Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

The listing exercise of the Company was sponsored by Hong Leong Finance Limited (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this Announcement.

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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 Fourth quarter ended 31 Dec		Change Increase / (Decrease)	Group Financial year ended 31 Dec		Change Increase / (Decrease)
	2008	2007		2008	2007	
	$'000	$'000	%	$'000	$'000	%
Revenue	**29,993**	40,648	-26%	**130,065**	102,707	27%
Cost of sales	**(15,708)**	(26,011)	-40%	**(74,369)**	(60,763)	22%
Gross profit	**14,285**	14,637	-2%	**55,696**	41,944	33%
Other operating income	**212**	123	72%	**539**	445	21%
Distribution expenses	**(464)**	(362)	28%	**(1,712)**	(1,476)	16%
Administrative expenses	**(1,536)**	(2,325)	-34%	**(8,201)**	(6,595)	24%
Other operating expenses	**(2,793)**	(2,390)	17%	**(11,545)**	(9,354)	23%
Finance costs	**(983)**	(1,136)	-13%	**(4,132)**	(4,354)	-5%
Pre-tax profit before fair value gain on investment properties / impairment provision	**8,721**	8,547	2%	**30,645**	20,610	49%
Fair value (loss) / gain on investment properties / impairment provision	**(4,886)**	2,781	-276%	**(280)**	3,330	-108%
Pre-tax profit after fair value gain on investment properties / impairment provision	**3,835**	**11,328**	-66%	**30,365**	**23,940**	27%
Taxation	**(943)**	(2,313)	-59%	**(5,674)**	(4,649)	22%
Profit after taxation	**2,892**	**9,015**	-68%	**24,691**	**19,291**	28%
Profit before tax is arrived at after charging:						
Depreciation of property, plant & equipment	**488**	431	13%	**1,896**	1,625	17%
Directors' fees	**36**	-	n/m	**155**	-	n/m
Impairment of goodwill	**368**	-	n/m	**368**	-	n/m
Interest on borrowings	**983**	1,136	(13%)	**4,132**	4,354	(5%)
Loss on disposal of property, plant & equipment	**-**	-	-	**5**	31	(84%)
Provision for impairment on properties for sale under development	**1,700**	-	n/m	**1,700**	-	n/m
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	**2,882**	3,664	(21%)	**12,811**	10,910	17%
- contribution to defined contribution plans	**201**	434	(54%)	**843**	943	(11%)
- other personnel expenses	**216**	198	9%	**992**	847	17%
Share issue expenses	**-**	-	-	**197**	-	n/m
(Write-back)/allowance for doubtful debts and bad debts written off	**(58)**	4	n/m	**(37)**	25	n/m
and crediting:						
Foreign exchange gain	**9**	15	(40%)	**41**	47	(13%)
Gain on sale of quoted equity investment	**-**	(24)	n/m	**-**	50	n/m
Interest income	**184**	100	84%	**356**	317	(12%)
Fair value (loss) / gain on investment properties	**(2,818)**	2,781	n/m	**1,788**	3,330	(46%)

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	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	$'000	$'000	$'000	$'000
ASSETS				
Non-Current				
Intangible assets	**1,672**	2,040	**-**	-
Property, plant and equipment (Note a)	**65,958**	65,597	**-**	-
Subsidiaries	**-**	-	**36,443**	35,443
Investment properties	**32,428**	30,640	**-**	-
	100,058	98,277	**36,443**	35,443
Current				
Properties for sale under development	**186,106**	162,836	**-**	-
Inventories	**133**	132	**-**	-
Trade receivables	**11,164**	12,126	**19**	10
Other receivables	**997**	1,549	**73**	620
Amount due from subsidiaries	**-**	-	**13,740**	3
Project accounts	**61,759**	23,732	**-**	-
Fixed deposits	**39,859**	5,670	**23,270**	-
Cash and bank balances	**10,130**	4,311	**262**	142
	310,148	210,356	**37,364**	775
Total assets	**410,206**	308,633	**73,807**	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	**62,884**	44,559	**23,047**	22,606
	110,283	55,673	**70,446**	33,720
Liabilities				
Non-Current				
Bank loans (secured)	**181,527**	155,397	**-**	-
Deferred income taxes	**10,665**	8,373	**-**	-
	192,192	163,770	**-**	-
Current				
Trade payables	**4,793**	4,833	**12**	-
Other payables	**14,666**	11,283	**3,250**	44
Amount due to subsidiaries	**-**	-	**-**	2,454
Provision for taxation	**3,088**	-	**99**	-
Short-term bank loans (secured)	**85,184**	73,074	**-**	-
	107,731	89,190	**3,361**	2,498
Total equity & Liabilities	**410,206**	308,633	**73,807**	36,218

