value adjustment on investment properties	**(2,303)**	-	**(4,606)**	(549)
Loss on disposal of property, plant and equipment	**-**	29	**5**	31
Gain on disposal of quoted equity investment	-	-	-	(74)
Loss on revaluation of quoted equity investment	-	-	-	24
Operating profit before working capital changes	**8,830**	4,351	**26,315**	16,239
(Increase)/decrease in inventories	**(3)**	27	**(6)**	28
Decrease/(increase) in operating receivables	**2,735**	(539)	**2,909**	470
Increase in operating payables	**3,212**	2,617	**3,682**	4,703
Increase in properties for sale under development	**(4,884)**	(21,714)	**(37,980)**	(46,822)
Cash generated from/(used in) operations	**9,890**	(15,258)	**(5,080)**	(25,382)
Interest received	**-**	82	**171**	217
Interest paid	**(998)**	(1,050)	**(3,149)**	(3,218)
Income tax refund / (paid)	**(154)**	4	**(294)**	4
Net cash generated from/(used in) operating activities	**8,738**	(16,222)	**(8,352)**	(28,379)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	**(83)**	(502)	**(3,214)**	(571)
Proceeds from sale of quoted equity investment	**-**	-	**-**	333
Net cash used in investing activities	**(83)**	(502)	**(3,214)**	(238)
Cash Flows from Financing Activities				
Proceeds from borrowings	**1,158**	21,948	**47,832**	45,171
Fixed deposit pledged to a financial institution	**(255)**	-	**(255)**	-
Dividend paid	**-**	-	**(6,366)**	-
Proceeds from Initial Public Offering, net	**-**	-	**36,285**	-
Net cash generated from financing activities	**903**	21,948	**77,496**	45,171
Net increase in cash and cash equivalents	**9,558**	5,224	**65,930**	16,554
Cash and cash equivalents at beginning of period	**90,085**	28,585	**33,713**	17,255
Cash and cash equivalents at end of period	**99,643**	33,809	**99,643**	33,809
Analysis of cash and cash equivalents				
Project accounts (Note 1)	**21,126**	11,251	**21,126**	11,251
Fixed deposits in project accounts (Note 1)	**39,000**	10,500	**39,000**	10,500
Fixed deposits	**35,519**	6,240	**35,519**	6,240
Cash and bank balances	**4,253**	5,818	**4,253**	5,818
Less: Fixed deposit pledged to a financial institution	**(255)**	-	**(255)**	-
	99,643	33,809	**99,643**	33,809

Note 1: The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for development expenditure incurred on property developed for sale.

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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	Additional paid up share capital	Revaluation reserve	Retained profits	Total attributable to the equity of holders of the parent	Minority interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
<u>Group</u>							
Balance at 1 January 2007							
- as previously reported	8,600	-	2,753	23,011	34,364	2,555	36,919
- effect of FRS 40 adjusted retrospectively	-	-	(2,753)	2,753	-	-	-
- effect of FRS 12 on revaluation gains transferred to retained earnings	-	-	-	(496)	(496)	(41)	(537)
- as restated	8,600	-	-	25,268	33,868	2,514	36,382
Net profit for the period	-	-	-	7,712	7,712	-	7,712
Total recognised income and expenses for the period	-	-	-	7,712	7,712	-	7,712
Balance at 30 June 2007	8,600	-	-	32,980	41,580	2,514	44,094
Net profit for the period	-	-	-	2,564	2,564	-	2,564
Total recognised income and expenses for the period	-	-	-	2,564	2,564	-	2,564
Balance at 30 September 2007	**8,600**	**-**	**-**	**35,544**	**44,144**	**2,514**	**46,658**
Balance at 1 January 2008	9,190	1,924	-	44,559	55,673	-	55,673
Net profit for the period	-	-	-	13,099	13,099	-	13,099
Total recognised income and expenses for the period	-	-	-	13,099	13,099	-	13,099
Issue of new shares (Initial Public Offering)	38,400	-	-	-	38,400	-	38,400
Share issue expenses	(2,115)	-	-	-	(2,115)	-	(2,115)
Dividend paid	-	-	-	(6,366)	(6,366)	-	(6,366)
Balance at 30 June 2008	45,475	1,924	-	51,292	98,691	-	98,691
Net profit for the period	-	-	-	8,700	8,700	-	8,700
Total recognised income and expenses for the period	-	-	-	8,700	8,700	-	8,700
Balance at 30 September 2008	**45,475**	**1,924**	**-**	**59,992**	**107,391**	**-**	**107,391**

