ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

Roxy-Pacific Holdings Limited

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

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UNAUDITED SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

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

	Second quarter ended 30 June		Change Increase/ (Decrease)	Half year ended 30 June		Change Increase/ (Decrease)
	2010 S$'000	2009 S$'000	%	2010 S$'000	2009 S$'000	%
Revenue	55,384	43,717	27%	116,283	81,781	42%
Cost of sales	(36,371)	(27,606)	32%	(80,081)	(51,823)	55%
Gross profit	19,013	16,111	18%	36,202	29,958	21%
Other operating income	4,422	91	n/m	4,476	254	n/m
Distribution costs	(366)	(337)	9%	(735)	(673)	9%
Administrative expenses	(3,355)	(2,074)	62%	(5,654)	(4,245)	33%
Other operating expenses	(3,071)	(2,259)	36%	(6,048)	(5,043)	20%
Finance costs	(899)	(949)	-5%	(1,783)	(1,822)	-2%
Profit before taxation	15,744	10,583	49%	26,458	18,429	44%
Taxation	(2,878)	(1,200)	140%	(4,562)	(2,682)	70%
Profit after taxation	12,866	9,383	37%	21,896	15,747	39%
Other comprehensive income after tax	-	-		-	-	
Total comprehensive income for the period	12,866	9,383	37%	21,896	15,747	39%

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

	Second quarter ended 30 June		Change Increase/ (Decrease)	Half year ended 30 June		Change Increase/ (Decrease)
	2010	2009		2010	2009	
	S$'000	S$'000	%	S$'000	S$'000	%
after charging:						
Impairment loss on trade receivables	6	7	-14%	6	13	-54%
Depreciation of property, plant and equipment	480	489	-2%	964	977	-1%
Directors' fees	36	36	-	71	71	-
Interest on borrowings	899	949	-5%	1,783	1,822	-2%
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	3,787	3,135	21%	7,082	6,396	11%
- contribution to defined contribution plans	175	183	-4%	376	397	-5%
- other personnel expenses	220	242	-9%	471	516	-9%
and crediting:						
Fair value gain on investment properties	4,337	-	n/m	4,337	-	n/m
Interest income	67	60	12%	109	146	-25%
Government grant – job credit scheme	29	138	-79%	87	272	-68%
Income from hotel money exchange operations	11	8	38%	21	19	11%
Writeback of allowance for foreseeable losses on properties for sale under development	-	500	n/m	-	500	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	
	30-Jun-10	31-Dec-09	30-Jun-10	31-Dec-09
ASSETS	S$'000	S$'000	S$'000	S$'000
Non-Current				
Intangible assets – goodwill	1,672	1,672	-	-
Property, plant and equipment	64,543	64,515	4	-
Investments in subsidiaries	-	-	40,443	37,443
Investments in associates	650	450	-	-
Investment properties	79,050	55,688	-	-
	145,915	122,325	40,447	37,443
Current				
Developed properties held for sale	985	985	-	-
Properties for sale under development*	155,132	131,459	-	-
Inventories	135	139	-	-
Trade receivables	21,738	44,374	14	16
Other receivables	19,887	17,675	58	15
Amount due from subsidiaries	-	-	22,461	21,820
Project accounts	60,024	69,908	-	-
Fixed deposits	21,192	20,534	10,527	13,849
Cash and bank balances	36,369	18,130	505	1,348
	315,462	303,204	33,565	37,048
Total assets	461,377	425,529	74,012	74,491
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	47,399	47,399	47,399	47,399
Reserves	101,550	86,020	23,098	23,139
Total equity	148,949	133,419	70,497	70,538
Liabilities				
Non-Current				
Borrowings (secured)	100,308	80,595	-	-
Deferred tax liabilities	11,368	11,026	-	-
	111,676	91,621	-	-
Current				
Trade payables	6,965	6,909	81	19
Other payables	16,889	16,294	3,396	3,891
Current tax payable	7,118	7,488	38	43
Borrowings (secured)	169,780	169,798	-	-
	200,752	200,489	3,515	3,953
Total liabilities	312,428	292,110	3,515	3,953
Total equity and liabilities	461,377	425,529	74,012	74,491

* $126.7 million (31-Dec-09: $117.3 million) relates to the Group's sold development properties as at 30 June 2010.

