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 2012

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

	Second quarter ended 30 June			**Half year ended 30 June**		
	2012	**2011 *(restated)**	**Change**	**2012**	**2011 *(restated)**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Revenue	52,720	46,694	13%	90,816	97,127	-6%
Cost of sales	(32,171)	(31,210)	3%	(53,633)	(65,455)	-18%
Gross profit	20,549	15,484	33%	37,183	31,672	17%
Other operating income	5,115	10,104	-49%	5,727	10,523	-46%
Distribution and selling expenses	(610)	(530)	15%	(1,191)	(983)	21%
Administrative expenses	(3,704)	(3,273)	13%	(5,470)	(5,011)	9%
Other operating expenses	(2,956)	(3,324)	-11%	(6,084)	(6,057)	-
Finance costs	(1,106)	(954)	16%	(2,040)	(2,119)	-4%
Share of results of associates (net of income tax)	434	(279)	-256%	706	451	57%
Profit before taxation	17,722	17,228	3%	28,831	28,476	1%
Taxation	11	(743)	-101%	(2,054)	(1,954)	5%
Profit after taxation	17,733	16,485	8%	26,777	26,522	1%
Other comprehensive income , net of tax	-	-	-	-	-	-
Total comprehensive income for the period	17,733	16,485	8%	26,777	26,522	1%

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on income tax expenses and net profit in 1H2011 which decreased/increased by $1,629,000 respectively.

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

	Second quarter ended 30 June			Half year ended 30 June		
	2012	2011	Change	2012	2011	Change
	S$'000	S$'000	%	S$'000	S$'000	%
after charging:						
Impairment loss on trade receivables	-	15	-100%	-	15	-100%
Depreciation of property, plant and equipment	559	466	20%	1,203	870	38%
Directors' fees	39	39	-	78	78	-
Fair value (gain) / loss on interest rate swaps	(67)	233	-129%	(40)	427	-109%
Interest on borrowings	1,106	954	16%	2,040	2,119	-4%
Staff costs (including directors' remuneration)						
- salaries, wages and bonuses	5,048	4,518	12%	8,277	7,472	11%
- contribution to defined contribution plans	221	198	12%	437	403	8%
- other personnel expenses	277	266	4%	591	578	2%
and crediting:						
Fair value gain on investment properties	4,403	9,582	-54%	4,403	9,582	-54%
Over provision for tax in respect of prior year	2,397	500	379%	2,397	1,563	53%
Income from hotel money exchange operations	6	7	-14%	14	14	-
Interest income	118	51	131%	252	129	95%

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-12	31-Dec-11 *(restated)	1-Jan-11 *(restated)	**30-Jun-12**	31-Dec-11	1-Jan-11
ASSETS	**S$'000**	S$'000	S$'000	**S$'000**	S$'000	S$'000
Non-Current						
Goodwill	**1,672**	1,672	1,672	**-**	-	-
Property, plant and equipment	**73,142**	73,928	70,421	**49**	63	83
Investments in subsidiaries	**-**	-	-	**43,443**	43,443	40,443
Interests in associates	**31,233**	29,213	14,555	**-**	-	-
Investment properties	**50,097**	44,692	78,767	**-**	-	-
Held for trading investment – Quoted equity shares	**682**	-	-	**-**	-	-
	156,826	149,505	165,415	**43,492**	43,506	40,526
Current						
Developed properties for sale	**-**	-	985	**-**	-	-
Properties for sale under development [(1)]	**265,696**	329,912	235,305	**-**	-	-
Inventories	**119**	139	141	**-**	-	-
Trade receivables	**32,905**	37,952	24,846	**29**	10	19
Other receivables	**2,343**	1,688	16,329	**156**	140	53
Amount due from subsidiaries	**-**	-	-	**26,520**	32,283	25,460
Project accounts	**137,373**	137,484	75,700	**-**	-	-
Fixed deposits	**55,828**	60,321	38,754	**20,100**	22,585	9,069
Cash and bank balances	**33,146**	31,604	44,151	**2,079**	3,101	1,018
	527,410	599,100	436,211	**48,884**	58,119	35,619
Total assets	**684,236**	748,605	601,626	**92,376**	101,625	76,145
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	**47,399**	47,399	47,399	**47,399**	47,399	47,399
Retained earnings	**180,910**	166,864	124,605	**22,742**	28,906	22,785
Equity attributable to owners of the Company	**228,309**	214,263	172,004	**70,141**	76,305	70,184
Liabilities						
Non-Current						
Bank borrowings (secured)	**85,026**	85,741	84,733	**-**	-	-
Deferred tax liabilities	**12,511**	15,079	12,774	**-**	-	-
	97,537	100,820	97,507	**-**	-	-
Current						
Trade payables	**8,904**	9,381	7,740	**138**	21	360
Other payables	**17,420**	22,313	26,190	**3,056**	6,109	5,551
Amount due to subsidiaries	**-**	-	-	**14,973**	15,094	-
Provision for taxation	**8,775**	5,835	7,074	**68**	96	50
Bank borrowings (secured)	**323,291**	395,993	291,111	**4,000**	4,000	-
	358,390	433,522	332,115	**22,235**	25,320	5,961
Total liabilities	**455,927**	534,342	429,622	**22,235**	25,320	5,961
Total equity and liabilities	**684,236**	748,605	601,626	**92,376**	101,625	76,145