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	Share capital	Additional paid up share capital	Revaluation reserve	Retained profits	Total attributable to the equity of holders of the parent	Minority interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Company							
Balance at 1 January 2007	8,600	-	-	22,605	31,205	-	31,205
Net profit for the period	-	-	-	(6)	(6)	-	(6)
Total recognised income and expenses for the period	-	-	-	(6)	(6)	-	(6)
Balance at 30 June 2007	8,600	-	-	22,599	31,199	-	31,199
Net profit for the period	-	-	-	(2)	(2)	-	(2)
Total recognised income and expenses for the period	-	-	-	(2)	(2)	-	(2)
Balance at 30 September 2007	**8,600**	**-**	**-**	**22,597**	**31,197**	**-**	**31,197**
Balance at 1 January 2008	9,190	1,924	-	22,606	33,720	-	33,720
Net profit for the period	-	-	-	5,944	5,944	-	5,944
Total recognised income and expenses for the period	-	-	-	5,944	5,944	-	5,944
Issue of new shares (Initial Public Offering)	38,400	-	-	-	38,400	-	38,400
Share issue expenses	(2,115)	-	-	-	(2,115)	-	(2,115)
Dividend paid	-	-	-	(6,366)	(6,366)	-	(6,366)
Balance at 30 June 2008	45,475	1,924	-	22,184	69,583	-	69,583
Net profit for the period	-	-	-	437	437	-	437
Total recognised income and expenses for the period	-	-	-	437	437	-	437
Balance at 30 September 2008	**45,475**	**1,924**	**-**	**22,621**	**70,020**	**-**	**70,020**

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 issued share capital during the three months ended 30 September 2008.

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

	As at 30-Sep-08	As at 31-Dec-07
Total number of issued shares excluding treasury shares	636,560,000	508,560,000

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.

Not applicable

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2007.

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

	Third quarter ended 30 Sep		**9 months ended 30 Sep**	
	2008	**2007**	**2008**	**2007**
Earnings per share for the financial period (Note 1)				
(a) Based on the weighted average number of ordinary shares on issue (cents)	1.37	0.50	3.61	2.02
(b) On fully diluted basis (cents)	1.37	0.50	3.61	2.02
Weighted average number of shares	636,560,000	508,560,000	603,392,117	508,560,000

Note 1:

For comparative purposes, the basic and diluted earnings per share for the third quarter ended 30 September 2007 and the nine months ended 30 September 2007 are computed based on profit after taxation and weighted average number of ordinary shares of 508,560,000.

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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	30-Sep-08	**31-Dec-07**	**30-Sep-08**	**31-Dec-07**
Net asset value per ordinary share based on total issued 636,560,000 ordinary shares as at 30 September 2008 (508,560,000 ordinary shares as at 31 December 2007)	16.87	10.95	11.00	6.63

* The market value of our Grand Mercure Roxy Hotel and office premise was estimated to be $309.3 million based on the valuation carried out by an independent valuer on 11 January 2008, on an open market value and existing use basis. If our Grand Mercure Roxy Hotel and office premise had been included in the financial statements at valuation, the adjusted net asset value per ordinary share as at 30 September 2008 would have been 54.87 cents at Group level.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Breakdown of Performance by Segments

