ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

Roxy-Pacific Holdings Limited

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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

	Third quarter ended 30 Sep			**Nine months ended 30 Sep**		
	2011	**2010**	**Change**	**2011**	**2010**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Revenue	44,410	53,060	-16%	141,537	169,343	-16%
Cost of revenue	(28,641)	(35,302)	-19%	(94,097)	(115,071)	-18%
Gross profit	15,769	17,758	-11%	47,440	54,272	-13%
Other operating income*	10,100	150	n/m	20,623	4,626	346%
Distribution and selling expenses	(496)	(514)	-4%	(1,478)	(1,334)	11%
Administrative expenses	(5,183)	(2,242)	131%	(10,194)	(7,896)	29%
Other operating expenses	(2,967)	(3,028)	-2%	(9,024)	(9,303)	-3%
Finance costs	(1,169)	(1,160)	1%	(3,288)	(2,943)	12%
Share of results of associates (net of income tax)	88	29	203%	539	29	n/m
Profit before taxation	16,142	10,993	47%	44,618	37,451	19%
Taxation	(2,785)	(2,116)	32%	(6,368)	(6,678)	-5%
Profit after taxation	13,357	8,877	50%	38,258	30,773	24%
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	13,357	8,877	50%	38,258	30,773	24%

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

	Third quarter ended 30 Sep			Nine months ended 30 Sep		
	2011	**2010**	**Change**	**2011**	**2010**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
after charging:						
Impairment loss on trade receivables	(6)	-	n/m	9	6	50%
Depreciation of property, plant and equipment	436	445	-2%	1,306	1,409	-7%
Directors' fees	39	35	11%	117	106	10%
Fair value loss on interest rate swaps	180	132	36%	607	132	360%
Interest on borrowings	1,169	1,160	1%	3,288	2,943	12%
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	6,308	3,547	78%	13,780	10,629	30%
- contribution to defined contribution plans	192	207	-7%	595	583	2%
- other personnel expenses	287	227	26%	865	698	24%
and crediting:						
Fair value gain on investment Properties**	-	-	-	9,582	4,337	121%
Fair value gain on the transfer of investment property to development property *	9,569	-	n/m	9,569	-	n/m
Over provision for tax in respect of prior year	-	-	n/m	1,563	-	n/m
Government grant – job credit scheme	-	2	n/m	-	89	n/m
Income from hotel money exchange operations	6	8	-25%	20	29	-31%
Interest income	147	53	177%	276	162	70%

n/m: Not meaningful

* refer to paragraph 8 (iii) on page 15.

** The Group did not carry out a valuation of investment properties in 3Q2010 and 3Q2011. Valuation of investment properties are performed on a half yearly basis.

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-Sep-11	31-Dec-10	**30-Sep-11**	31-Dec-10
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Non-Current				
Goodwill	**1,672**	1,672	**-**	-
Property, plant and equipment	**71,672**	70,421	**68**	83
Investments in subsidiaries	**-**	-	**43,443**	40,443
Investments in associates	**2,664**	1,635	**-**	-
Investment properties	**40,829**	78,767	**-**	-
	116,837	152,495	**43,511**	40,526
Current				
Developed property for sale	**-**	985	**-**	-
Properties for sale under development [1]	**366,285**	235,305	**-**	-
Inventories	**121**	141	**-**	-
Trade receivables	**15,091**	24,846	**7**	19
Other receivables	**3,746**	16,329	**8,446**	47
Amount due from associates	**21,500**	12,920	**13**	6
Amount due from subsidiaries	**-**	-	**29,681**	25,460
Project accounts	**135,433**	75,700	**-**	-
Fixed deposits (Note 1(c))	**46,326**	38,754	**17,076**	9,069
Cash and bank balances	**35,624**	44,151	**4,052**	1,018
	624,126	449,131	**59,275**	35,619
Total assets	**740,963**	601,626	**102,786**	76,145
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	**47,399**	47,399	**47,399**	47,399
Retained earnings	**151,138**	122,436	**28,901**	22,785
Total equity	**198,537**	169,835	**76,300**	70,184
Liabilities				
Non-Current				
Bank borrowings (secured)	**86,208**	84,733	**-**	-
Deferred income taxes	**18,390**	14,943	**-**	-
	104,598	99,676	**-**	-
Current				
Trade payables	**9,530**	7,740	**67**	360
Other payables	**19,238**	26,190	**5,952**	5,551
Amount due to subsidiaries	**-**	-	**17,431**	-
Provision for taxation	**4,237**	7,074	**36**	50
Bank borrowings (secured)	**404,823**	291,111	**3,000**	-
	437,828	332,115	**26,487**	5,961
Total liabilities	**542,426**	431,791	**26,486**	5,961
Total equity and liabilities	**740,963**	601,626	**102,786**	76,145

