ROXY-PACIFIC HOLDINGS LIMITED

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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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Holdings Limited

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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

	GROUP			GROUP		
	4Q2009 S$'000	**4Q2008 S$'000**	**Change %**	**FY2009 S$'000**	**FY2008 S$'000**	**Change %**
Revenue	**44,108**	29,993	47%	**163,510**	130,065	26%
Cost of sales	**(28,812)**	(15,708)	83%	**(105,529)**	(74,369)	42%
Gross profit	**15,296**	14,285	7%	**57,981**	55,696	4%
Other operating income	**53**	212	-75%	**419**	539	-22%
Distribution costs	**(372)**	(464)	-20%	**(1,369)**	(1,712)	-20%
Administrative expenses	**(2,187)**	(1,536)	42%	**(8,275)**	(8,201)	1%
Other operating expenses	**(2,315)**	(2,793)	-17%	**(10,021)**	(11,444)	-12%
Finance costs	**(970)**	(983)	-1%	**(3,774)**	(4,233)	-11%
Profit before taxation and fair value gain/(loss) on investment properties and provision and impairment	**9,505**	8,721	9%	**34,961**	30,645	14%
Fair value gain / (loss) on investment properties	**337**	(2,818)	112%	**337**	1,788	81%
Write back of / (Provision for) foreseeable losses on properties for sale under development	**450**	(1,700)	126%	**950**	(1,700)	156%
Impairment loss on intangible assets	**-**	(368)	n/m	**-**	(368)	n/m
Pre-tax profit	**10,292**	3,835	168%	**36,248**	30,365	19%
Taxation	**(4,381)**	(943)	365%	**(8,338)**	(5,674)	47%
Profit for the period/year	**5,911**	2,892	104%	**27,910**	24,691	13%
Other comprehensive income, net of tax	**-**	-	-	**-**	-	-
Total comprehensive income attributable to shareholders of the Company	**5,911**	2,892	104%	**27,910**	24,691	13%

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1 (a) (ii) Total comprehensive income is arrived at after charging:

	GROUP			GROUP		
	4Q2009 S$'000	**4Q2008 S$'000**	**Change %**	**FY2009 S$'000**	**FY2008 S$'000**	**Change %**
Impairment loss on trade receivables and bad debts written off	**6**	-	n/m	**25**	-	n/m
Provision for foreseeable losses on properties for sale under development	**-**	1,700	n/m	**-**	1,700	n/m
Adjustments for under provision of tax in respect of prior years	**1,504**	-	n/m	**1,504**	-	n/m
Depreciation of property, plant and equipment	**489**	488	-	**1,954**	1,896	3%
Directors' fees	**36**	36	-	**142**	155	-8%
Fair value loss on investment properties	**-**	2,818	n/m	**-**	-	-
Impairment loss on intangible assets	**-**	368	n/m	**-**	368	n/m
Interest on borrowings	**898**	983	-9%	**3,702**	4,132	-10%
Loss on disposal of property, plant and equipment	**2**	-	n/m	**2**	6	-67%
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	**3,327**	2,882	13%	**12,686**	12,811	-1%
- contribution to defined contribution plans	**184**	201	-8%	**763**	843	-9%
- other personnel expenses	**215**	216	-	**931**	992	-6%
Share issue expenses	**-**	-	-	**-**	197	n/m
and crediting						
Interest income	**38**	184	-79%	**263**	356	-26%
Fair value gain on investment properties	**337**	-	n/m	**337**	1,788	81%
Government grant – job credit scheme	**107**	-	n/m	**487**	-	n/m
Income from hotel money exchange operations	**10**	9	11%	**38**	41	-7%
Write back of provision for foreseeable losses on properties for sale under development	**450**	-	n/m	**950**	-	n/m
Write back of impairment loss on trade receivables	**-**	58	n/m	**-**	37	n/m