Note a: Property, plant and equipment includes a sum of $64.2 million being the carrying amount of our hotel and office as at 31 December 2008. In the opinion of the directors, the market value of our hotel and office based on the professional valuation carried out by an independent valuer, CBRE, on 31 December 2008, on the basis of desktop valuation for existing use is $278.4 million.

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

	31-Dec-08 Secured $'000		Unsecured $'000	31-Dec-07 Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	85,184	*	-	73,074	-
Amount repayable after one year	181,527		-	155,397	-
	266,711		**-**	**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

* $53.5 million of the debts relates to our development projects expected to TOP in FY2009 which are substantially sold

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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

	Fourth quarter ended 31 Dec		Financial year ended 31 Dec	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Cash Flows from Operating Activities				
Profit before taxation	**3,835**	11,328	**30,365**	23,940
Adjustments for:				
Depreciation of property, plant and equipment	**488**	431	**1,896**	1,625
Impairment of goodwill	**368**	-	**368**	-
Interest expense	**983**	1,136	**4,132**	4,354
Interest income	**(127)**	(100)	**(298)**	(317)
Fair value loss / (gain) on investment properties	**2,818**	(2,781)	**(1,788)**	(3,330)
Provision for impairment on properties for sale under development	**1,700**	-	**1,700**	-
Loss on disposal of property, plant and equipment	-	-	**5**	31
Gain on disposal of quoted equity investment	-	-	-	(74)
Loss on revaluation of quoted equity investment	-	-	-	24
Operating profit before working capital changes	**10,065**	10,014	**36,380**	26,253
Decrease/(increase) in inventories	**4**	(3)	**(2)**	25
(Increase)/decrease in operating receivables	**(1,394)**	(8,939)	**1,515**	(8,469)
Increase in operating payables	**698**	4,595	**4,120**	9,298
Increase/(decrease) in properties for sale under development	**13,010**	(27,200)	**(24,970)**	(74,022)
Cash generated from/(used in) operations	**22,383**	(21,533)	**17,043**	(46,915)
Interest paid	**(983)**	(1,136)	**(4,132)**	(4,354)
Income tax (paid) / refund	-	-	**(294)**	4
Net cash generated from/(used in) operating activities	**21,400**	(22,669)	**12,617**	(51,265)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	**(84)**	(1,457)	**(3,038)**	(2,028)
Interest received	**127**	100	**298**	317
Proceeds from sale of quoted equity investment	-	-	-	333
Net cash generated from/(used in) investing activities	**43**	(1,358)	**(2,740)**	(1,378)
Cash Flows from Financing Activities				
(Repayment) / proceeds from borrowings	**(9,593)**	23,930	**38,239**	69,101
Fixed deposit pledged to financial institutions	-	-	**(661)**	-
Dividend paid	-	-	**(6,366)**	-
Proceeds from Initial Public Offering, net	-	-	**36,285**	-
Net cash (used in)/generated from financing activities	**(9,593)**	23,930	**67,497**	69,101
Net increase/(decrease) in cash and cash equivalents	**11,850**	(96)	**77,374**	16,458
Cash and cash equivalents at beginning of period/year	**99,237**	33,809	**33,713**	17,255
Cash and cash equivalents at end of period/year	**111,087**	33,713	**111,087**	33,713
Analysis of cash and cash equivalents				
Project accounts (Note 1)	**17,859**	13,732	**17,859**	13,732
Fixed deposits in project accounts (Note 1)	**43,900**	10,000	**43,900**	10,000
Fixed deposits	**39,859**	5,670	**39,859**	5,670
Cash and bank balances	**10,130**	4,311	**10,130**	4,311
Less: Fixed deposit pledged to financial institutions	**(661)**	-	**(661)**	-
	111,087	33,713	**111,087**	33,713