[1] $229.3 million (31-Dec-10: $128.8 million) relates to the Group's pre-sold development properties as at 30 September 2011.

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

	30-Sep-11			31-Dec-10	
	Secured S$'000		**Unsecured S$'000**	Secured S$'000	Unsecured S$'000
Current					
- Amount repayable in one year or less, or on demand	**153,647**	(i)	-	149,218	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	**251,176**		-	141,893	-
	404,823		-	291,111	-
Non-current					
Amount repayable after one year	**86,208**		-	84,733	-
	491,031		-	375,844	-

Details of collaterals

The borrowings are secured by;

a) Freehold land and building;
b) Proceeds from the sale of investment properties;
c) Rental income from investment properties;
d) Joint guarantee of four directors and the Company; and
e) Properties for sale under development

(i) $95.2 million relates to our pre-sold development properties and is expected to be fully repaid by 30 September 2012 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

	Third quarter ended 30 Sep		Nine months ended 30 Sep	
	2011	**2010**	**2011**	**2010**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash Flows from Operating Activities				
Profit before taxation	**16,142**	10,993	**44,618**	37,451
Adjustments for:				
Depreciation of property, plant and equipment	**436**	445	**1,306**	1,409
Fair value loss on interest rate swaps	**180**	132	**607**	132
Share of associates' results	**(88)**	(29)	**(539)**	(29)
Interest income	**(147)**	(53)	**(276)**	(162)
Interest expense on bank borrowings	**1,169**	1,160	**3,288**	2,943
Fair value gain on investment properties	**-**	-	**(9,582)**	(4,337)
Fair value adjustment on the transfer of investment property to development property	**(9,569)**	-	**(9,569)**	-
Operating profit before working capital changes	**8,123**	12,648	**29,853**	37,407
Decrease in inventories	**12**	-	**20**	4
Decrease in operating receivables	**35,183**	7,056	**22,339**	31,338
(Decrease) / increase in operating payables	**(28,752)**	2,572	**(5,768)**	3,223
Increase in properties for sale under development	**(79,046)**	(4,998)	**(73,891)**	(28,670)
Decrease in developed property for sale	**-**	-	**985**	-
Cash (used in) / generated from operations	**(64,480)**	17,278	**(26,462)**	43,302
Income tax paid	**(2,101)**	(2,359)	**(5,759)**	(6,948)
Net cash (used in) / generated from operating activities	**(66,581)**	14,919	**(32,221)**	36,354
Cash Flows from Investing Activities				
Investment in associates	**-**	(450)	**(490)**	(650)
Advances to associates	**(4,032)**	(6,540)	**(8,580)**	(10,399)
Acquisition of property, plant and equipment	**(2,277)**	(667)	**(2,557)**	(1,660)
Acquisition of investment properties	**-**	(199)	**-**	(19,224)
Interest received	**147**	53	**276**	162
Net cash used in investing activities	**(6,162)**	(7,803)	**(11,351)**	(31,771)
Cash Flows from Financing Activities				
Proceeds from borrowings	**99,548**	22,348	**146,241**	87,553
Repayment of borrowings	**(4,768)**	(7,675)	**(31,055)**	(53,186)
Fixed deposit pledged to banks and financial institutions	**(1)**	(1)	**(545)**	(408)
Interest paid	**(1,169)**	(1,254)	**(3,288)**	(3,037)
Dividend paid	**-**	-	**(9,548)**	(6,366)
Net cash generated from financing activities	**93,610**	13,418	**101,805**	24,556
Net increase in cash and cash equivalents	**20,867**	20,534	**58,233**	29,139
Cash and cash equivalents at beginning of period	**195,305**	116,920	**157,939**	108,315
Cash and cash equivalents at end of period	**216,172**	137,454	**216,172**	137,454