	Third quarter ended 30 Sep				Change Increase/ (Decrease)	9 months ended 30 Sep				Change Increase/ (Decrease)
	2008		2007			2008		2007		
GROUP	**$'000**		**$'000**		**%**	**$'000**		**$'000**		**%**
REVENUE										
Property Development	22,066	*63%*	9,476	*48%*	133%	62,360	*62%*	33,719	*54%*	85%
Hotel Ownership & Property Investment	12,870	*37%*	10,138	*52%*	27%	37,712	*38%*	28,340	*46%*	33%
Total	34,936	*100%*	19,614	*100%*	78%	100,072	*100%*	62,059	*100%*	61%
GROSS PROFIT										
Property Development	4,676	*34%*	1,479	*16%*	216%	13,668	*33%*	6,339	*23%*	116%
Hotel Ownership & Property Investment	9,236	*66%*	7,519	*84%*	23%	27,743	*67%*	20,968	*77%*	32%
Total	13,912	*100%*	8,998	*100%*	55%	41,411	*100%*	27,307	*100%*	52%
GROSS PROFIT MARGIN (%)										
Property Development	21%		16%			22%		19%		
Hotel Ownership & Property Investment	72%		74%			74%		74%		
Total	40%		46%			41%		44%		
PROFIT BEFORE TAXATION										
Property Development	3,080	*32%*	855	*29%*	260%	9,311	*35%*	4,572	*36%*	104%
Hotel Ownership & Property Investment	6,553	*68%*	2,123	*71%*	209%	17,219	*65%*	8,040	*64%*	114%
	9,633	*100%*	2,978	*100%*	224%	26,530	*100%*	12,612	*100%*	110%

(i) Revenue

The increase in our Group revenue was driven by strong performances by both the Property Development and Hotel Ownership and Property Investment.

Our Group turnover for the Q3FY2008 reported an 78% increase to $34.9 million from $19.6 million in Q3FY2007. The increase was the result of 133% increase in the revenue from Property Development and 27% increase in revenue from Hotel Ownership and Property Investment.

For the nine months ended 30 September 2008, our Group turnover increase by 61% to $100.1 million from $62.1 million in the previous corresponding period. The increase was the result of 85% increase in the revenue from Property Development and 33% increase in revenue from Hotel Ownership and Property Investment.

(a) Property Development

Revenue from our Property Development accounted for 63% of our Group's turnover in Q3FY2008 as compared to 48% in Q3FY2007. In the nine months ended 30 September 2008, as a percentage of total Group revenue, property development accounted for 62% compared to 54% in the previous corresponding period.

In Q3FY2008, revenue from Property Development was up 133% from $9.5 million to $22.1 million. On a nine months comparison, the revenue for the period was higher, rising 85% to $62.4 million from $33.7 million in the previous nine months.

The main contributor to the increase in the revenue in Q3FY2008 was the progressive recognition of revenue from 5 development projects namely The Montage, St. Patrick's Loft, Axis@Siglap, The Marque@Irrawaddy and The Medley. In the nine months ended 30 September 2008, the revenue recognized was derived from the above mentioned 5 development projects and The Treeline, which has obtained Temporary Occupation Permit ("TOP") in April 2008. In Q3FY2007 and the nine months ended 30 September 2007, we recognized revenue from the sales from 5 development projects, namely The Nclave, The Treeline, St. Patrick's Loft, The Montage and Axis@Siglap.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for 37% and 38% of our Group's turnover in Q3FY2008 and the nine months ended 30 September 2008 respectively. In Q3FY2007, it accounted for 52% and 46% of the Group's turnover in Q3FY2007 and the nine months ended 30 September 2007 respectively.

In Q3FY2008 and the nine months ended 30 September 2008, revenue from Hotel Ownership and Property Investment improved by 27% and 33% respectively from the corresponding quarter and nine months. Revenue from Hotel Ownership and Property Investment increased by $2.8 million to $12.9 million in Q3FY2008 from $10.1 million in Q3FY2007. In the nine months ended 30 September 2008, revenue from the same segment increased by $9.4 million from $28.3 million to $37.7 million compared to the corresponding period last year.