[(1)] $185.0 million (31-Dec-11: $217.3 million) relates to the Group's sold development properties as at 30 June 2012.

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets on retained profits and deferred income tax liabilities.

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

	30-Jun-12			31-Dec-11	
	Secured S$'000		**Unsecured S$'000**	Secured S$'000	Unsecured S$'000
Current					
- Amount repayable in one year or less, or on demand	**91,685**	(i)	-	150,243	-
- Amount repayable after one year but within the normal operating cycle of Property Development segment	**231,606**		-	245,750	-
	323,291		-	395,993	-
Non-current					
Amount repayable after one year	**85,026**		-	85,741	-
	408,317		-	481,734	-

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) Guarantee by the Company;
e) Properties for sale under development; and
f) Proceeds from sales of properties under development.

(i) $42.8 million relates to our sold development projects properties and is expected to be fully repaid by 30 June 2013 upon obtaining Temporary Occupation Permits ("TOP") and collections from buyers of properties.

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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	
	2012	**2011**	**2012**	**2011**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash Flows from Operating Activities				
Profit before taxation	**17,722**	17,228	**28,831**	28,476
Adjustments for:		-		
Depreciation of property, plant and equipment	**559**	466	**1,203**	870
Fair value (gain) / loss on interest rate swaps	**(67)**	233	**(40)**	427
Share of associates' results	**(434)**	279	**(706)**	(451)
Interest income	**(118)**	(51)	**(252)**	(129)
Interest expense on bank borrowings	**1,106**	954	**2,040**	2,119
Fair value gain on investment properties	**(4,403)**	(9,582)	**(4,403)**	(9,582)
Operating profit before working capital changes	**14,365**	9,527	**26,673**	21,730
Decrease in inventories	**1**	10	**20**	8
(Increase) /Decrease in operating receivables	**(5,716)**	(23,427)	**4,391**	(12,844)
(Decrease)/Increase in operating payables	**(1,326)**	4,539	**(5,330)**	22,983
Decrease in properties for sale under development	**29,773**	12,460	**64,215**	5,155
Decrease in developed property for sale	**-**	-	**-**	985
Cash generated from operations	**37,097**	3,109	**89,969**	38,017
Income tax paid	**(1,940)**	(3,529)	**(1,654)**	(3,658)
Net cash generated from/(used in) operating activities	**35,157**	(420)	**88,315**	34,359
Cash Flows from Investing Activities				
Investment in associates	**(506)**	(490)	**(506)**	(490)
Investment in quoted equity shares	**(709)**	-	**(709)**	-
Advances to associates	**(236)**	(2,147)	**(808)**	(4,547)
Acquisition of property, plant and equipment	**(259)**	(268)	**(417)**	(279)
Acquisition of investment property	**(1,001)**	-	**(1,001)**	-
Interest received	**118**	51	**252**	129
Net cash used in investing activities	**(2,593)**	(2,854)	**(3,189)**	(5,187)
Cash Flows from Financing Activities				
Proceeds from borrowings	**-**	10,769	**-**	46,694
Repayment of borrowings	**(31,711)**	(12,878)	**(73,417)**	(26,288)
Fixed deposit pledged to banks and financial institutions	**-**	(539)	**(387)**	(545)
Interest paid	**(1,106)**	(954)	**(2,040)**	(2,119)
Dividend paid	**(12,731)**	(9,548)	**(12,731)**	(9,548)
Net cash (used in)/generated from financing activities	**(45,548)**	(13,150)	**(88,575)**	8,194
Net decrease in cash and cash equivalents	**(12,984)**	(16,424)	**(3,449)**	37,366
Cash and cash equivalents at beginning of period	**237,732**	211,729	**228,197**	157,939
Cash and cash equivalents at end of period	**224,748**	195,305	**224,748**	195,305