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	Third quarter ended 30 Sep		Nine months ended 30 Sep	
	2011	**2010**	**2011**	**2010**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Analysis of cash and cash equivalents:-				
Project accounts (Note 1)	**62,433**	24,897	**62,433**	24,897
Fixed deposits in project accounts (Note 1)	**73,000**	40,700	**73,000**	40,700
Fixed deposits	**46,326**	39,738	**46,326**	39,738
Cash and bank balances	**35,624**	32,785	**35,624**	32,785
Less: Fixed deposits pledged to banks and financial institution	**(1,211)**	(666)	**(1,211)**	(666)
	216,172	137,454	**216,172**	137,454

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 costs incurred on development of properties.

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$'000**	**Retained earnings S$'000**	**Total S$'000**
Balance at 1 January 2010	47,399	86,020	133,419
Total comprehensive income for the period	-	21,896	21,896
Dividend paid	-	(6,366)	(6,366)
Balance at 30 June 2010	47,399	101,550	148,949
Total comprehensive income for the period	-	8,877	8,877
Balance at 30 September 2010	47,399	110,427	157,826
Balance at 1 January 2011	**47,399**	**122,436**	**169,835**
Total comprehensive income for the period	**-**	**24,893**	**24,893**
Dividend paid	**-**	**(9,548)**	**(9,548)**
Balance at 30 June 2011	**47,399**	**137,781**	**185,180**
Total comprehensive income for the period	-	**13,357**	**13,357**
Balance at 30 September 2011	**47,399**	**151,138**	**198,537**

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Company	Share capital S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 January 2010	47,399	23,139	70,538
Total comprehensive income for the period	-	6,325	6,325
Dividend paid		(6,366)	(6,366)
Balance at 30 June 2010	47,399	23,098	70,497
Total comprehensive income for the period	-	133	133
Balance at 30 September 2010	47,399	23,231	70,630
Balance at 1 January 2011	**47,399**	**22,785**	**70,184**
Total comprehensive income for the period	**-**	**15,400**	**15,400**
Dividend paid		**(9,548)**	**(9,548)**
Balance at 30 June 2011	**47,399**	**28,637**	**76,036**
Total comprehensive income for the period	**-**	**264**	**264**
Balance at 30 September 2011	**47,399**	**28,901**	**76,300**

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-Sep-11	31-Dec-10
Total number of ordinary shares issued and fully paid	**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

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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 for the year ended 31 December 2010.

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

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for accounting period beginning on 1 January 2011.

The following are the new or amended FRSs that are relevant to the Group:

INT FRS 115 Agreements for the Construction of Real Estate
Revised FRS 24 Related Party Disclosures
Improvements to FRSs issued in 2010

The adoption of these new/revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior reporting periods, including INT FRS 115 - *Agreements for the Construction of Real Estate* that was issued with an accompanying note that considers the application of the interpretation for uncompleted residential projects under Singapore legal framework.

INT FRS 115 clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. INT FRS 115 determines that contracts which are not classified as construction contracts in accordance with FRS 11 can only be accounted for under the percentage of completion (POC) method if the entity continuously transfers to the buyer control and the significant risks and rewards of the work in progress in its current state as construction progresses.

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The Group has considered the application of INT FRS 115 and the accompanying note issued specifically in the context of the sale of development properties in Singapore, and concluded it will continue to adopt the POC method of revenue recognition for its Singapore residential development projects which are governed under the Housing Developers (Control and Licensing) Act (the "HDA") and under the progressive payment scheme.

On the same basis, sale of Singapore mixed residential/commercial projects which are governed under the HDA and under the progressive payment scheme, will be recognised on a POC method. Currently, all projects undertaken by the Group are under the progressive payment scheme.