n/m: Not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP			COMPANY		
	31-Dec-09	31-Dec-08	1-Jan-08	**31-Dec-09**	31-Dec-08	1-Jan-08
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
Assets						
Non-Current						
Intangible assets	**1,672**	1,672	2,040	-	-	-
Property, plant and equipment *	**64,515**	65,958	65,597	-	-	-
Investments in subsidiaries	-	-	-	**37,443**	36,443	35,443
Investments in associates	**450**	-	-	-	-	-
Investment properties	**55,688**	32,428	30,640	-	-	-
	122,325	100,058	98,277	**37,443**	36,443	35,443
Current						
Developed properties held for sale	**985**	-	-	-	-	-
Properties for sale under development	**131,459**	186,106	162,836	-	-	-
Inventories	**139**	133	132	-	-	-
Trade receivables	**44,374**	11,164	12,126	**16**	19	10
Other receivables	**16,210**	997	1,549	**14**	73	623
Amount due from subsidiaries	-	-	-	**21,821**	13,740	-
Amount due from associates	**1,465**	-	-	-	-	-
Project accounts	**69,908**	61,759	23,732	-	-	-
Fixed deposits (Note 1(c))	**20,534**	39,859	5,670	**13,849**	23,270	-
Cash and bank balances	**18,130**	10,130	4,311	**1,348**	262	142
	303,204	310,148	210,356	**37,048**	37,364	775
Total assets	**425,529**	410,206	308,633	**74,491**	73,807	36,218
Equity						
Capital and reserves						
Share capital	**47,399**	47,399	11,114	**47,399**	47,399	11,114
Retained profits	**86,020**	62,884	44,559	**23,139**	23,047	22,606
Total equity	**133,419**	110,283	55,673	**70,538**	70,446	33,720
Liabilities						
Non-Current						
Bank borrowings (secured) (Note 1(b)(ii))	**80,595**	71,554	74,113	-	-	-
Deferred income tax	**11,026**	10,665	8,373	-	-	-
	91,621	82,219	82,486	-	-	-
Current						
Trade payables	**6,402**	4,793	4,833	**19**	12	-
Other payables	**16,801**	14,666	11,283	**3,891**	3,250	44
Amount due to subsidiaries	-	-	-	-	-	2,454
Provision for taxation	**7,488**	3,088	-	**43**	99	-
Bank borrowings (secured) (Note 1(b)(ii))	**169,798**	195,157	154,358	-	-	-
	200,489	217,704	170,474	**3,953**	3,361	2,498
Total equity and liabilities	**425,529**	410,206	308,633	**74,491**	73,807	36,218

***** At 31 December 2009, the carrying amount of our Grand Mercure Roxy Hotel and office premise totalled $64.5 million. The market value of these properties was estimated to be $232.4 million based on the valuation carried out by an independent valuer on 31 December 2009, 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 share as at 31 December 2009 would have been 47.33 cents at Group level.

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

	31-Dec-09			31-Dec-08		1-Jan-08	
	Secured S$'000		**Unsecured S$'000**	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Current							
- Amount repayable in one year or less, or on demand	**105,180**	(i)	-	85,184	-	73,074	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	**64,618**	(ii)	-	109,973	-	81,284	-
	169,798		-	195,157	-	154,358	-
Non-current							
Amount repayable after one year	**80,595**		-	71,554	-	74,113	-
	250,393		-	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 the sale of investment properties;
d) Joint guarantee of four directors and the Company;
e) Freehold land and building;
f) Properties for sale under development;
g) Developed properties held for sale; and
h) Proceeds from sale of properties for sale under development

(i) $60.2 million relates to our development projects which are fully or substantially sold, and have obtained or are expected to obtain Temporary Occupation Permit ("TOP") by 31 December 2010.

(ii) The Group's bank borrowings repayable after one year but within the normal operating cycle of the Property Development segment, previously included in 'Bank Borrowings' under non-current liabilities, have been reclassified to 'Bank Borrowings' under current liabilities.

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

	GROUP		GROUP	
	4Q2009 S$'000	**4Q2008 S$'000**	**FY2009 S$'000**	**FY2008 S$'000**
Cash flows from operating activities				
Profit before tax	**10,292**	3,835	**36,248**	30,365
Adjustments for:				
Depreciation of property, plant and equipment	**489**	488	**1,954**	1,896
Impairment loss on intangible assets	**-**	368	**-**	368
Interest expenses	**898**	983	**3,702**	4,132
Interest income	**(38)**	(184)	**(263)**	(356)
Fair value (gain) / loss on investment properties	**(337)**	2,818	**(337)**	(1,788)
(Write back of) / Provision for foreseeable losses on properties for sale under development	**(450)**	1,700	**(950)**	1,700
Loss on disposal of property, plant and equipment	**2**	-	**2**	6
Operating profit before working capital changes	**10,856**	10,008	**40,356**	36,323
Increase in developed properties held for sale	**(985)**	-	**(985)**	-
(Increase) /decrease in inventories	**(20)**	4	**(6)**	(2)
(Increase) / decrease in operating receivables	**(41,152)**	(1,394)	**(48,455)**	1,515
Increase in operating payables	**4,255**	698	**3,744**	4,119
Decrease/(increase) in properties for sale under development	**14,260**	13,010	**55,597**	(24,970)
Net cash (used in) /generated from operations	**(12,786)**	22,326	**50,251**	16,985
Income tax paid	**(942)**	-	**(3,545)**	(294)
Net cash (used in)/generated from operating activities	**(13,728)**	22,326	**46,706**	16,691
Cash flows from investing activities				
Investment in associates	**(450)**	-	**(450)**	-
Amount due from associates	**(1,466)**	-	**(1,466)**	-
Acquisition of property, plant and equipment	**(257)**	(84)	**(512)**	(3,038)
Acquisition of investment properties	**(38)**	-	**(22,923)**	-
Interest received	**38**	184	**263**	356
Net cash (used in)/generated from investing activities	**(2,173)**	100	**(25,088)**	(2,682)