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

	30-Jun-10			31-Dec-09	
	Secured S$'000		Unsecured S$'000	Secured S$'000	Unsecured S$'000
Current					
- Amount repayable in one year or less, or on demand	111,931	(i)	-	105,180	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	57,849		-	64,618	-
	169,780		-	169,798	-
Non-current					
Amount repayable after one year	100,308		-	80,595	-
	270,088		-	250,393	-

Details of collaterals

The borrowings 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) Proceeds from sale of properties for sale under development

(i) $74.9 million relates to the sold development projects properties and is expected to be fully repaid by 30 June 2011 upon obtaining Temporary Occupation Permits (“TOP”) and collections from purchasers.

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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

	Second quarter ended 30-Jun		Half year ended 30-Jun	
	2010	2009	2010	2009
	S$'000	S$'000	S$'000	S$'000
Cash Flows from Operating Activities				
Profit before taxation	15,744	10,583	26,458	18,429
Adjustments for:				
Depreciation of property, plant and equipment	480	489	964	977
Interest expense	899	949	1,783	1,822
Interest income	(67)	(60)	(109)	(146)
Fair value gain on investment properties	(4,337)	-	(4,337)	-
Writeback of allowance for foreseeable losses on properties for sale under development	-	(500)	-	(500)
Operating profit before working capital changes	12,719	11,461	24,759	20,582
(Increase) / decrease in inventories	(8)	1	4	-
Decrease / (increase) in operating receivables	9,731	(6,593)	24,282	(14,044)
Increase/ (decrease) in operating payables	321	(182)	651	628
(Increase) / decrease in properties for sale under development	(5,513)	20,826	(23,673)	38,495
Cash generated from operations	17,250	25,513	26,023	45,661
Income tax paid	(3,800)	(1,214)	(4,590)	(1,422)
Net cash generated from operating activities	13,450	24,299	21,433	44,239
Cash Flows from Investing Activities				
Investment in associates	(200)	-	(200)	-
Advances to associates	(3,113)	-	(3,858)	-
Acquisition of property, plant and equipment	(978)	(253)	(992)	(255)
Acquisition of investment properties	(119)	-	(19,025)	-
Interest received	67	60	109	146
Net cash used in investing activities	(4,343)	(193)	(23,966)	(109)
Cash Flows from Financing Activities				
Proceeds from borrowings	24,241	1,854	65,205	4,271
Repayment of borrowings	(10,634)	(12,216)	(45,510)	(26,723)
Fixed deposit pledged to banks and financial institutions	-	-	(408)	-
Interest paid	(899)	(949)	(1,783)	(1,822)
Dividend paid	(6,366)	(4,774)	(6,366)	(4,774)
Net cash generated / (used in) financing activities	6,342	(16,085)	11,138	(29,048)
Net (decrease) / increase in cash and cash equivalents	15,449	8,021	8,605	15,082
Cash and cash equivalents at beginning of period	101,471	118,148	108,315	111,087
Cash and cash equivalents at end of period	116,920	126,169	116,920	126,169

	Second quarter ended 30-Jun		Half year ended 30-Jun	
	2010	2009	2010	2009
	S$'000	S$'000	S$'000	S$'000
Analysis of cash and cash equivalents:-				
Project accounts (Note 1)	16,824	30,009	16,824	30,009
Fixed deposits in project accounts (Note 1)	43,200	47,700	43,200	47,700
Fixed deposits	21,192	31,262	21,192	31,262
Cash and bank balances	36,369	17,859	36,369	17,859
Less: Fixed deposits pledged to financial institution	(665)	(661)	(665)	(661)
	116,920	126,169	116,920	126,169

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 properties developed for sale.

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 2009	47,399	62,884	110,283
Total comprehensive income for the period	-	6,364	6,364
Balance at 31 March 2009	47,399	69,248	116,647
Total comprehensive income for the period	-	9,383	9,283
Dividend paid	-	(4,774)	(4,774)
Balance at 30 June 2009	47,399	73,857	121,156
Balance at 1 January 2010	**47,399**	**86,020**	**133,419**
Total comprehensive income for the period	**-**	**9,030**	**9,030**
Balance at 31 March 2010	**47,399**	**95,050**	**142,449**
Total comprehensive income for the period	**-**	**12,866**	**12,866**
Dividend paid	**-**	**(6,366)**	**(6,366)**
Balance at 30 June 2010	**47,399**	**101,550**	**148,949**

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Company	Share capital S$'000	Retained profits S$'000	Total S$'000
Balance at 1 January 2009	47,399	23,047	70,446
Total comprehensive income for the period	-	111	111
Balance at 31 March 2009	47,399	23,158	70,557
Total comprehensive income for the period	-	4,685	4,685
Dividend paid	-	(4,774)	(4,774)
Balance at 30 June 2009	47,399	23,069	70,468
Balance at 1 January 2010	**47,399**	**23,139**	**70,538**
Total comprehensive income for the period	**-**	**6,280**	**6,280**
Balance at 31 March 2010	**47,399**	**29,419**	**76,818**
Total comprehensive income for the period	**-**	**45**	**45**
Dividend paid	**-**	**(6,366)**	**(6,366)**
Balance at 30 June 2010	**47,399**	**23,098**	**70,497**

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

Nil

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.