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	Second quarter ended 30 Jun		Half year ended 30 Jun	
	2012	**2011**	**2012**	**2011**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Analysis of cash and cash equivalents:-				
Project accounts (Note 1)	**34,373**	64,050	**34,373**	63,050
Fixed deposits in project accounts (Note 1)	**103,000**	68,500	**103,000**	68,500
Fixed deposits	**55,828**	37,797	**55,828**	37,797
Cash and bank balances	**33,146**	27,169	**33,146**	27,168
Less: Fixed deposits pledged to banks and financial institution	**(1,599)**	(1,211)	**(1,599)**	(1,211)
	224,748	195,305	**224,748**	195,305

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.

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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 2011			
As previously reported	47,399	122,436	169,835
Adoption of amended FRS 12 adjustment*		2,169	2,169
As restated	47,399	124,605	172,004
Total comprehensive income for the period	-	10,037	10,037
Balance at 31 March 2011	47,399	134,642	182,041
Total comprehensive income for the period	-	16,485	16,485
Dividend paid	-	(9,548)	(9,548)
Balance at 30 June 2011	47,399	141,579	188,978
Balance at 1 January 2012			
As previously reported	47,399	162,547	209,946
Adoption of amended FRS 12 adjustment*	-	4,317	4,317
As restated	47,399	166,864	214,263
Total comprehensive income for the period	-	9,044	9,044
Balance at 31 March 2012	47,399	175,908	223,307
Total comprehensive income for the period	-	17,733	17,733
Dividend paid	-	(12,731)	(12,731)
Balance at 30 June 2012	**47,399**	**180,910**	**228,309**

Company	Share capital S$'000	Retained profits S$'000	Total S$'000
Balance at 1 January 2011	47,399	22,785	70,184
Total comprehensive income for the period	-	15,255	15,255
Balance at 31 March 2011	47,399	38,040	85,439
Total comprehensive income for the period	-	145	145
Dividend paid	-	(9,548)	(9,548)
Balance at 30 June 2011	47,399	28,637	76,036
Balance at 1 January 2012	47,399	28,906	76,305
Total comprehensive income for the period	-	88	88
Balance at 31 March 2012	47,399	28,994	76,393
Total comprehensive income for the period	-	6,479	6,479
Dividend paid	-	(12,731)	(12,731)
Balance at 30 June 2012	**47,399**	**22,742**	**70,141**

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

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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

Share Capital	**30-Jun-12**	**31-Dec-11**
		$'000
As at January 2010 and 31 December 2011	**636,560,000**	47,399
Issue of bonus shares on 3 May 2012	**318,280,000**	-
As at 30 June 2012	**954,840,000**	47,399

On 3 May 2012, 318,280,000 bonus shares were allotted and issued pursuant to the bonus issue at one bonus share for every two existing ordinary shares ("bonus issue").

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-12	**31-Dec-11**
Total number of ordinary shares issued and fully paid	**954,840,000**	636,560,000

On 3 May 2012, 318,280,000 bonus shares were allotted and issued pursuant to the bonus issue at one bonus share for every two existing ordinary shares ("bonus issue").

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

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 2011. The adoption of revised Financial Reporting Standards ("FRS") that are relevant and effective for annual periods beginning on or after 1 January 2012 did not result in any significant change except as disclosed in item 5 below.