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

	GROUP		GROUP	
	4Q2009 S$'000	**4Q2008 S$'000**	**FY2009 S$'000**	**FY2008 S$'000**
Cash flows from financing activities				
Proceeds from bank borrowings	**17,006**	4,289	**42,975**	83,483
Repayment of bank borrowings	**(7,533)**	(13,882)	**(59,293)**	(45,244)
Fixed deposit pledged to financial institutions	**1**	(406)	**404**	(661)
Dividends paid	**-**	-	**(4,774)**	(6,366)
Interest paid	**(898)**	(983)	**(3,702)**	(4,132)
Proceeds from Initial Public Offering, net	**-**	-	**-**	36,285
Net cash generated from/(used in) financing activities	**8,576**	(10,982)	**(24,390)**	63,365
Net (decrease)/increase in cash and cash equivalents held	**(7,325)**	11,444	**(2,772)**	77,374
Cash and cash equivalents at the beginning of the financial period/year	**115,640**	99,643	**111,087**	33,713
Cash and cash equivalents at the end of the financial period/year	**108,315**	111,087	**108,315**	111,087
Analysis of cash and cash equivalents:-				
Project accounts (Note 1)	**17,708**	17,859	**17,708**	17,859
Fixed deposits in project accounts (Note 1)	**52,200**	43,900	**52,200**	43,900
Fixed deposits	**20,534**	39,859	**20,534**	39,859
Cash and bank balances	**18,130**	10,130	**18,130**	10,130
Less: Fixed deposits pledged to financial institution	**(257)**	(661)	**(257)**	(661)
	108,315	111,087	**108,315**	111,087

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

Group	**Share capital S$'000**	**Retained profits S$'000**	**Total S$'000**
Balance at 1 January 2008	11,114	44,559	55,673
Total comprehensive income for the period	-	21,799	21,799
Dividend paid	-	(6,366)	(6,366)
Issue of new shares (Initial Public offering)	38,400	-	38,400
Share issue expense	(2,115)	-	(2,115)
Balance at 30 September 2008	47,399	59,992	107,391
Total comprehensive income for the period	-	2,892	2,892
Balance at 31 December 2008	47,399	62,884	110,283
Balance at 1 January 2009	47,399	62,884	110,283
Total comprehensive income for the period	-	21,999	21,999
Dividend paid	-	(4,774)	(4,774)
Balance at 30 September 2009	**47,399**	**80,109**	**127,508**
Total comprehensive income for the period	-	**5,911**	**5,911**
Balance at 31 December 2009	**47,399**	**86,020**	**133,419**

Company	**Share capital S$'000**	**Retained profits S$'000**	**Total S$'000**
Balance at 1 January 2008	11,114	22,606	33,720
Total comprehensive income for the period	-	6,381	6,381
Dividend paid	-	(6,366)	(6,366)
Issue of new shares (Initial Public offering)	38,400	-	38,400
Share issue expenses	(2,115)	-	(2,115)
Balance at 30 September 2008	47,399	22,621	70,020
Total comprehensive income for the period	-	426	426
Balance at 31 December 2008	47,399	23,047	70,446
Balance at 1 January 2009	47,399	23,047	70,446
Total comprehensive income for the period	-	4,863	4,863
Dividend paid	-	(4,774)	(4,774)
Balance at 30 September 2009	**47,399**	**23,136**	**70,535**
Total comprehensive income for the period	**-**	**3**	**3**
Balance at 31December 2009	**47,399**	**23,139**	**70,538**

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

Our issued and paid-up capital is as follows:

	Number of Original Shares	Paid-up Share Capital $'000
Balance as at 1 January 2008	508,560,000	11,114
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	47,399
Balance as at 30 September 2009 and 31 December 2009	**636,560,000**	**47,399**

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-09	As at 31-Dec-08
Total number of issued shares excluding treasury shares	**636,560,000**	636,560,000

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.

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4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those for the audited financial statements as at 31 December 2008.

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

On 1 January 2009, the Group adopted the new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

FRS 1 *Presentation of Financial Statements (Revised)*
Amendments to FRS 107 *Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments*
FRS 108 *Operating Segments*
FRS 40 (amendment) *Investment property*
Improvements to FRSs 2008

The adoption of the above standards did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

As mentioned in Note 1(b) (ii), the Group's bank borrowings repayable after one year but within the normal operating cycle of the Property Development segment have been reclassified to 'Bank Borrowings' under current liabilities. Upon adoption of the amendments to FRS 1, a three statements of financial position has been presented.