Unlike standard residential projects, sale of commercial projects are governed under the Sale of Commercial Properties Act (the "SCPA"). Revenue and related expenses is recognised upon completion of construction of the commercial projects.

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

Earnings per share for the financial period	Third quarter ended 30-Sep		Nine months ended 30-Sep	
	2011	**2010**	**2011**	**2010**
(a) Based on the weighted average number of ordinary shares in issue (cents)	2.10	1.39	6.01	4.83
(b) On fully diluted basis (cents)	2.10	1.39	6.01	4.83
Profit attributable to shareholders of the Company ($'000)	13,357	8,877	38,258	30,773
Weighted average number of shares ('000)	636,560	636,560	636,560	636,560

The Company did not have any stock options or dilutive potential ordinary shares during the periods ended 30 September 2011 and 2010.

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

- **(a) current financial period reported on; and**
- **(b) immediately preceding financial year**

	Group		**Company**	
	30-Sep-11	**31-Dec-10**	**30-Sep-11**	**31-Dec-10**
Net asset value per ordinary shares based on total issued 636,560,000 ordinary shares (cents)	**31.19**	26.68	**11.99**	11.03

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 under FRS16, a revaluation surplus would arise as a result of the excess of the fair value of the Grand Mercure Roxy Hotel and office premise over their carrying amounts. As at 30 September 2011, our directors estimated that such revaluation surplus to be approximately $259.1 million (31 December 2010: $256.3 million) based on the valuation carried out by an independent valuer on 27 December 2010, on an open market value basis and existing use basis. Had this revaluation surplus been recorded, the Group's revalued net asset value ("RNAV") per share would have been as follows:

	Group	
	30-Sep-11	**31-Dec-10**
RNAV per ordinary share based on total issued 636,560,000 ordinary shares (cents)	**71.89**	66.95

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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

	Third quarter ended 30-Sep				Change Increase/ (Decrease)	Nine months ended 30-Sep				Change Increase/ (Decrease)
GROUP	**2011 S$'000**		**2010 S$'000**			**2011 S$'000**		**2010 S$'000**		
REVENUE										
Property Development	31,324	71%	40,453	76%	-23%	103,156	73%	133,875	79%	-23%
Hotel Ownership	12,494	28%	11,744	22%	6%	36,149	26%	33,047	20%	9%
Property Investment	592	1%	863	2%	-31%	2,232	1%	2,421	1%	-8%
	44,410	100%	53,060	100%	-16%	141,537	100%	169,343	100%	-16%
GROSS PROFIT										
Property Development	6,544	42%	8,937	50%	-27%	20,454	43%	28,739	53%	-29%
Hotel Ownership	8,843	56%	8,185	46%	8%	25,437	54%	23,795	44%	7%
Property Investment	382	2%	636	4%	-40%	1,549	3%	1,738	3%	-11%
	15,769	100%	17,758	100%	-11%	47,440	100%	54,272	100%	-13%
GROSS PROFIT MARGIN										
Property Development	21%		22%		-1ppt	20%		21%		-1ppt
Hotel Ownership	71%		70%		1ppt	70%		72%		-2ppt
Property Investment	65%		74%		-9ppt	69%		72%		-3ppt
Total	36%		33%		3ppt	33%		32%		1ppt
PROFIT BEFORE TAXTION										
Property Development	3,493	22%	7,373	67%	-53%	15,483	35%	23,285	62%	-34%
Hotel Ownership and Property investment	3,080	19%	3,620	33%	-15%	9,984	23%	9,829	26%	2%
Fair value gain on investment properties	-	-	-	-	-	9,582	21%	4,337	12%	121%
Fair value adjustment on transfer of investment property to development property	9,569	59%	-	-	n/m	9,569	21%	-	-	n/m
	16,142	100%	10,993	100%	47%	44,618	100%	37,451	100%	19%

ppt: percentage point

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<u>3Q2011 vs 3Q2010</u>

(i) Revenue

The Group achieved revenue of $44.4 million in 3Q2011, 16% lower as compared to $53.1 million in 3Q2010. The decline was the result of 23% and 31% decrease in revenue respectively from the Property Development segment and the Property Investment segment, partly offset by 6% increase in revenue from the Hotel Ownership segment in 3Q2011.