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 the Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on 1 January 2012. The Group previously provided for deferred tax liabilities for its investment properties that will be recovered through use. The amended FRS 12 has introduced a presumption that an investment property measured at fair value is recovered entirely by sale. Accordingly, there will be no deferred tax liability on investment properties as there is no tax on capital gains in Singapore should such a sale occurs. This change in accounting policy has been applied retrospectively. Accordingly, the comparatives have been restated. The effects on the comparatives arising from the adoption of the Amendments to FRS 12 are as follows:

<u>Statement of Financial Position</u>

	-------------------------Group------------------		
	As reported	Adoption of revised FRS 12	As re-stated
	$'000	$'000	$'000
At 31.12.11			
Deferred tax liabilities	19,396	(4,317)	15,079
Retained earnings	162,547	4,317	166,864
At 1.1.11			
Deferred tax liabilities	14,943	(2,169)	12,774
Retained earnings	122,436	2,169	124,605
<u>Consolidated Statement of Comprehensive Income</u>			
Second quarter ended 30 June 2011	14,856	1,629	16,485
Income tax expense	2,372	(1,629)	743
Half year ended 30 June 2011	24,893	1,629	26,522
Income tax expense	3,583	(1,629)	1,954

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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 ("EPS") for the financial period	Second quarter ended 30-Jun 2012	Second quarter ended 30-Jun 2011 *(restated)	Half year ended 30-Jun 2012	Half year ended 30-Jun 2011 *(restated)
(a) Based on the weighted average number of ordinary shares in issue (cents)	1.86	1.73	2.80	2.78
(b) On fully diluted basis (cents)	1.86	1.73	2.80	2.78
Profit attributable to shareholders of the Company ($'000)	17,733	16,485	26,777	26,522
Weighted average number of shares ('000)	954,840	954,840	954,840	954,840

* Comparatives for earnings per share have been restated on the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets and also adjusted for bonus issue of shares. Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

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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-Jun-12	**31-Dec-11** *(as restated)	**30-Jun-12**	**31-Dec-11** *(as restated)
Net asset value ("NAV") per ordinary shares based on total post-bonus issue of 954,840,000 ordinary shares (cents)	**23.91**	22.44	**7.35**	7.99

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 June 2012, our directors estimated that such revaluation surplus to be approximately $416.9 million (31 December 2011: $416.9 million) based on the valuation carried out by an independent valuer on 31 December 2011, on an open market value basis and existing use basis. The revaluation surplus is estimated to be approximately $346.3 million (31 December 2011:$344.2 million). Had this revaluation surplus been recorded the Group's adjusted net asset value ("ANAV") per share would have been as follows:

	Group	
	30-Jun-12	**31-Dec-11** *(as restated)
ANAV per ordinary share based on total post-bonus issue of 954,840,000 ordinary (cents)	**60.18**	58.49

* The comparative figures have been adjusted for bonus issue of shares and adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets. Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

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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	**2012 S$'000**		**2011 S$'000**			**2012 S$'000**		**2011 S$'000**		
REVENUE										
Property Development	39,923	76%	33,887	72%	18%	64,536	71%	71,837	80%	-10%
Hotel Ownership	12,383	23%	11,986	26%	3%	25,454	28%	23,655	18%	8%
Property Investment	414	1%	821	2%	-50%	826	1%	1,635	2%	-49%
	52,720	100%	46,694	100%	13%	90,816	100%	97,127	100%	-6%
GROSS PROFIT										
Property Development	11,622	56%	6,401	41%	82%	18,823	51%	13,910	44%	35%
Hotel Ownership	8,611	42%	8,496	55%	1%	17,747	47%	16,595	52%	8%
Property Investment	316	2%	587	4%	-46%	613	2%	1,167	4%	-47%
	20,549	100%	15,484	100%	33%	37,183	100%	31,672	100%	17%
GROSS PROFIT MARGIN (%)										
Property Development	29%		19%		10ppt	29%		19%		10ppt
Hotel Ownership	70%		71%		-1ppt	70%		70%		-
Property Investment	77%		71%		6ppt	74%		71%		3ppt
Total	39%		33%		6ppt	41%		33%		8ppt
PROFIT BEFORE TAXTION										
Property Development	10,457	59%	4,551	26%	130%	17,190	60%	11,567	40%	49%
Hotel Ownership	2,657	15%	2,976	17%	-11%	6,922	24%	7,071	25%	-2%
Property investment	205	1%	119	1%	72%	316	1%	256	1%	23%
Fair value gain on investment properties	4,403	25%	9,582	56%	-54%	4,403	15%	9,582	34%	-54%
	17,722	100%	17,228	100%	3%	28,831	100%	28,476	100%	1%

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<u>2Q2012 vs 2Q2011</u>

(i) Revenue

The Group registered a 13% increase in revenue to $52.7 million in 2Q2012 from $46.7 million in 2Q2011. The increase in turnover was mainly due to higher revenue from Property Development and Hotel Ownership segments.