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

	4Q2009	**4Q2008**	**FY2009**	**FY2008**
Earnings per share for the financial period				
(a) Based on the weighted average number of ordinary shares on issue (cents)	**0.93**	0.45	**4.38**	4.04
(b) On fully diluted basis (cents)	**0.93**	0.45	**4.38**	4.04
Profit attributable to shareholders of the Company ($'000)	**5,911**	2,892	**27,910**	24,691
Weighted average number of shares ('000)	**636,560,000**	636,560,000	**636,560,000**	611,729,399

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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	
	31-Dec-09	**31-Dec-08**	**31-Dec-09**	**31-Dec-08**
Net asset value per ordinary shares based on total issued 636,560,000 ordinary shares as at 31 December 2009 (636,560,000 ordinary shares as at 31 December 2008) (cents)	**20.96 ***	17.32	**11.08**	11.07

***** At 31 December 2009, the carrying amount of our Grand Mercure Roxy Hotel and office premise totalled $64.5 million. The market value of these properties was estimated to be $232.4 million based on the valuation carried out by an independent valuer on 31 December 2009, 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 share as at 31 December 2009 would have been 47.33 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	4Q2009 S$'000		4Q2008 S$'000		Change %	FY2009 S$'000		FY2008 S$'000		Change %
REVENUE										
Property Development	**33,492**	76%	17,916	60%	87%	**124,132**	76%	80,276	62%	55%
Hotel Ownership	**9,875**	22%	11,730	39%	-16%	**37,494**	23%	48,496	37%	-23%
Property Investment	**741**	2%	347	1%	114%	**1,884**	1%	1,293	1%	46%
	44,108	100%	29,993	100%	47%	**163,510**	100%	130,065	100%	26%
GROSS PROFIT										
Property Development	**7,798**	51%	5,544	39%	41%	**30,746**	53%	19,212	34%	60%
Hotel Ownership	**6,757**	44%	8,394	59%	-20%	**25,351**	44%	35,191	64%	-28%
Property Investment	**741**	5%	347	2%	114%	**1,884**	3%	1,293	2%	46%
	15,296	100%	14,285	100%	7%	**57,981**	100%	55,696	100%	4%

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Breakdown of Performance by Segments (cont'd)

	4Q2009 S$'000		4Q2008 S$'000		Change %	FY2009 S$'000		FY2008 S$'000		Change %
GROSS PROFIT MARGIN (%)										
Property Development	**23%**		31%		-8pt	25%		24%		1pt
Hotel Ownership	**68%**		72%		-4pt	68%		73%		-5pt
Property Investment	**100%**		100%		-	100%		100%		-
Total	**35%**		48%		-13pt	35%		43%		-8pt
PROFIT BEFORE TAXTION										
Property Development	**6,012**	**58%**	4,268	**111%**	41%	**24,260**	**67%**	13,579	**45%**	79%
Hotel Ownership and Property Investment	**3,564**	**34%**	4,453	**116%**	-22%	**10,701**	**30%**	17,066	**56%**	-37%
Fair value gain on investment properties	**337**	**3%**	(2,818)	**-73%**	-112%	**337**	**1%**	1,788	**6%**	-81%
Impairment of intangible assets	**-**	-	(368)	**-10%**	n/m	**-**	-	(368)	**-1%**	n/m
Writeback of / (Provision for) foreseeable losses on properties for sale under development	**450**	**4%**	(1,700)	**-44%**	126%	**950**	**2%**	(1,700)	**-6%**	156%
	10,292	**100%**	3,835	**100%**	168%	**36,248**	**100%**	30,365	**100%**	19%

n/m: Not meaningful

<u>4Q2009 vs 4Q2008</u>

(i) Revenue

Our Group's turnover for the current quarter ended 31 December 2009 surge 47% to $44.1 million as compared to $30.0 million in 4th Quarter last year. The increase was the result of strong showing in our Property Development and Property Investment segments with 87% and 114% increase in revenue respectively. Revenue from our Hotel Ownership segment decreased by 16% compared to the same corresponding quarter last year.

(a) Property Development

Revenue from our Property Development segment accounted for 76% of our Group's turnover in 4Q2009 as compared to 60% in 4Q2008.

In 4Q2009, revenue from our Property Development segment was up 87% from $17.9 million in 4Q2008 to $33.5 million in the current quarter. The increase was mainly due to the progressive recognition of revenue from more development projects as compared to the same corresponding quarter last year. Our Group recognised revenue from 9 development projects namely, The Marque@Irrawaddy, The Azzuro, The Verte, The Adara, The Ambra, The Ambrosia, The Florentine, Nova 48 and Nova 88 in 4Q2009.

We have obtained TOP for one of our projects, The Marque@Irrawaddy in December 2009.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for the remaining 24% of our Group's turnover in 4Q2009, as compared to 40% in 4Q2008.