(a) Property Development

The 23% decline in revenue from the Property Development segment in 3Q2011, was largely due to the absence of revenue recognised from 2 development projects, namely, The Ambrosia and The Florentine, that were completed in December 2010 and May 2011 respectively. The Group recognised revenue from eight development projects in 3Q2011, namely, The Azzuro, The Verte, Nova 48, Nova 88, The Lucent, Studios@Tembeling, Jupiter 18 and Straits Residences. This segment contributed to 71% of the total Group's revenue in 3Q2011.

(b) Hotel Ownership and Property Investment

The remaining 29% of the Group's turnover in 3Q2011 was attributable to the Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased 6% to $12.5 million in 3Q2011. The hotel's average occupancy rate ("AOR") increased from 94.8% in 3Q2010 to 96.4% in 3Q2011. Its average room rate ("ARR"), was also up 9% to $192.9 in 3Q2011 as compared to $177.0 in 3Q2010. Overall, the Group's revenue per available room ("RevPar") increased 11% from $167.7 in 3Q2010 to $185.9 in the current quarter.

Revenue from the Property Investment segment decreased by 31% in 3Q2011 as compared to 3Q2010 due to the expiry or termination of leases in Kovan Centre on or before 31 Aug 2011. (refer to paragraph 8 (iii) on page 15).

(ii) Cost of sales and gross profit

In line with the decrease in revenue, direct cost of total revenue also decreased by $6.7 million or 19% from $35.3 million in 3Q2010 to $28.6 million in 3Q2011.

During the quarter, gross profit from the Property Development segment contributed $6.5 million or 42% of the total gross profit of the Group, with the balance 58% or $9.2 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased marginally from 22% in 3Q2010 to 21% in 3Q2011. The gross profit margin of the Hotel Ownership segment however increased by 1 percentage point from 70% in 3Q2010 to 71% in the current quarter due to higher RevPar of the hotel. Gross profit margin of the Property Investment segment decreased by 9 percentage points from 74% in 3Q2010 to 65% in the current quarter due to lower rental income from Kovan Centre.

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Overall, the Group's gross profit margin in 3Q2011 increased by 3 percentage points from 33% in 3Q2010 to 36% in 3Q2011. The increase was mainly due to higher percentage revenue contribution from the Hotel Ownership segment which has a higher gross profit margin than that of the Property Development segment.

(iii) Profit for the period

The Group's other operating income in 3Q2011 increased to $10.1 million from $0.2 million in 3Q2010. The increase was largely due to the fair value gain arising from the transfer of Kovan Centre from Investment Property to Development Property on 31 August 2011. Kovan Centre will be demolished to give way to the construction of Space@Kovan, a strata-titled mixed development which has been fully sold. Following the termination notices duly served by the Group, all tenants at Kovan Centre have handed over their units on or before 31 August 2011. In accordance with FRS 40 – Investment Property, Kovan Centre was transferred from Investment Property as a result of a change of use and the transfer was effected based on the property's fair value as at 31 August 2011. The fair value was determined based on the valuation carried out by an independent valuer on 31 August 2011. The resulting gain arising from the difference between the fair value and the previous carrying amount of Kovan Centre was recognised in profit or loss in accordance with FRS 40.

Administrative expenses increased from $2.2 million in 3Q2010 to $5.2 million in 3Q2011 mainly due to higher provision for performance bonus, which is in line with the higher profitability in the current quarter.

The Group's pre-tax profit improved by 47% or $5.1 million from $11.0 million in 3Q2010 to $16.1 million in the current quarter.

Profit after taxation improved by $4.5 million or 50% to $13.4 million in the current quarter.

9M2011 vs 9M2010

(i) Revenue

For the nine months ended 30 September 2011, the Group achieved revenue of $141.5 million, 16% lower against $169.3 million in 9M2010. The decline was the result of 23% and 8% decrease in revenue respectively from the Property Development segment and the Property Investment segment, partly offset by 9% increase in revenue from the Hotel Ownership segment for the nine months ended 30 September 2011.