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The increase was mainly due to the improved room rates in Q3FY2008 and nine months ended 30 September 2008 at our Grand Mercure Roxy Hotel. The strong performance of the hotel during the quarter and the nine months in current year was in line with the overall hotel industry performance. Our hotel's average occupancy rate (AOR) declined from 94.7% in Q3FY2007 to 89.1% in Q3FY2008 and declined from 92.5% in the nine months ended 30 September 2007 to 88.0% in the current corresponding period. However, average room rate (ARR) improved by 28.1% in Q3FY2008 and 35.1% in the nine months ended 30 September 2008 compared to the corresponding periods. ARR increased from $158.91 in Q3FY2007 to $203.58 this quarter and $151.84 in the nine months ended 30 September 2007 to $205.17 in the current nine months. As a result, revenue per available room (RevPar) reported a 21% growth from $150.53 in Q3FY2007 to $181.44 in the current quarter and 29% growth from $140.41 in the nine months ended 30 September 2007 to $180.49 in the nine months ended 30 September 2008.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in Q3FY2008 increased by $10.4 million or 98% from $10.6 million in Q3FY2007 to $21.0 million. In the nine months ended 30 September 2008, direct cost of total revenue increased by $23.9 million or 69% to $58.7 million from $34.8 million a year earlier.

During Q3FY2008, our Property Development segment contributed $4.7 million or 34% of the total gross profit of the Group, with the balance 66% or $9.2 million contribution coming from our Hotel Ownership and Property Investment. Gross profit margin for our Property Development improved by 5 percentage points to 21% in Q3FY2008, as compared to 16% in the same quarter last year. For Hotel Ownership and Property Investment segment, gross profit margin declined by 2 percentage points to 72% in Q3FY2008 from 74% in Q3FY2007.

Overall, our Group's gross profit margin for Q3FY2008 decreased by 6 percentage points from 46% in Q3FY2007 to 40% in current quarter. The overall decrease was mainly due to a higher revenue contribution from our Property Development business which has a lower gross profit margin and lower gross profit margin from the Hotel Ownership and Property Investment in the current quarter.

For the nine-month period, gross profit from our Property Development contributed $13.7 million or 33% of the total gross profit of the Group, with the balance 67% or $27.7 million contribution coming from our Hotel Ownership and Property Investment. The gross profit margin for our Property Development improved from 19% in the nine-month period last year to 22% in current period. The gross profit margin of our Hotel Ownership and Property Investment remain stable at 74% as compared to the year earlier.

Overall, our Group's gross profit margin for the nine-month period decreased by 3 percentage points from 44% in the last period to 41% as at 30 September 2008. The overall decrease was mainly due to a higher revenue contribution from our Property Development business which has a lower gross profit margin.

(iii) Profit before tax

Our Group overall expenses increased by $0.5 million in Q3FY2008 and $4.2 million in the nine months ended 30 September 2008 as compared to the same corresponding periods last year. The increase are mainly due to the followings:

- Higher overall payroll costs, which were in line with higher turnover & profitability of the Group
- Increase in operating expenses such as utilities costs, credit card commission, statutory and professional consultancy fees and replacement of hotel furniture, fittings and equipments
- Increase in depreciation charge mainly due to additions of property, plant and equipment from H1FY2007.

Boosted by the strength of our Group turnover and the gain in fair value of investment properties of $2.3 million in Q3FY2008 and $4.6 million in the nine months ended 30 September 2008, pre-tax profit improved by $6.7 million or 224% and $13.9 million or 110% to $9.6 million and $26.5 million in Q3FY2008 and the nine months ended 30 September 2008 respectively.

(iv) Cashflow, working capital and Balance Sheet

Our current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 30 September 2008, our Group's current assets totalled $311.6 million and represented 75% of our total assets. Properties for sale under development amounted to $200.8 million or 64% of total current assets as at 30 September 2008. Trade and other receivables totalled $10.8 million and comprise mainly receivables from hotel operations and the unbilled revenue of the recognised sales of our property units in The Nclave and The Treeline, We have obtained TOP for both of these projects in October 2007 and April 2008 respectively. As at 30 September 2008, project accounts, fixed deposits and cash and bank balances amounted to $99.9 million. The increased in the project accounts of $36.4 million was mainly due to collection of booking fees from the sales of our 6 development properties which was launched in H1FY2008. The increased in the fixed deposits and cash and bank balances of $29.8 million was mainly due to net proceeds from the issuance of shares following the Company's admission to the Official List of the SGX-ST on 12 March 2008.