Revenue from our Hotel Ownership segment decreased by 16% to $9.9 million in 4Q2009 from $11.7 million in 4Q2008. The decrease in revenue was due to the decline of our average room rate (ARR) at our Grand Mercure Roxy Hotel. The decline was in line with overall hotel industry performance. Although our hotel's average occupancy rate (AOR) increased from 87.9% in 4Q2008 to 93.0% in 4Q2009, its ARR declined by 24% in 4Q2009 to $141.1 as compared to $185.8 in 4Q2008. As a result, revenue per available room (RevPar) decreased by 20% from $163.3 in 4Q2008 to $131.2 in the current quarter.

Revenue from our Property Investment segment improved significantly by 114% for the current quarter compared to 4Q2008. The increase was mainly due to the recognition of rental from our retail shop units at Kovan Centre from September 2009, as well as overall increase in rental yield from the renewal of leases for some of our shop units at Roxy Square.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved from the Property Development segment, direct cost of total revenue in 4Q2009 increased by $13.1 million or 83% from $15.7 million in 4Q2008 to $28.8 million.

During the quarter, gross profit from our Property Development segment contributed $7.8 million or 51% of the total gross profit of the Group, with the balance 49% or $7.5 million contributed from our Hotel Ownership and Property Investment segments. The gross profit margin for our Property Development segment decreased from 31% in 4Q2008 to 23% in 4Q2009. The decrease was mainly due to lower recognition of more profitable development properties in 4Q2009 as compared to the same corresponding period last year. The gross profit margin of our Hotel Ownership segment decreased from 72% in 4Q2008 to 68% in the current quarter. The decrease was mainly due to decrease in hotel room revenue.

Overall, our Group's gross profit margin in 4Q2009 decreased by 13 percentage points from 48% in 4Q2008 to 35% in 4Q2009. The overall decrease were mainly due to a higher revenue contribution from our Property Development segment which has a lower gross profit margin and lower gross profit margins from both the Property Development and Hotel Ownership segments.

(iii) Profit for the period

Our Group's overall expenses remained relatively consistent at $5.8 million in the current quarter, comparable to that of the corresponding period in 2008. The increase or decrease between the categories of expenses is as follows:

- The decrease in distribution and other operating expenses were mainly due to decrease in marketing expenses and lower management fees payable to hotel operator, which were in line with lower turnover and profitability of the Hotel Ownership segment
- The increase in administrative expenses was mainly due to higher provision for performance bonus to directors, which was in line with overall higher profit in this current quarter as compared to the same quarter last year.

In the current quarter, our Group's pre-tax profit surged 168% or $6.5 million from $3.8 million in 4Q2008 to $10.3 million. In 4Q2008, our Group had provided $1.7 million of foreseeable losses on one of its development properties. It had also adjusted for a lower fair value gain on investment properties at 31 December 2008 resulting in a $2.8 million fair value loss in 4Q2008. For the current period under review, $0.5 million of the provision for foreseeable losses was written back and $0.3 million fair value gain was recorded on our investment properties.

Our Group's effective tax rates in 4Q2009 and 4Q2008 were 43% and 25% respectively. The effective rate in 4Q2009 was higher than the applicable tax rate of 17% mainly due to adjustments for under provision of tax in respect of prior years.

Our Group's profit after taxation improved by $3.0 million or 104% to $5.9 million in the current quarter ended 31 December 2009.

FY2008 vs FY2009

(i) Revenue

For the current financial year ended 31 December 2009, our Group reported a 26% increase in turnover to $163.5 million from $130.1 million in the financial year ended 31 December 2008. The increase was mainly the result of 55% increase in the revenue from our Property Development segment and 46% increase in revenue from our Property Investment segment.

Revenue from our Hotel Ownership segment reported a decrease in revenue of 23% in FY2009.

(a) Property Development

Revenue from our Property Development segment accounted for 76% of our Group's turnover in FY2009 as compared to 62% in last year.

Revenue from our Property Development segment was up 55% from $80.3 million in FY2008 to $124.1 million in the current year. The main contributor to the increase in the revenue was due to the progressive recognition of revenue from more development projects in the current year as compared to the previous financial year. In addition to the 9 development projects mentioned in the explanation note under our 4Q results, our Group recognised revenue from another 3 development projects namely Axis@Siglap, The Medley and The Montage. These 3 projects and The Marque@Irrawaddy have obtained TOP during the current financial year.

(b) Hotel Ownership and Property Investment

Revenue from our Hotel Ownership and Property Investment segment accounted for the remaining 24% of our Group's turnover in FY2009, as compared to 38% in FY2008.

Revenue from our Hotel Ownership segment decreased by 23% to $37.5 million in current year from $48.5 million last year. The decrease was due to the decline in AOR and ARR at our Grand Mercure Roxy Hotel. The decline was in line with the overall hotel industry performance. In FY2009, our hotel's AOR decreased from 88.0% last year to 86.2% in FY2009. Its ARR declined by 27% from $200.3 in FY2008 to $147.0 in FY2009. As a result, revenue per available room (RevPar) decreased by 28% from $176.2 in FY2008 to $126.7 in FY2009.