(a) Property Development

The 23% decline in revenue from the Property Development segment in 9M2011, was largely due to the absence of revenue recognised from 3 development projects, namely The Ambrosia, The Adara and The Ambra, that were completed in 2010. The Group recognised revenue from nine development projects in 9M2011, namely, The Florentine, Nova 88, Nova 48, The Lucent, The Azzuro, The Verte, Studios@Tembeling, Jupiter 18 and Straits Residences. The Group has obtained TOP for The Florentine in May 2011. This segment contributed to 73% of the total Group's revenue in 9M2011.

(b) Hotel Ownership and Property Investment

The remaining 27% of the Group's turnover in 9M2011 was attributable to the Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment increased by 9% to $36.1 million in 9M2011. Whilst the hotel's average occupancy rate ("AOR") decreased marginally from 94.4% in 9M2010 to 94.1% in 9M2011, its average room rate ("ARR") was up 14% to $188.4 in 9M2011 as compared to $165.2 in 9M2010. As a result, the Group's revenue per available room ("RevPar") increased by 14% from $155.9 in 9M2010 to $177.3 in 9M2011.

Revenue from the Property Investment segment decreased by 8% in the current nine months compared to 9M2010. The decrease was mainly due to the expiry or termination of leases in Kovan Centre on 31 Aug 2011 as explained above.

(ii) Cost of sales and gross profit

In line with the lower revenue achieved, direct cost of total revenue in 9M2011 decreased by $21.0 million or 18% from $115.1 million in 9M2010 to $94.1 million in 9M2011.

During the current nine months, gross profit from the Property Development segment contributed $20.5 million or 43% of the total gross profit of the Group, with the balance 57% or $27.0 million contribution from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment decreased marginally from 21% in the 9M2010 to 20% in 9M2011. The gross profit margin of the Hotel Ownership segment also decreased from 72% in 9M2010 to 70% in 9M2011 due to an increase in payroll costs. Overall, the Group's gross profit margin in 9M2011 improved by 1 percentage point from 32% in 9M2010 to 33% in 9M2011 due to higher percentage revenue contribution from the Hotel Ownership segment which has a higher gross profit margin than that of the Property Development segment.

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(iii) Profit for the period

The Group's other operating income in 9M2011 increased from $4.6 million in 9M2010 to $20.6 million largely due to higher fair value gain on investment properties at Roxy Square recognised in 1H2011 as well as fair value gain arising from the transfer of Kovan Centre from Investment Property to Development Property (refer to paragraph 8 (iii) on page 15).

Administrative expenses increased from $7.9 million in 9M2010 to $10.2 million in 9M2011 mainly due to higher provision for performance bonuses, which is in line with the higher profitability for the nine months ended 30 September 2011.

Finance costs increased from $2.9 million in 9M2010 to $3.3 million in 9M2011 mainly due to additional loan drawdowns for working capital.

The Group's higher share of results of associates in 9M2011 was mainly attributable to profit recognition since 3Q2010 from Haig 162, a joint venture development project.

The Group's pre-tax profit improved by 19% or $7.1 million from $37.5 million in 9M2010 to $44.6 million in 9M2011. The effective tax rate of 14% in 9M2011 was lower than the applicable tax rate of 17% mainly due to the writeback of $1.6 million over-provision of tax in respect of prior year.

Profit after taxation improved by $7.5 million or 24% to $38.3 million for the nine months ended 30 September 2011.

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(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 September 2011, this amounted to $116.8 million and represented 16% of the total assets. Investment properties accounted for $40.8 million or 35% of total non-current assets as at 30 September 2011. The decrease in investment properties from $78.8 million as at 31 December 2010 to $40.8 million as at 30 September 2011 was due to the transfer of Kovan Centre (from Investment Property to Development Property (refer to paragraph 8 (iii) on page 15).

Property, plant and equipment accounted for $71.7 million or 61% of total non-current assets as at 30 September 2011. The increase from $70.4 million as at 31 December 2010 to $71.7 million as at 30 September 2011 was mainly due to upgrading works at the hotel during the period.