(a) Property Development

Revenue from the Property Development segment, which made up 76% of the Group's turnover, increased 18% from $33.9 million in 2Q2011 to $39.9 million in 2Q2012. This increase was mostly due to recognition of revenue from Spottiswoode 18 and Space@Kovan in the current quarter. In comparison, there was no recognition of revenue from these two projects in the previous corresponding quarter.

The Group recognised revenue from five development projects namely, Nova 88, Studios@Tembeling, Jupiter 18, Spottiswoode 18 and Space@Kovan in 2Q2012. The Temporary Occupation Permits ("TOP") for Nova 88 and Studios@Tembeling were obtained in April 2012 and July 2012 respectively.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which contributed 23% to the Group's turnover, increased 3% from $12.0 million in 2Q2011 to $12.4 million in 2Q2012. The hotel's average occupancy rate ("AOR") was 90.7% in 2Q2012, as compared to 94.3% in 2Q2011. Average room rate ("ARR"), on the other hand, increased by 7% to $199.8 in 2Q2012 from $186.0 in 2Q2011. Overall, the Group's revenue per available room ("RevPar") increased by 3% from $175.4 in 2Q2011 to $181.2 in the current quarter.

Revenue from the Group's Property Investment segment, which constituted 1% of the Group's turnover, was lower at $0.4 million in 2Q2012 as compared to $0.8 million in 2Q2011 as a result of the redevelopment of Kovan Centre.

(ii) Cost of sales and gross profit

In line with the increase in revenue, direct cost of total revenue also increased by $1.0 million or 3% from $31.2 million in 2Q2011 to $32.2 million in 2Q2012.

During the quarter, the Group's overall gross profit margin improved by 6 percentage points from 33% in 2Q2011 to 39% in 2Q2012 on the back of an increase in gross profit margins from Property Development and Property Investment segments.

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Gross profit from the Property Development segment contributed $11.6 million or 56% of the total gross profit of the Group, with the balance 44% or $8.9 million contributed by the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment increase by 10 percentage points from 19% in 2Q2011 to 29% in 2Q2012. This is mainly due to the recognition of profits in the current quarter from development projects such as Spottiswoode 18 and Space@Kovan which have higher profit margin. The gross profit margin of the Hotel Ownership segment decreased marginally by 1 percentage point from 71% in 2Q2011 to 70% in the current quarter, whilst gross profit margin rose 6 percentage points from 71% in 2Q2011 to 77% in current quarter for the Group's Property Investment segment.

(iii) Profit for the period

Excluding fair value gains, the Group's pre-tax profits surged 74% from $7.6 million in 2Q2011 to $13.3 million in 2Q2012.

The Group's other operating income in 2Q2012 decreased from $10.1 million in 2Q2011 to $5.1 million largely due to a lower fair value gain of $4.4 million on its investment properties as compared to $9.6 million in 2Q2011.

Distribution and selling expenses increased from $0.5 million in 2Q2011 to $0.6 million in 2Q2012 mainly due to the increase in marketing expenses, which is in line with the increase in hotel's turnover.

Administrative expenses increased from $3.3 million in 2Q2011 to $3.7 million in 2Q2012 mainly due to higher payroll costs, which is in line with higher profitability for the current quarter.

Other operating expenses decreased from $3.3 million in 2Q2011 to $3.0 million in 2Q2012 mainly due to absence of operating expenses of Kovan Centre in 2Q2012 as a result of the commencement of redevelopment in 3Q2011.

Depreciation expenses increased from $0.5 million in 2Q2011 to $0.6 million in 2Q2012 mainly due to depreciation charge in August 2011 upon the completion of hotel upgrading works.

Finance costs increased from $1.0 million in 2Q2011 to $1.1 million in 2Q2012 mainly due to higher interest rate compared to previous quarter.

The Group's share of profits of associates increased from a loss of $0.3 million to a profit of $0.4 million mainly due to higher revenue recognition from Haig 162 as compared to the previous corresponding quarter.

In the current quarter, the Group's pre-tax profit improved by 3% or $0.5 million from $17.2 million in 2Q2011 to $17.7 million in 2Q2012.

The tax credit in 2Q2012 was the result of a write-back of over-provision of prior year deferred tax liabilities amounting to $2.4 million, partially offset by the taxation in respect of the current quarter.

Profit after taxation improved by 8% from $16.5 million to $17.7 million in the current quarter ended 30 June 2012.