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 holders of the parent	Minority interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
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 year	-	-	-	19,291	19,291	-	19,291
Total recognised income and expenses for the year	-	-	-	19,291	19,291	-	19,291
Acquisition of additional interests in a subsidiary company	-	-	-	-	-	(2,514)	(2,514)
Issue of shares pursuant to acquisition of additional interests in a subsidiary	590	-	-	-	590	-	590
Adjustment to consideration for interest in a subsidiary	-	1,924	-	-	1,924	-	1,924
Balance at 31 December 2007	9,190	1,924	-	44,559	55,673	-	55,673
Balance at 1 January 2008	9,190	1,924	-	44,559	55,673	-	55,673
Net profit for the period	-	-	-	21,799	21,799	-	21,799
Total recognised income and expenses for the period	-	-	-	21,799	21,799	-	21,799
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 September 2008	45,475	1,924	-	59,992	107,391	-	107,391
Net profit for the period	-	-	-	2,892	2,892	-	2,892
Total recognised income and expenses for the period	-	-	-	2,892	2,892	-	2,892
Balance at 31 December 2008	45,475	1,924	-	62,884	110,283	-	110,283

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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 $'000	Additional paid up share capital $'000	Revaluation reserve $'000	Retained profits $'000	Total attributable to the equity holders of the parent $'000	Minority interests $'000	Total equity $'000
<u>Company</u>							
Balance at 1 January 2007	8,600	-	-	22,605	31,205	-	31,205
Net profit for the year	-	-	-	1	1	-	1
Total recognised income and expenses for the year	-	-	-	1	1	-	1
Issue of shares pursuant to acquisition of additional interests in a subsidiary	590	-	-	-	590	-	590
Adjustment to consideration for interest in a subsidiary	-	1,924	-	-	1,924	-	1,924
Balance at 31 December 2007	9,190	1,924	-	22,606	33,720	-	33,720
Balance at 1 January 2008	9,190	1,924	-	22,606	33,720	-	33,720
Net profit for the period	-	-	-	6,381	6,381	-	6,381
Total recognised income and expenses for the period	-	-	-	6,381	6,381	-	6,381
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 September 2008	45,475	1,924	-	22,621	70,020	-	70,020
Net profit for the period	-	-	-	426	426	-	426
Total recognised income and expenses for the period	-	-	-	426	426	-	426
Balance at 31 December 2008	45,475	1,924	-	23,047	70,446	-	70,446

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

On 12 March 2008, our Company was admitted to the Official List of the SGX-ST and trading in its shares commenced.

Our issued and paid-up capital is as follows:

	Number of Original Shares / Shares	Paid-up Share Capital $'000
Balance as at 1 January 2008	508,560,000	9,190
Issue and allotment of new shares pursuant to the Initial Public Offering	128,000,000	38,400
Share issue expenses	-	(2,115)
Balance as at 30 September 2008 and 31 December 2008	636,560,000	45,475

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 31-Dec-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.

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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

	Fourth quarter ended 31 Dec		Financial year ended 31 Dec	
	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)	0.45	1.77	4.04	3.79
(b) On fully diluted basis (cents)	0.45	1.77	4.04	3.79
Weighted average number of shares	636,560,000	508,560,000	611,729,399	508,560,000

Note 1:

For comparative purposes, the basic and diluted earnings per share for the fourth quarter ended 31 December 2007 and the financial year ended 31 December 2007 are computed based on profit after taxation and weighted average number of ordinary shares of 508,560,000.