Investment in associates increased from $1.6 million as at 31 December 2010 to $2.7 million as at 30 September 2011. The increase was due to additional investment in an associate in 2Q2011 and share of results of associates during the period.

At Company's level, the increase in investments in subsidiaries from $40.4 million as at 31 December 2010 to $43.4 million as at 30 September 2011 was due to the increase in the Company's investment in three subsidiaries during the period.

The Group's current assets comprise mainly properties for sale under development, trade and other receivables and cash and bank balances. As at 30 September 2011, this amounted to $624.1 million and represented 84% of the total assets. Properties for sale under development accounted for $366.3 million or 59% of total current assets as at 30 September 2011. The increase in properties for sale under development from $235.3 million as at 31 December 2010 to $366.3 million as at 30 September 2011 was mainly due to the completion of the purchase of 4 development sites at 80 and 116 Changi Road, Mackenzie Road, 103 – 105 Lorong N Telok Kurau in 9M2011 and costs incurred on development projects under construction.

Trade receivables amounted to $15.1 million as at 30 September 2011 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 $24.8 million as at 31 December 2010 to $15.1 million as at 30 September 2011 was mainly due to collections from purchasers in 1Q2011.

Other receivables comprise mainly deposits, prepayments and other receivables. The decrease in other receivables from $16.3 million as at 31 December 2010 to $3.7 million as at 30 September 2011 was mainly due to reclassification of development charge incurred for Space@Kovan to property for sale under development, following the transfer of Kovan Centre mentioned above. Amounts due from associates comprise mainly advances to associates for working capital.

At Company's level, the increase in other receivables to $8.4 million as at 30 September 2011 was mainly due to accrued management fees receivable from subsidiaries.

As at 30 September 2011, project accounts, fixed deposits and cash and bank balances amounted to $217.4 million.

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The Group recorded net cash outflows from operating activities of $32.2 million in 9M2011, as compared with net cash inflows of $36.4 million in 9M2010. This was mainly due to the increase in the properties for sale under development following the completion of the purchase of development sites as explained above.

In the nine months ended 30 September 2011, the Group recorded net cash outflows from investing activities of $11.4 million, mainly due to advances to associates for working capital and hotel upgrading costs incurred during the current period.

During the same period, the net cash inflows from financing activities were mainly due to proceeds from land and construction loans, partially offset by repayment of development loans of completed projects and dividend paid to shareholders.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. As at 30 September 2011, this amounted to $437.8 million and represented 81% of the total liabilities. The increase in trade payables from $7.7 million as at 31 December 2010 to $9.5 million as at 30 September 2011 was mainly due to progressive claim from contractors for the projects during the nine months ended 30 September 2011. Other payables comprise mainly deposits, accruals for construction costs for completed projects, accrual of unbilled progress claims from contractors, hotel management fees and provision for performance bonuses. The decrease in other payables from $26.2 million as at 31 December 2010 to $19.2 million as at 30 September 2011 was mainly due to the reclassification of booking fees received from the sale of Space@Kovan to properties for sale under development following the transfer of Kovan Centre mentioned above.

As at 30 September 2011, the Group's total borrowings amounted to $491.0 million with $153.6 million repayable within one year and $337.4 million repayable after one year. Of the $153.6 million borrowings repayable within one year, $95.2 million relates to sold development properties and is expected to be fully repaid by 30 September 2012 upon obtaining TOP and collections from purchasers. The increase in the total borrowings as at 30 September 2011 as compared to the balance as at 31 December 2010 was mainly due to loans drawdown for land acquisitions in the current nine months ended 30 September 2011, partially offset by the repayment of development loans of completed projects during the period.

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 first half ended 30 June 2011.

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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

<u>Property Development</u>

According to the Ministry of Trade and Industry's ("MTI") announcement on 14 October 2011, the Singapore economy grew by 5.9% on a year-on-year basis in the third quarter of 2011. For the year as a whole, the MTI expects Singapore's GDP growth to be around 5%, as a result of softening global economic conditions.