Revenue from our Property Investment segment improved by 46% in FY2009 compared to last year. The increase was mainly due to the recognition of rental from our retail shop units at Kovan Centre from September 2009, as well as overall increase in rental yield from the renewal of leases for some of our shop units at Roxy Square.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in FY2009 increased by $31.2 million or 42% to $105.5 million from $74.4 million a year earlier.

During the current financial year, gross profit from our Property Development segment contributed $30.7 million or 53% of the total gross profit of the Group, with the balance 47% or $27.2 million contributed from our Hotel Ownership and Property Investment segments. The gross profit margin for our Property Development segment improved by one percentage point from 24% in the FY2008 to 25% in FY2009. The increase was mainly due to recognition of more profitable development properties as compared to the previous corresponding period. The gross profit margin of our Hotel Ownership segment decreased from 73% in FY2008 to 68% in the current year. The decrease was mainly due to the decrease in hotel room revenue.

Overall, our Group's gross profit margin in FY2009 decreased by 8 percentage points from 43% in FY2008 to 35% in FY2009. As explained in the earlier paragraphs, the overall decrease was mainly due to higher revenue contribution from our Property Development segment which has a lower gross profit margin and lower gross profit margin from the Hotel Ownership segment.

(iii) Profit for the year

Our Group overall expenses decreased by $2.2 million or 8% in FY2009 as compared to FY2008. The decrease was mainly due to the following:

- Lower hotel payroll costs and cash grant from the government related job credit scheme;
- Lower management fees payable to hotel operator, which were in line with lower turnover and profitability of the Hotel Ownership segment;
- Decrease in hotel expenses such as credit card commissions, marketing expenses and replacement of hotel furniture, fittings and equipment; and
- Decrease in finance costs as a result of lower bank borrowings and lower interest rate charged by financial institutions

In FY2009, our Group's pre-tax profit improved by $5.9 million or 19% from $30.4 million in FY2008 to $36.2 million. Our Group recorded a lower fair value gain on investment properties of $0.3 million in the current year compared to $1.8 million in FY2008. The Group also reversed $1.0 million of the provision for foreseeable losses no longer required for one of its development properties.

Our Group's effective tax rate in FY2009 and FY2008 were 23% and 19% respectively. These rates were higher than the applicable tax rates of 17% and 18% in 2009 and 2008, respectively. As mentioned in the explanation note under our 4Q results, the higher effective rate in 2009 was mainly due to adjustments for under provision of tax in respect of prior years.

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(iv) Cashflow, working capital and Balance Sheet

Our non-current assets comprise property, plant and equipment, investment properties, investments in associates and intangible assets. As at 31 December 2009, our Group's non-current assets totalled $122.3 million and represented 29% of our total assets. Investment properties amounted to $55.7 million or 46% of total non-current assets as at 31 December 2009. The increase in investment properties from $32.4 million as at 31 December 2008 to $55.7 million as at 31 December 2009 was due to the acquisition of the entire freehold retail space in Kovan Centre in September 2009.

Our current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 31 December 2009, our Group's current assets totalled $303.2 million and represented 71% of our total assets. Properties for sale under development amounted to $131.5 million or 43% of total current assets as at 31 December 2009. The decrease in properties for sale under development from $186.1 million as at 31 December 2008 to $131.5 million as at 31 December 2009 was mainly due to TOP being obtained for four of our projects, Axis@Siglap in January 2009, The Medley in May 2009, The Montage in July 2009 and The Marque@Irrawaddy in December 2009.

Trade receivables amounted to $44.4 million as at 31 December 2009 and comprise mainly progress payments receivable from purchasers from our recently completed project and projects under construction and the unbilled revenue portion of the recognised sales from our 4 completed projects, Axis@Siglap, The Medley, The Montage and The Marque@Irrawaddy.

Other receivables comprise mainly deposits, prepayments and other receivables. The increase in other receivables from $1.0 million as at 31 December 2008 to $16.2 million as at 31 December 2009 was mainly due to $15.5 million deposits and stamp duties paid for the acquisition of the land plots at 18 Spottiswoode Park Road, 18A/B/C/D/F Lor 102 Changi and the 14 residential units in Kovan Centre.

As at 31 December 2009, project accounts, fixed deposits and cash and bank balances amounted to $108.3 million.

The Group recorded net cash inflows from operating activities of $46.7 million for the financial year ended 31 December 2009, as compared with net cash inflows of $16.7 million in FY2008. The improvement in cash flows from operating activities was mainly due to the decrease in properties for sale under development, which in turn was mainly due to projects completion and progress payments received from projects under construction. As at 31 December 2009, our Group recorded net cash outflows from investing activities mainly due to the acquisition of the commercial units at Kovan Centre. As at 31 December 2009, the net cash outflows from financing activities was mainly due to repayment of land and construction loans relating to those projects that have obtained TOP.