	30-Jun-10	31-Dec-09
Total number of ordinary shares issued and fully paid	**636,560,000**	636,560,000

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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 information for the current financial period compared with those for the audited financial statements as at 31 December 2009.

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

	Second quarter ended 30-Jun		**Half year ended 30-Jun**	
Earnings per share for the financial period	**2010**	**2009**	**2010**	**2009**
(a) Based on the weighted average number of ordinary shares in issue (cents)	2.02	1.47	3.44	2.47
(b) On fully diluted basis (cents)	2.02	1.47	3.44	2.47
Profit attributable to shareholders of the Company ($'000)	12,866	9,383	21,896	15,747
Weighted average number of shares ('000)	636,560	636,560	636,560	636,560

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-Jun-10	**31-Dec-09**	**30-Jun-10**	**31-Dec-09**
Net asset value per ordinary shares based on total issued 636,560,000 ordinary shares (cents)	**23.40**	20.96	**11.07**	11.08

The Group adopts the cost model under *FRS16 Property, Plant and Equipment*, and measures its property, plant and equipment at cost less depreciation and impairment loss. If it had applied the fair value model of FRS16, a revaluation surplus would arise as a result of the excess of the market value of the Grand Mercure Roxy Hotel and office premise over their carrying amounts. As at 30 June 2010, the market value of these properties was estimated to be $278.6 million (31 December 2009: $232.4 million) based on the valuation carried out by an independent valuer on 30 June 2010, on an open market value basis. The revaluation surplus is estimated to be approximately $214.1 million (31 December 2009: $167.9 million). Taking this revaluation surplus into consideration, the Group's revalued net asset value ("RNAV") per share would have been as follows:

	Group	
	30-Jun-10	**31-Dec-09**
RNAV per ordinary share based on total issued 636,560,000 ordinary shares (cents)	**57.03**	47.33

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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

	Second quarter ended 30-Jun				Change Increase/ (Decrease)	Half year ended 30-Jun				Change Increase/ (Decrease)
GROUP	**2010 S$'000**		**2009 S$'000**			**2010 S$'000**		**2009 S$'000**		
REVENUE										
Property Development	43,554	79%	34,707	79%	25%	93,422	80%	62,479	76%	50%
Hotel Ownership	11,016	20%	8,678	20%	27%	21,303	18%	18,624	23%	14%
Property Investment	814	1%	332	1%	145%	1,558	2%	678	1%	130%
	55,384	100%	43,717	100%	27%	116,283	100%	81,781	100%	42%
GROSS PROFIT										
Property Development	10,369	55%	9,958	62%	4%	19,802	55%	16,634	56%	19%
Hotel Ownership	7,830	42%	5,821	36%	35%	14,842	41%	12,646	42%	17%
Property Investment	814	3%	332	2%	145%	1,558	4%	678	2%	130%
	19,013	100%	16,111	100%	18%	36,202	100%	29,958	100%	21%
GROSS PROFIT MARGIN (%)										
Property Development	24%		29%		-5pt	21%		27%		-6pt
Hotel Ownership	71%		67%		4pt	70%		68%		2pt
Property Investment	100%		100%		-	100%		100%		-
Total	34%		37%		-3pt	31%		37%		-6pt
PROFIT BEFORE TAXTION										
Property Development	8,032	51%	8,361	79%	-4%	15,912	60%	13,381	73%	19%
Hotel Ownership and Property investment	3,375	21%	2,222	21%	52%	6,209	23%	5,048	27%	23%
Fair value gain on investment properties	4,337	28%	-	-	100%	4,337	17%	-	-	100%
	15,744	100%	10,583	100%	49%	26,458	100%	18,429	100%	44%

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<u>2Q2010 vs 2Q2009</u>

(i) Revenue

The Group registered a 27% growth in revenue to $55.4 million in 2Q2010 from $43.7 million in 2Q2009. The increase was the result of 25% increase in the revenue from the Property Development segment, 27% increase in revenue from Hotel Ownership segment and a 145% surge in revenue from its Property Investment segment.