1H2012 vs 1H2011

(i) Revenue

For the first half ended 30 June 2012, the Group registered a 6% decrease in revenue to $90.8 million from $97.1 million in 1H2011. The decrease was due to lower revenue contribution from Property Development segment as a result of completion of several projects in 2011, and the gap in revenue recognition until the commencement of construction of newer projects. On the other hand, the Hotel Ownership segment reported an 8% increase in revenue due to higher Revpar.

(a) Property Development

Revenue from the Property Development segment, which made up of 71% of the Group's turnover, decreased 10% from $71.8 million in 1H2011 to $64.5 million in 1H2012. This decrease was mostly due to the absence of revenue recognised from four development projects, namely The Florentine, the Azzuro, Nova 48 and The Lucent that were completed in 2011, partly offset by the recognition of revenue from other development projects such as Spottiswoode 18 and Space@Kovan in 2Q2012.

In 1H2012, the Group recognised revenue from seven development projects namely, The Verte, Nova 88, Studios@Tembeling, Straits Residences, Jupiter 18, Spottiswoode 18 and Space@Kovan. The TOP of The Verte, Nova 88 and Studios@Tembeling were obtained in January 2012, April 2012 and July 2012 respectively.

(b) Hotel Ownership and Property Investment

Revenue from the Hotel Ownership segment, which constituted 28% of Group turnover, increased by 8% to $25.5 million in 1H2012 from $23.7 million in 1H2011. The hotel's AOR was 91.7% in 1H2012, as compared to 93.0% in 1H2011. On the other hand, hotel's ARR increased 8% from $186.0 in 1H2011 to $200.6 in 1H2012. Overall, the Group's RevPar increased by 6% from $173.0 in 1H2012 to $184.0 in 1H2012.

Revenue from the Group's Property Investment segment, which constituted 1% of the Group's turnover, was lower at $0.8 million in 1H2012 as compared to $1.6 million in 1H2011 as a result of the redevelopment of Kovan Centre.

(ii) Cost of sales and gross profit

In line with the lower revenue, direct cost of total revenue in 1H2012 decreased by $11.8 million or 18% from $65.5 million in 1H2011 to $53.6 million in 1H2012.

In the first half year of 2012, the Group's overall gross profit margin improved by 8 percentage points from 33% in 1H2011 to 41% in 1H2012 on the back of an increase in gross profit margins from Property Development and Property Investment segments.

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Gross profit from the Property Development segment contributed $18.8 million or 51% of the total gross profit of the Group, with the balance 49% or $18.4 million contributed from the Hotel Ownership and Property Investment segments. The gross profit margin for the Property Development segment increased from 19% in the 1H2011 to 29% in 1H2012. The increase was mainly due to the recognition of profits in 1H2012 from development projects such as Spottiswoode 18 and Space@Kovan which have higher profit margins. The gross profit margin of the Property Investment segment rose 3 percentage points from 71% in 1H2011 to 74% in 1H2012.

(iii) Profit for the period

Excluding fair value gains, the Group's pre-tax profits improved by 29% from $18.9 million in 1H2011 to $24.4 million in 1H2012.

The Group's other operating income in 1H2012 decreased from $10.5 million in 1H2011 to $5.7 million largely due to a lower fair value gain of $4.4 million on its investment properties as compared to $9.6 million in 1H2011.

Distribution and selling expenses increased from $1.0 million in 1H2011 to $1.2 million in 1H2012 mainly due to the increase in marketing expenses, which is in line with the increase in hotel's turnover.

Depreciation expenses increased from $0.9 million in 1H2011 to $1.2 million in 1H2012 mainly due to depreciation charge in August 2011 upon the completion of hotel upgrading works.

The Group's share of profits of associates increase from $0.5 million in 1H2011 to $0.7 million in 1H2012 mainly due to higher revenue recognition from Haig 162 as compared to 1H2011.

The Group's pre-tax profit increased by 1% from $28.5 million in 1H2011 to $28.8 million in 1H2012. Profit after taxation increased by 1% to $26.7 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 2012, this amounted to $156.8 million and represented 23% of the total assets.

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 2012, this amounted $527.4 million and represented 77% of the total assets. Properties for sale under development accounted for $265.7 million or 50% of total current assets as at 30 June 2012. The decrease in properties for sale under development from $329.9 million as at 31 December 2011 to $265.7 million as at 30 June 2012 was mainly due to the completion of construction of The Verte and Nova 88 in 1H2012 as well as progress billings to purchasers in 1H2012.