Our current liabilities comprise trade payables, other payables, provision for taxation and short term borrowings. As at 31 December 2009, our Group's current liabilities totalled $200.5 million and represented 69% of our total liabilities. The increase in trade payables from $4.8 million as at 31 December 2008 to $6.4 million as at 31 December 2009 was mainly due to increase in amount due to contractors for our projects as a result of more development projects as at 31 December 2009. Other payables comprise mainly provision for construction costs for completed projects, accrual of unbilled progress claims from contractors, provision for hotel management fees and provision for directors' performance bonus and staff bonuses. The increase in other payables from $14.7 million as at 31 December 2008 to $16.8 million as at 31 December 2009 was mainly due to the increase in accrual of unbilled progress claims from contractors for our projects, which was in line with the increase in the number of projects under construction as at 31 December 2009; higher provision for construction costs for completed projects; and higher provision for directors' performance bonus.

As at 31 December 2009, the Group's total borrowings amounted to $250.4 million with $80.6 million repayable within one year and $169.8 million repayable after one year. Of the $80.6 million borrowings repayable within one year, $60.2 million relates to our development projects which are fully or substantially sold, and have obtained or are expected to obtain TOP by 31 December 2010. The decrease in the total borrowings as at 31 December 2009 as compared to the balance as at 31 December 2008 was due to the repayment of land and construction loans for Axis@Siglap, The Medley and The Montage which had obtained TOP in the first nine months of the year, partially offset by loans drawn for the acquisition of the commercial units at Kovan Centre and the increase in land loans drawn for some of the newly acquired lands during the financial year ended 31 December 2009.

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 2009.

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

The Singapore economy is estimated to have contracted by a smaller than expected 2.1 per cent in 2009. Global economic developments suggest that the recession has ended in most countries and Ministry of Trade and Industry (MTI) expects Singapore's economic growth to be between 3 and 5 per cent in 2010 as the general prospects are good as the global economy improves.

Based on the latest real estate statistics released by Urban Redevelopment Authority (URA) on 22 January 2010, overall prices of private residential properties increased by 7.4% in 4th Quarter 2009, compared with the 15.8% increase in the 3rd Quarter 2009. For the whole of 2009, prices of private residential properties increased by 1.8%. In 4th Quarter 2009, 1,841 uncompleted private residential units were sold by developers, compared with 5,510 units in 3rd Quarter 2009. Private home sales finished 2009 strongly with a total of 14,688 units sold throughout the year, about 3.4 times the number of homes sold in 2008 but a shade lower than the peak transaction volume of 14,811 units in 2007.

The rise in prices, despite 2009 being a recession year, was entirely due to the property market roaring back to life in the second half of the year as the economy emerged from recession, fuelled by improved consumer confidence, pent-up demand and the low interest rate environment. Although overall prices surged in the 4th Quarter of last year, home sales slowed considerably, possibly due to the anti-speculative measures introduced by the Government in September 2009. A growing number of developments are offering smaller unit types property to keep prices affordable. Going forward, the private residential property demand is expected to stay healthy, bolstered by low interest rates and a growing population. The pace of growth is likely to increase at a more moderate and sustainable pace in 2010 as optimism about the completion of the two integrated resorts and the market recovery of the global economy draw well-heeled foreign buyers back to the Singapore property.

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As of 31 December 2009, except for one unit, our Group has fully sold all our development projects. Our Group has total pre-sale revenue amounting to $346.2 million, of which only $65.4 million have been recognised as of 31 December 2009.

The balance amount of pre-sale revenue, i.e. $280.8 million will be progressively recognised from FY2010 to FY2011. Our Group expects its earning in 2010 to continue to benefit from revenue recognition from its pre-sale revenue.

As announced in our third quarter results, having substantially sold all our development projects, we have started to replenish our land bank and have acquired a few land plots for residential development. The below table provides an update of our recent land acquisitions during the year:

Location / Description	**Approximate Land Area (sqm)**	**Approximate Gross Floor Area (sqm)**	**Approximate Land Cost [1] $'m**
154/A/B, 156/A/B Joo Chiat Place	1,150	1,610	7.1
233/A/B/C/D/E Tembeling Road	947	1,326	7.1
162 Haig Road [2]	1,459	4,086	22.0
18/A/B/C/D/E/F Lorong 102 Changi	1,857	2,600	13.3
18 Spottiswoode Park Road [3]	4,030	11,285	105.8
Kovan Centre comprising 37 shop units and 14 residential units at Yio Chu Kang Road	4,036	12,107 [4]	51.1
	13,479	33,014	206.4

[1] includes estimated state land premium and development charge

[2] the acquisition was made under our associate, Mequity Two Pte. Ltd.

[3] the acquisition is subject to and conditional upon the obtaining of a sale order from the Strata Titles Board under the Land Titles (Strata) Act (Cap. 158).