(a) Property Development

Revenue from the Group's Property Development segment increase 25% from $34.7 million in 2Q2009 to $43.6 million in the current quarter. The increase was mainly due to the increase in recognition of revenue from development projects in the current quarter as compared to 2Q2009. In 2Q2010, the Group recognized revenue from 8 development projects namely Florentine, Nova 88, Nova 48, The Lucent, The Azzuro, The Verte, The Adara and The Ambrosia. The Group has obtained TOP for one of its projects, The Adara, in June 2010. This segment contributed to 79% of total Group revenue in 2Q2010.

(b) Hotel Ownership and Property Investment

The remaining 21% of the Group's turnover in 2Q2010 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased by 27% to $11.0 million in 2Q2010 from $8.7 million in 2Q2009. The improvement in revenue was due to the increase in both the average occupancy rate (AOR) and average room rate (ARR) at the Grand Mercure Roxy Hotel. The hotel's AOR increased from 81.6% in 2Q2009 to 95.0% in 2Q2010. Its ARR increased by 16% from $143.5 in 2Q2009 to $166.2 this quarter. As a result, revenue per available room (RevPar) increased by 35% from $117.1 in 2Q2009 to $157.8 in 2Q2010.

Revenue from the Group's Property Investment segment improved significantly by 145% for the current quarter compared to 2Q2009. The increase was mainly due to the rental income from the shop units at Kovan Centre.

(ii) Cost of sales and gross profit

In line with the higher revenue achieved, direct cost of total revenue in 2Q2010 increased by $8.8 million or 32% from $27.6 million in 2Q2009 to $36.4 million in 2Q2010.

During the quarter, gross profit from the Property Development segment contributed $10.4 million or 55% of the total gross profit of the Group, with the balance 45% or $8.6 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased from 29% in 2Q2009 to 24% in 2Q2010. The decrease was mainly due to the progressive recognition of profits in 2Q2010 from development projects with lower profit margins as compared to those development projects recognized in 2Q2009. The gross profit margin of the Hotel Ownership segment increased from 67% in 2Q2009 to 71% in 2Q2010. The increase was mainly due to the improvement in RevPar of the hotel.

Overall, the Group's gross profit margin in 2Q2010 decreased by 3 percentage points from 37% in 2Q2009 to 34% in 2Q2010. The overall decrease was mainly due to lower gross profit margin from the Property Development segment partially offset by an improvement in the gross profit margin from the Hotel Ownership segment.

(iii) Profit for the period

The Group's other operating income in 2Q2010 includes $4.3 million gain in fair value of its investment properties at Roxy Square and Kovan Centre. Administrative expenses increased from $2.1 million in 2Q2009 to $3.4 million in 2Q2010 mainly due to higher provision for performance bonus, which was in line with the higher profitability in the current quarter.

Other operating expenses increased by $0.8 million in 2Q2010 to $3.1 million mainly due to higher provision for management fees payable to hotel operator, which was in line with the higher turnover and profitability of the hotel, and the inclusion of the operating expenses relating to the new subsidiaries in 3Q2010.

Boosted by the strength of the Group turnover and the gain in fair value of investment properties, pre-tax profit surged 49% or $5.2 million from $10.6 million in 2Q2009 to $15.7 million. Profit after taxation improved by $3.5 million or 37% to $12.9 million in the current quarter.

1H2010 vs 1H2009

(i) Revenue

For the first half ended 30 June 2010, the Group registered a 42% growth in revenue to $116.3 million from $81.8 million in 1H2009. The increase was the result of 50% increase in the revenue from the Property Development segment, 14% increase in revenue from Hotel Ownership segment and a 130% surge in revenue from its Property Investment segment.

(a) Property Development

Revenue from the Group's Property Development segment increase 50% from $62.5 million in 1H2009 to $93.4 million in 1H2010. The increase was due to the increase in recognition of revenue from development projects in current half year as compared to 1H2009. In 1H2010, the Group recognised revenue from 9 development projects namely Florentine, Nova 88, Nova 48, The Lucent, The Azzuro, The Verte, The Adara, The Ambra and The Ambrosia. The Group has obtained TOP for The Ambra and The Adara in March 2010 and June 2010 respectively. This segment contributed to 80% of total Group revenue in 1H2010.