The Group recorded a net cash outflows from operating activities of $8.4 million for the nine months ended 30 September 2008, as compared with $28.4 million in the corresponding period last year. The decrease in cash outflows from operating activities was mainly due to the decrease in properties for sale under development, which in turn was mainly due to the TOP of our project and progress payments received from our 6 newly launched development projects during the period.

As at 30 September 2008, the Group's total borrowings amounted to $276.3 million with $85.1 million repayable within one year and $191.2 million repayable beyond one year. The increased in the borrowings was due to the increase in land and construction loans as a result of more residential development projects.

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

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for the second quarter and half year ended 30 June 2008.

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10. A commentary at the date of the announcement of the significant trends and 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

Property Development

On 10 October 2008, the Ministry of Trade and Industry (MTI) announced that the Singapore economy is estimated to contract by 0.5 per cent in the 3rd quarter of 2008 compared to the same period last year. MTI now expects the Singapore economy to grow by around 3.0 per cent in 2008. Based on the real estate statistics for the 3rd quarter 2008 released by Urban Redevelopment Authority (URA), the overall prices of private residential properties declined by 2.4% in the 3rd quarter 2008, compared with the increase of 0.2% in the 2nd quarter 2008.

Singapore has entered into a recession and in the light of falling asset prices, possible refinancing problems and weakening demand, slower growth and greater uncertainties are expected. Buyers are generally cautious in view of the current market sentiments.

Our Group currently has the following on-going development projects which have commenced construction.

Project name	**No. of Units in the projects**	**Percentage sold as at 31 October 2008**
The Montage	33	100%
St. Patrick's Loft	37	100%
Axis@Siglap	40	100%
The Marque@Irrawaddy	48	98%
The Medley	37	100%
	195	

As of 30 September 2008, the total pre-sale revenue yet to be recognized from the above 5 projects amounted to $76.6 million. This will be progressively recognised from Q4FY2008 to FY2009.

Our Group launched the following 6 development projects in the first half of the year:

Project name	**No. of Units in the project**	**Unit sold**	**Sale value ($'m)**
The Ambrosia	39	39	55.1
The Verte	36	27	39.7
The Azzuro	15	14	10.6
The Adara	16	11	10.9
The Ambra	25	9	8.2
The Florentine	34	24	23.4
	165	124	147.9

As of 31 October 2008, 124 units of the above projects with a total sale value of approximately $147.9 million have been sold.

The above 6 launched projects together with the current 5 ongoing projects are expected to contribute significantly to the Group's revenue and profits from the last quarter of FY2008 to FY2010.

On 25 October 2008, we have officially launched another project, named The Lucent, which has 42 units. We have another 2 more projects, located along Bhamo Road, off Balestier Road, which we target to launch by 2Q2009. These 2 projects have a total of 136 units.

Hotel Ownership

According to the latest tourism statistics released by Singapore Tourism Board on 30 October 2008, Singapore received a total of 739,000 visitors in September 2008, registering a decline of 4.1% compared to September 2007. The decline in visitor arrivals in the recent 4 months reflects the current challenging global economic environment and outlook for the tourism sector, which may continue into 2009. The outlook for the hotel sector remains challenging in the months ahead.

Barring any unforeseen circumstances, the directors remain cautiously optimistic on its profits outlook for the remainder of the current financial year ended 2008 in the light of the current global recession and uncertain economic situation.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

ON BEHALF OF THE BOARD
Koh Seng Geok
Executive Director
11 November 2008

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CONFIRMATION PURSUANT TO RULE 705 (4) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the third quarter and the nine months ended 30 September 2008 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim	Koh Seng Geok
Chairman & CEO	Executive Director

11 November 2008
Singapore