[4] refers to the redevelopment land potential of the land on which Kovan Centre resides

We intend to launch at least four projects in 2010.

Hotel Ownership

According to the latest tourism statistics released by Singapore Tourism Board on 9 February 2010, visitor arrivals to Singapore reached 9.7 million last year, exceeding the year's forecast of 9 to 9.5 million visitor arrivals. Visitor arrivals in December saw an all-time high of 971,000 in a month. For the hotel industry performance, the mid-tier segment which our hotel is in reported an AOR and ARR in January 2009 to December 2009 of 79% and $142 respectively, a drop of 4.6 percentage points and 26.2% compared to the same period a year ago. As a result, overall RevPar of mid-tier hotels declined by 30.3% to reach $113 in January 2009 to December 2009.

Our hotel is strategically located near the city area. We have seen an improvement of both our hotel's average occupancy rate and average room rate in the 4th Quarter 2009 as compared to the previous quarter. We believe that demand for hotel rooms should improve as the opening of the two integrated resorts will create jobs and lift tourism arrivals.

Outlook

Our Group has weathered the economic crises well and reported record earnings for FY2009. With a strong cash balance of $108.3 million and a healthy balance sheet, we are well positioned to seize opportunities as the economy recovers.

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2010.

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	1 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	0.75 cents per ordinary share
Tax Rate	Tax exempt (one-tier tax)

(c) Date payable

Subject to shareholders' approval at the Annual General Meeting to be held on 31 March 2010, the proposed final dividend will be paid on 23 April 2010.

(d) Books closure date

Share Transfer Books and Register of Members of the Company will be closed from 9 April 2010 after 5:00 pm to 12 April 2010 (both dates inclusive) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. of 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 up to 5:00 pm on 9 April 2010 will be registered to determine shareholders' entitlements to the said proposed Final Dividend. The Register of Transfer and the Register of Members of the Company will be closed on 12 April 2010 for the preparation of dividend warrants. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 pm on 9 April 2010 will be entitled to the abovementioned proposed dividend.

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.

	Hotel Ownership		**Property Development**		**Property Investment and Investment Holding**		**Eliminations**		**Group**	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue										
-External	**37,494**	48,496	**124,132**	80,276	**1,884**	1,293	**-**	-	**163,510**	130,065
-Internal	**-**	-	**-**	-	**5,562**	5,324	**(5,562)**	(5,324)	**-**	-
Total revenue	**37,494**	48,496	**124,132**	80,276	**7,446**	6,617	**(5,562)**	(5,324)	**163,510**	130,065
Segment results	**12,371**	20,416	**30,205**	18,793	**1,264**	202	**-**	-	**43,840**	39,411
Unallocated corporate expenses									**(5,368)**	(4,889)
Operating profit									**38,472**	34,522
Interest income									**263**	356
Finance cost									**(3,774)**	(4,233)
Fair value gain on investment properties					**337**	1,788			**337**	1,788
Impairment loss on intangible assets			-	(368)					**-**	(368)
Writeback / (Provision) for foreseeable losses on properties for sale under development			**950**	(1,700)					**950**	(1,700)
Profit before tax									**36,248**	30,365
Taxation									**(8,338)**	(5,674)
Profit for the year									**27,910**	24,691

	Hotel Ownership		Property Development		Property Investment and Investment Holding		Eliminations		Group	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Segment assets	**76,926**	81,254	**267,918**	270,293	**78,770**	58,659	-	-	**423,614**	410,206
Associates	-	-	**1,915**	-	-	-	-	-	**1,915**	-
Segment liabilities	**36,930**	39,784	**204,660**	224,927	**32,006**	21,459	-	-	**273,596**	286,170
Capital expenditure	**511**	3,032	-	4	**1**	2	-	-	**512**	3,038
Depreciation of property, plant and equipment	**1,898**	1,841	**1**	1	**55**	54	-	-	**1,954**	1,896
Impairment loss on intangible assets	-	-	-	368	-	-	-	-	-	368
Writeback / (Provision) for foreseeable losses on properties for sale under development	-	-	**(950)**	1,700	-	-	-	-	**(950)**	1,700
Loss on disposal of property, plant and equipment	**2**	6	-	-	-	-	-	-	**2**	6

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.

15. A breakdown of sales

	Group		
	FY 2009 $'000	**FY 2008 $'000**	**% Increase/(decrease)**
(a) Sales reported for first half year	81,781	65,136	26%
(b) Operating profit after tax before deducting minority interest reported for the first half year	15,747	13,099	20%
(c) Sales reported for second half year	81,729	64,929	26%
(d) Operating profit after tax before deducting minority interest reported for the second half year	12,163	11,592	5%

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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	
	FY2009	FY2008
	$'000	$'000
Ordinary		
Interim Dividend	-	-
Proposed Final Dividend	6,366	4,774
Total	6,366	4,774

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director

18 February 2010
Singapore