(b) Hotel Ownership and Property Investment

The remaining 20% of the Group's turnover in 1H2010 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased by 14% to $21.3 million in 1H2010 from $18.6 million in 1H2009. The improvement in revenue was due to the increase in both the AOR and ARR at the Grand Mercure Roxy Hotel. The hotel's AOR increased from 82.0% in 1H2009 to 94.2% in 1H2010. Its ARR increased by 2% from $155.4 in 1H2009 to $159.1 in 1H2010. As a result, RevPar increased by 18% from $127.4 in 1H2009 to $149.9 in 1H2010.

Revenue from the Group's Property Investment segment improved significantly by 130% in the current half year compared to 1H2009. The increase was mainly due to the rental income from the shop units at Kovan Centre and higher rental on renewal of leases for some 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 1H2010 increased by $28.3 million or 55% from $51.8 million in 1H2009 to $80.1 million in 1H2010.

In the first half year of 2010, gross profit from the Property Development segment contributed $19.8 million or 55% of the total gross profit of the Group, with the balance 45% or $16.4 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased from 27% in the 1H2009 to 21% in 1H2010. The decrease was mainly due to the progressive recognition of profits in 1H2010 from development projects with lower profit margins as compared to those development projects recognised in 1H2009. The gross profit margin of the Hotel Ownership segment increased from 68% in 1H2009 to 70% in 1H2010. The increase was mainly due to the improvement in RevPar of the hotel.

Overall, the Group's gross profit margin in 1H2010 decreased by 6 percentage points from 37% in 1H2009 to 31% in 1H2010. The overall decrease was mainly due to a higher revenue contribution from the Property Development segment which has a lower gross profit margin and a decrease in the gross profit margin of the Property Development segment in the current half year.

(iii) Profit for the period

The Group's other operating income in 1H2010 includes $4.3 million gain in fair value of its investment properties. Administrative expenses increased from $4.2 million in 1H2009 to $5.7 million in 1H2010 mainly due to higher provision for performance bonus, which was in line with the higher profitability in the current half year.

Other operating expenses increased by $1.0 million in 1H2010 to $6.0 million mainly due to higher provision for management fees payable to hotel operator, which was in line with the higher turnover and profitability of the hotel, increase in replacement of hotel furniture, fittings and equipments and the inclusion of the operating expenses relating to the new subsidiaries since 3Q2009.

The Group's pre-tax profit surged 44% or $8.0 million from $18.4 million in 1H2009 to $26.5 million in 1H2010. Profit after taxation improved by $6.1 million or 39% to $21.9 million in the current half year.

(iv) Cashflow, working capital and Balance Sheet

The Group's non-current assets comprise property, plant and equipment, investment properties, investments in associates and goodwill. As at 30 June 2010, this amounted to $145.9 million and represented 32% of the total assets. Investment properties accounted for $79.1 million or 54% of total non-current assets as at 30 June 2010. The increase in investment properties from $55.7 million as at 31 December 2009 to $79.1 million as at 30 June 2010 was due to the completion of the purchase of residential units in Kovan Centre in March 2010 and the gain in the fair value of the investment properties as at 30 June 2010. At Company's level, the increase in investments in subsidiaries from $37.4 million as at 31 December 2009 to $40.4 million as at 30 June 2010 was due to the increase in the Company's investments in three of its subsidiaries during the period.

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The Group's current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 30 June 2010, current assets totalled $315.5 million and represented 68% of the total assets. Properties for sale under development accounted for $155.1 million or 49% of total current assets as at 30 June 2010. The increase in properties for sale under development from $131.5 million as at 31 December 2009 to $155.1 million as at 30 June 2010 was mainly due to the completion of the purchase of development site at Lorong 102 Changi in 1Q2010 and the progress claims by contractors of development projects under construction..

Trade receivables amounted to $21.7 million as at 30 June 2010 and comprise mainly progress payments receivable from purchasers for projects under construction and the unbilled revenue portion of the recognised sales from the completed projects. The decrease in trade receivables from $44.4 million as at 31 December 2009 to $21.7 million as at 30 June 2010 was mainly due to progress collections from purchasers.

Other receivables comprise mainly deposits, prepayments and other receivables. The increase in other receivables from $17.7 million as at 31 December 2009 to $19.9 million as at 30 June 2010 was mainly due to advances to associates for working capital purpose.

As at 30 June 2010, project accounts, fixed deposits and cash and bank balances amounted to $116.9 million.