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	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Net asset value per ordinary share based on total issued 636,560,000 ordinary shares as at 31 December 2008 (508,560,000 ordinary shares as at 31 December 2007)	17.32	10.95	11.07	6.63

The market value of our Grand Mercure Roxy Hotel and office premise was estimated to be $278.4 million based on the valuation carried out by an independent valuer on 31 December 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 31 December 2008 would have been 50.70 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

	Group Financial year ended 31 Dec				Change Increase/ (Decrease)	Group Fourth quarter ended 31 Dec				Change Increase/ (Decrease)
	2008		2007			2008		2007		
GROUP	$'000		$'000			$'000		$'000		
REVENUE										
Property Development	**80,276**	62%	64,197	63%	25%	**17,916**	60%	30,478	75%	-41%
Hotel Ownership	**48,496**	37%	37,304	36%	30%	**11,730**	39%	9,868	24%	19%
Property Investment	**1,293**	1%	1,206	1%	7%	**347**	1%	302	1%	15%
	130,065	100%	102,707	100%	27%	**29,993**	100%	40,648	100%	-26%
GROSS PROFIT										
Property Development	**19,212**	34%	13,617	32%	41%	**5,544**	39%	7,278	50%	-24%
Hotel Ownership	**35,191**	63%	27,121	65%	30%	**8,394**	59%	7,057	48%	19%
Property Investment	**1,293**	3%	1,206	3%	7%	**347**	2%	302	2%	15%
	55,696	100%	41,944	100%	33%	**14,285**	100%	14,637	100%	-2%
GROSS PROFIT MARGIN (5)										
Property Development	**24%**		21%			**31%**		24%		
Hotel Ownership	**73%**		73%			**72%**		72%		
Property Investment	**100%**		100%			**100%**		100%		
Total	**43%**		41%			**48%**		36%		
PROFIT BEFORE TAXATION										
Property Development	**13,579**	45%	10,570	44%	28%	**4,268**	111%	5,998	53%	-29%
Hotel Ownership and Property investment	**17,066**	56%	10,040	42%	70%	**4,453**	116%	2,549	23%	75%
Fair value gain on investment properties	**1,788**	6%	3,330	14%	-46%	**(2,818)**	-73%	2,781	24%	-201%
Impairment of goodwill	**(368)**	-1%	-	0%	n/m	**(368)**	-10%	-	0%	n/m
Provision for impairment on properties for sale under development	**(1,700)**	-6%	-	0%	n/m	**(1,700)**	-44%	-	0%	n/m
	30,365	100%	23,940	100%	27%	**3,835**	100%	11,328	100%	-66%

FY2008 vs FY2007

(i) Revenue

For the financial year ended 31 December 2008, our Group's turnover increased by 27% to $130.1 million from $102.7 million in FY2007. The increase was the result of a 25% rise in the revenue from our Property Development segment, a 30% growth in revenue from Hotel Ownership segment and 7% increase in revenue from Property Investment segment.

(a) Property Development

Revenue from our Property Development segment accounted for 62% of our Group's turnover in FY2008 as compared to 63% in FY2007.

In FY2008, revenue from our Property Development segment was up 25% from $64.2 million to $80.3 million. This was mainly the result of progressive recognition of revenue from 6 development projects namely The Treeline, The Montage, St. Patrick's Loft, Axis@Siglap, The Marque@Irrawaddy and The Medley.

During the year, we obtained Temporary Occupation Permit ("TOP") for 2 of our projects, namely The Treeline in April 2008 and St. Patrick's Loft in November 2008.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for 38% of our Group's turnover in FY2008.It accounted for 37% of the Group's turnover in FY2007.

In FY2008, revenue from both our Hotel Ownership and Property Investment segments increased compared to last year. Revenue from our Hotel Ownership segment increased by 30% or $11.2 million to $48.5 million in FY2008, from $37.3 million last year. Revenue from our Property Investment segment also improved by 7% for the full year compared to FY2007.