In addition, based on latest real estate statistics released by Urban Redevelopment Authority on 28 October 2011, the rate of price increases in private residential property has continued to moderate for the 8th consecutive quarter since 4th Quarter 2009. Prices of private residential properties increased by 1.3% in 3rd Quarter 2011, versus 2.0% in the previous quarter.

On the global front, as a result of Eurozone and US sovereign debt issues, the global economic outlook continued to be uncertain. The slowdown in the Singapore economy coupled with the government measures to curb property speculation in Singapore had affected the general market sentiments as buyers have become more cautious.

As of 2nd November 2011, the Group has a balance amount of attributable progress billings of approximately $518.6 million from the following projects which will be progressively recognised from 4Q2011 to FY2015.

Project name	**Group's stake**	**No. of units in the project**	**% sold**	**Attributable total sale value [1] ($'m)**	**Attributable revenue recognised @30 Sep 2011 ($'m)**	**Balance attributable progress billings to be recognised from 4Q2011 ($'m)**
Azzuro	100%	15	100%	11.9	10.9	1.0
Verte	100%	36	100%	51.1	44.7	6.4
Nova 88	100%	88	100%	75.7	63.6	12.1
Nova 48	100%	48	100%	45.6	43.3	2.3
Lucent	100%	42	100%	39.5	37.1	2.4
162 Haig	45%	99	100%	26.3	4.5	21.8
Straits Residences	100%	30	100%	20.1	2.4	17.7
Studios@Tembeling	100%	25	100%	18.5	6.5	12.0
Jupiter 18	100%	53	100%	35.8	5.3	30.5
Space@Kovan	100%	196	100%	159.7	-	159.7
18 Spottiswoode	100%	251	96%	234.4	-	234.4
Nottinghill Suites	45%	124	17%	7.5	-	7.5
Wis@Changi [2]	100%	83	18%	10.8	-	10.8
Total		**1,090**		**736.9**	**218.3**	**518.6**

(1) Based on Option to Purchase granted up to 2nd November 2011.

(2) Launched in September 2011

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In addition, the Group has the following plots of land with a total attributable gross floor area of approximately 23,627 sqm for development:

Project name / Location / Description	Approximate Land Area	Approximate Gross Floor Area	Group's stake	Approximate Attributable Gross Floor Area	Approximate Attributable Land Cost [(1)]
	(sqm)	(sqm)	%	(sqm)	$'m
Eon Shenton (70 Shenton Way)	1,840	20,360	20%	4,072	40.1
Millage (55 Changi Road)	1,810	5,433	48%	2,608	21.6
Centropod@Changi (80 Changi Road)	2,587	7,761	100%	7,761	54.0
Treescape (103, 105 Lorong N Telok Kurau)	1,313	1,839	100%	1,839	15.0
131 Mackenzie Road (Mackenzie Mansions)	1,198	2,516	100%	2,516	24.7
12, 14, 16, 18, 20, 22 Hillview Terrace	5,135	9,859	49%	4,831	32.6
	13,883	47,768		23,627	188.0

[(1)] includes estimated state land premium and development charge, if any

The approximate attributable gross floor area for these land plots is 23,627 sqm. The sales value from these new land plots will further boost the existing strong balance amount of attributable progress billings of approximately $518.6 million as of 2nd November 2011.

The Group will continue to exercise prudence as it explores opportunities amidst the current challenging property environment and global economic uncertainty.

Hotel Ownership

According to the Singapore Tourism Board, Singapore is on target to reach 12 million to 13 million visitor arrivals and $22 billion to $24 billion in tourism receipts. For the first eight months of 2011, Singapore recorded a growth in visitor arrivals of 15.5% compared to the corresponding period a year ago. The Group believes that the demand for the hotel rooms should continue to be strong in 2011 due to the continual high visitors' arrivals to Singapore.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2011.

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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

13. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

ON BEHALF OF THE BOARD

Koh Seng Geok
Executive Director

3 November 2011
Singapore

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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 third quarter and the nine months ended 30 September 2011 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim Chairman & CEO	Koh Seng Geok Executive Director

3 November 2011
Singapore