The Group recorded net cash inflows from operating activities of $21.4 million in 1H2010, as compared to the $44.2 million in 1H2009. The decrease in net cash flows from operating activities was mainly due to the increase in properties for sale under development, partially offset by the decrease in trade receivables.

In the first half year of 2010, the Group recorded net cash outflows from investing activities of $24.0 million, mainly due to the acquisition of the residential units at Kovan Centre and advances to associates. During the same period, the net cash inflows from financing activities of $11.4 million were mainly from disbursements of loans for land/properties acquired in 1H2010, partially offset by repayments of development loans for projects completed in 1H2010.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and short term borrowings. As at 30 June 2010, this amounted to $200.8 million and represented 64% of the total liabilities. Other payables comprise mainly accrual for construction costs for completed projects, accrual of unbilled progress claims from contractors, hotel management fees payable and provision for directors and staff bonuses.

As at 30 June 2010, the Group's total borrowings amounted to $270.1 million with $111.9 million repayable within one year and $158.2 million repayable after one year. Of the $111.9 million borrowings repayable within one year, $74.9 million relates to the sold development properties and is expected to be fully repaid by 30 June 2011 upon obtaining TOP and collections from purchasers. The increase in the total borrowings as at 30 June 2010 as compared to the balance as at 31 December 2009 was due to loans drawn for the land/properties acquired in 1H2010, partially offset by the repayments of land and construction loans during the period.

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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 full financial year ended 31 December 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 Ministry of Trade and Industry (MTI) announced on 14 July 2010 that it expects the Singapore economy to grow by 13.0 to 15.0 per cent in 2010, an upward revision from earlier forecast of 7.0 to 9.0 per cent.

Based on the latest real estate statistics released by Urban Redevelopment Authority (URA) on 23 July 2010, overall prices of private residential properties increased by 5.3% in 2nd Quarter 2010 with sales of new homes at 4,033 units, as compared to 4,380 units in 1st Quarter 2010. Overall, sales of private home dipped in the second quarter but prices are still remaining strong.

Despite the uncertainty triggered by eurozone sovereign debt crisis, overall buying momentum in the property markets remains positive. The property market looks set to remain strong buoyed by Singapore's strong economic rebound and stable job market.

As of the date of this announcement, the Group has the following properties for redevelopment:

Project name / Location	Group's stake	Approximate Attributable Land Area	Approximate Attributable GFA	Approximate Attributable Land Cost
	%	sqm	sqm	$'m
Straits Residences (Joo Chiat Place)	100	1,150	1,610	6.7
Studios@Tembeling (Tembeling Road)	100	947	1,326	7.1
Haig 162 (Haig Road)	45	657	1,839	9.9
Jupiter 18 (Changi)	100	1,857	2,600	13.3
18 Spottiswoode Park Road (Dragon Mansion)	100	4,030	11,285	105.8
9 Yio Chu Kang Road (Kovan Centre)	100	3,767	11,301	52.7
70 Shenton Way (Marina House)	20	367	3,083	29.6
		12,775	33,044	225.1

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The Group launches two of the above projects, Haig 162 and Straits Residences, in July 2010. Haig 162 received a strong 100%* take-up rate within 2 days of launch and Straits Residences, which was soft launched on 24 July 2010, has already seen a healthy 77%* take-up. Together with the existing seven fully sold development projects, the Group has a balance amount of attributable progress billings of $227.5 million which will be progressively recognised from 3Q2010 to FY2012. Encouraged by the strong take-up in the two recent projects, the Group intend to launch at least another two projects in the second half of the year. The sales value from these new launches will further enhance our future earning visibility.

* based on Option to Purchase granted up to 4th August 2010.

Hotel Ownership

The latest tourism statistics released by the Singapore Tourism Board shows that visitors to Singapore rose 26.7% in June 2010, logging the seventh straight month of record arrivals as the global economy continues to recover.

For the hotel business, the Group is positive that it will benefit from the favourable visitor upturn with both IRs now opened. The Group has already seen an improvement of both the hotel's AOR and ARR in 2Q2010 and is confident that demand for the hotel rooms should further improve in 2010.

Outlook

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? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared / recommended

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ON BEHALF OF THE BOARD

Koh Seng Geok
Executive Director

4 August 2010
Singapore

CONFIRMATION PURSUANT TO RULE 705 (5) 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 second quarter and the half year ended 30 June 2010 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim Chairman & CEO	Koh Seng Geok Executive Director

4 August 2010
Singapore