Hotel ownership

The increase in revenue from our Hotel Ownership segment was mainly due to the improved room rates in FY2008 at our Grand Mercure Roxy Hotel. The strong performance of the hotel during the year was in line with the overall hotel industry performance. Whilst our hotel's average occupancy rate (AOR) declined from 92.5% in FY2007 to 87.9% in FY2008, its average room rate (ARR) improved by 29.7% from $154.4 in FY2007 to $200.3 this year. As a result, revenue per available room (RevPar) reported a 23.3% growth from $142.8 in FY2007 to $176.1 in the current financial year.

Property investment

The increase in revenue from our Property Investment segment for the full year was the result of an increase in rental yield during the financial year from the renewal of lease for some of our shop units during the year.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in FY2008 increased by $13.6 million or 22% from $60.8 million in FY2007 to $74.4 million.

During FY2008, gross profit from our Property Development segment contributed $19.2 million or 34% of the total gross profit of the Group, with the balance 66% or $36.5 million contributed from our Hotel Ownership and Property Investment segment. The gross profit margin for our Property Development segment improved from 21% in the FY2007 to 24% in current year under review, mainly due to recognition of more profitable development properties as compared to previous year. The gross profit margin of our Hotel Ownership and Property Investment segment remained stable at 73% compared to the FY2007.

Overall, our Group's gross profit margin for FY2008 increased by 2 percentage points from 41% in FY2007 to 43% in FY2008.

(iii) Profit before tax

Our Group's overall expenses increased by $3.8 million in FY2008 as compared to in FY2007. The increase in FY2008 is mainly due to the following:

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

Our Group's profit before taxation improved by $6.4 million or 27% in the current year ended 31 December 2008. During the year, the Group had provided $2.1 million of impairment losses relating mainly to one of its development properties. It has also recorded a lower fair value gain on investment properties of $1.8 million, as compared to the $3.3 million fair value gain in the previous year. Excluding the fair value gain and impairment provision, our Group's pre-tax profit increased by $10.0 million or 49% from $20.6 million to $30.6 million.

Q4FY2008 vs Q4FY2007

(i) Revenue

Our Group's turnover for Q4FY2008 decreased 26% to $30.0 million from $40.6 million in Q4FY2007. The decrease was the result of a 41% decrease in revenue from our Property Development segment, partially offset by a 19% increase in revenue from our Hotel Ownership segment and a 15% increase in revenue from our Property Investment segment.

(a) Property Development

In Q4FY2008, revenue from our Property Development segment declined by 41% to $18.0 million from $30.5 million in the Q4FY2007. The decrease was due to the recognition of revenue from 5 development projects in the fourth quarter of FY2008 as compared to 7 development projects in Q4FY2007. This is because we have obtained Temporary Occupation Permit ("TOP") for 2 of our projects, namely The Treeline in April 2008. In November 2008, we also obtained TOP for another project, St. Patrick's Loft.

(b) Hotel Ownership and Property Investment

In Q4FY2008, revenue from both our Hotel Ownership and Property Investment segments increased compared to the corresponding period in FY2007. Revenue from our Hotel Ownership segment increased by 19% or $1.8 million to $11.7 million in the fourth quarter of 2008. Revenue from our Property Investment segment also improved by 15% for the fourth quarter of FY2008 compared to the corresponding quarter in FY2007.

Hotel ownership

The increase in revenue from Hotel Ownership segment was mainly due to the improved room rates in Q4FY2008 at our Grand Mercure Roxy Hotel. Our hotel's average occupancy rate (AOR) declined from 92.7% in Q4FY2007 to 87.9% in Q4FY2008. However, average room rate (ARR) improved by 14.7% from $162.0 in Q4FY2007 to $185.8 in the quarter under review. As a result, revenue per available room (RevPar) reported a 8.7% growth from $150.2 in Q4FY2007 to $163.3 in Q4FY2008.

Property investment

The increase in revenue from our Property Investment segment in the fourth quarter of FY2008 was due to an increase in rental yield from the renewal of lease for some of our shop units during the year under review.

(ii) Cost of sales and gross profit

In line with the lower revenue achieved, direct cost of total revenue in Q4FY2008 decreased by $10.3 million or 40% to $15.7 million from $26.0 million in Q4FY2007.

Gross profit margin for our Property Development segment improved by 7 percentage points to 31% in Q4FY2008, as compared to 24% in the Q4FY2007. For our Hotel Ownership and Property Investment segment, gross profit margin remained stable at 72% in Q4FY2008 and Q4FY2007.

Overall, our Group's gross profit margin for Q4FY2008 increased by 12 percentage points from 36% in Q4FY2007 to 48% in the quarter under review. The overall increase was mainly due to a higher revenue contribution from our Hotel Ownership business which has a higher gross profit margin and improved gross profit margin from our development properties.

(iii) Profit before tax

Our Group's overall expenses decreased by $0.4 million in Q4FY2008 as compared to Q4FY2007. This was mainly due to lower bonus provision as a result of lower profit in the quarter under review.

In the fourth quarter of FY2008, our Group recorded a lower profit after tax of $3.8 million compared to $11.3 million in Q4FY2007. The lower profit is attributable to a fair value loss of $2.8 million on investment properties (versus a fair value gain of $2.8 million in Q4FY2007), impairment loss of $1.7 million on one of our development properties and goodwill impairment of $0.4 million in Q4FY2008.

Excluding the above-mentioned fair value adjustments and impairment provision, our pre-tax profit in 4QFY2008 increased by $0.2 million or 2% to $8.7 million, as compared to Q4FY2007.

(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 31 December 2008, our Group's current assets totalled $310.1 million and represented 76% of our total assets. Properties for sale under development amounted to $186.1 million or 60% of total current assets as at 31 December 2008. Trade and other receivables totalled $12.2 million and comprise mainly receivables from hotel operations and the unbilled revenue of the recognised sales of our property units in The Treeline and St. Patrick's Loft. We have obtained TOP for both of these projects in April 2008 and November 2008 respectively. As at 31 December 2008, project accounts, fixed deposits and cash and bank balances amounted to $111.7 million. The increase in the project accounts of $38.0 million was mainly due to collection of progress payments from the sales of our 7 development properties which was launched in FY2008. The increase in the fixed deposits and cash and bank balances of $40.0 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 inflow from operating activities of $12.9 million for the financial year, as compared with net cash outflows of $50.9 million in the previous financial year. The improve in cashflows 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 projects and progress payments received from our 7 newly launched development projects during the year under review.

As at 31 December 2008, the Group's total borrowings amounted to $266.7 million with $85.2 million repayable within one year and $181.5 million repayable beyond one year. Of the $85.2 million borrowings repayable within one year, $53.5 million of the borrowings relates to our development projects expected to TOP in FY2009 which are substantially sold. The increased in the borrowings was due to the increase in land and construction loans as a result of more residential development projects, partially offset by repayment for land and construction loans for projects which have obtained TOP.

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 third quarter and the nine months ended 30 September 2008.

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 21 January 2009, the Ministry of Trade and Industry (MTI) announced that the Singapore's Gross Domestic Product (GDP) growth is likely to be -5.0 to -2.0 per cent in 2009. For 2008 as a whole, the economy is estimated to have grown by 1.2 per cent, compared with 7.7 per cent in 2007. Based on the real estate statistics released by Urban Redevelopment Authority (URA), overall prices of private residential properties fell by 6.1% in 4th Quarter 2008, compared with the decline of 2.4% in the previous quarter. For the year 2008 as a whole, overall prices of private residential properties fell by 4.7%, compared with an increase of 31.2% in the previous year. There were only 4,287 homes sold last year, a plunge from year 2007 when a record 14,811 private home units changed hands.

Singapore's unemployment rate in the last quarter of 2008 rose to a seasonally adjusted 2.6 per cent. For the whole of 2008, the overall unemployment rate averaged 2.3 per cent, up from a year ago which was 2.1 per cent.

2009 is expected to be a challenging year as the global economic slowdown and credit crunch is expected to continue. Property market in Singapore is expected to be adversely affected by the slowdown as buyers are generally cautious in view of the current market sentiments. Our Group will continue our strategy of focusing on HDB-flat upgraders and middle to upper income families and to capitalise on our competitive edge in catering to these buyers' needs.

As of 10 February 2009, our Group has total pre-sale revenue amounting to $336.5 million from the following projects, of which only $78.7 million have been recognised as of 31 December 2008:

Project name	**No. of Units in the projects**	**Unit sold**	**Sale value ($'m)**
The Montage	33	33	22.0
Axis@Siglap	40	40	30.3
The Marque@Irrawaddy	48	47	50.7
The Medley	37	37	34.4
The Ambrosia	39	39	55.1
The Verte	36	28	40.5
The Azzuro	15	14	10.6
The Adara	16	10	9.6
The Ambra	25	19	15.8
The Florentine	34	29	27.3
The Lucent	42	19	16.3
Nova 88	88	26	16.6
Nova 48	48	8	7.3
	501	349	336.5

The balance amount of pre-sale revenue, ie. $257.8 million will be progressively recognised from Q1FY2009 to FY2011.

Hotel Ownership and Property Investment

According to the latest tourism statistics released by Singapore Tourism Board on 10 January 2009, Singapore recorded an estimated $10.1 million visitor in 2008, a decline of 2% against 2007. Business outlook for the hotel industry is less positive for the year ahead, with travellers cutting down on spending and travelling, as a result of cost consciousness amidst the global economic slowdown.

Based on the real estate statistics released by Urban Redevelopment Authority (URA), rental rates and capital values of office and shop have fallen in 4th Quarter 2008. This may impact the fair value of our investment properties and affect profitability in 2009.

Outlook

Despite the existing unfavourable business environment and uncertain economic outlook ahead, our Group believes that our strong pre-sale revenue and balance sheet as well as healthy cashflow will put us in a good position to ride through the difficult times. Barring any unforeseen circumstances, our directors expect the Group to remain profitable in 2009.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash (Ordinary)
Dividend Rate	0.75 cent per ordinary share
Tax Rate	Tax exempt (one-tier tax)

(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	Proposed Final
Dividend Type	Cash (Ordinary)
Dividend Rate	1 cent per ordinary share
Tax Rate	Tax exempt (one-tier tax)

(c) Date payable

12 May 2009

(d) Books closure date

21 April 2009

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

Not applicable

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

	Property Development		Hotel Ownership		Property investment and others		Elimination		Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue										
- External	80,276	64,197	48,496	37,304	1,293	1,206	-	-	130,065	102,707
- Internal	-	-	-	-	5,324	-	(5,324)	-	-	-
Total revenue	80,276	64,197	48,496	37,304	6,617	1,206	(5,324)	-	130,065	102,707
Segment results	18,793	13,289	20,315	14,546	(640)	48	-	-	38,468	27,883
Operating profit									34,421	24,647
Interest income									356	317
Interest expenses									(4,132)	(4,354)
Pre-tax proft before fair value gain on investment properties / impairment provision									30,645	20,610
Impairment of goodwill									(368)	-
Provision for impairment on properties for sale under development									(1,700)	-
Fair value gain on investment properties									1,788	3,330
Pre-tax proft after fair value gain on investment properties / impairment provision									30,365	23,940
Income tax expenses									(5,674)	(4,649)
Profit for the year									24,691	19,291

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

Please refer to paragraph 8 above.

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15. A breakdown of sales

		Group		
		FY2008 $'000	**FY2007** $'000	**% Increase/ (decrease)** %
(a)	Sales reported for first half year	65,136	42,445	53.5
(b)	Operating profit after tax before deducting minority interests reported for the first half year	13,099	7,712	69.9
(c)	Sales reported for second half year	64,929	60,262	7.7
(d)	Operating (loss)/profit after tax before deducting minority interests for second half year	11,592	11,579	0.1

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Total Annual Dividend	
	FY2008 $'000	FY2007 $'000
Ordinary		
Interim Dividend	-	-
Proposed Final Dividend	4,774	6,366
Total	4,774	6,366

ON BEHALF OF THE BOARD
Koh Seng Geok
Executive Director

18 February 2009