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Trade receivables amounted to $32.9 million as at 30 June 2012 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 $38.0 million as at 31 December 2011 to $32.9 million as at 30 June 2012 was mainly due to collections from purchasers in 1H2012.

Other receivables comprise mainly deposits, prepayments and other receivables. The increase in other receivables from $1.7 million as at 31 December 2011 to $2.3 million as at 30 June 2012 was mainly due to the prepayment of property tax.

As at 30 June 2012, project accounts, fixed deposits and cash and cash equivalents amounted to $224.7 million.

The Group recorded net cash inflows from operating activities of $88.3 million in 1H2012, as compared to net cash inflows of $34.4 million in 1H2011. The increase in cash flows from operating activities was mainly due to the decrease in the properties for sale under development as mentioned above.

In 1H2012, the Group recorded net cash outflows from investing activities of $3.2 million, mainly due to the acquisition of a shop unit at Roxy Square for long-term rental yield, investment in quoted equity shares as well as advances to associates for working capital during 1H2012. During the same period, the net cash outflows from financing activities of $88.6 million were mainly due to repayment of land and construction loans in 1H2012.

The Group's current liabilities comprise trade payables, other payables, provision for taxation and bank borrowings. The decrease in trade payables from $9.3 million as at 31 December 2011 to $8.9 million as at 30 June 2012 was mainly due to the payments to contractors in 1H2012. Other payables comprise mainly accruals for construction costs for completed projects, accruals of unbilled progress claims from contractors, hotel management fees and directors' performance incentive and staff bonuses. The decrease in other payables from $22.3 million as at 31 December 2011 to $17.4 million as at 30 June 2012 was mainly due to the payments in 1H2012 for hotel management fee and directors/staff bonuses.

At Company level, the decrease in other payables from $6.1 million as at 31 December 2011 to $3.1 million as at 30 June 2012 was mainly due to payment of directors and staff bonus.

As at 30 June 2012, the Group's total borrowings amounted to $408.3 million with $91.7 million repayable within one year and $316.6 million repayable after one year. Of the $91.7 million borrowings repayable within one year, $42.8 million relates to sold development properties and is expected to be fully repaid by 30 June 2013 upon obtaining TOP and collections from purchasers. The decrease in the total borrowings as at 30 June 2012 as compared to the balance as at 31 December 2011 was mainly due to the repayments of land and construction loans for completed projects in 1H2012.

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 quarter ended 31 March 2012.

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

Property Development

The economic outlook remains challenging. According to advance estimates by Ministry of Trade and Industry Singapore (“MTI”), the Singapore economy contracted by 1.1% in 2Q2012 on a quarter-on-quarter seasonally-adjusted annualised basis, compared to the 9.4% expansion in the preceding quarter. However, on a year-on-year basis, the economy continued to grow at a modest pace of 1.9%, following the 1.4% growth in 1Q2012.

Based on the latest real estate statistics released by Urban Redevelopment Authority (URA) on 27 July 2012, the overall prices of private residential property increase by 0.4% in 2Q2012, compared to the 0.1% decrease in the previous quarter.

As at 1st August 2012, the Group has a balance amount of attributable progress billings of approximately $817.2 million from the following projects, the profits of which will be recognised from 3Q2012 to FY2016. This is more than 6 times the property development revenue of $132.6 million recorded in FY2011.

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value [1]	Attributable revenue recognised up to 30 Jun 2012	Balance attributable progress billings to be recognised from 3Q2012
			%	Unit	%	$'m	$'m	$'m
1	Haig 162	Residential	45%	99	100%	26.3	12.4	13.9
2	Straits Residences	Residential	100%	30	100%	20.1	6.2	13.9
3	Studios@Tembeling	Residential	100%	25	100%	18.5	18.0	0.5
4	Jupiter 18	Residential	100%	53	100%	35.8	8.5	27.3
5	Space@Kovan	Shop	100%	56	100%	46.6	2.4	44.2
		Residential	100%	140	100%	113.2	5.7	107.5
6	Spottiswoode 18	Residential	100%	251	99%	248.2	44.0	204.2
7	Nottinghill Suites	Residential	45%	124	83%	33.6	-	33.6
8	Wis@Changi	Shop	100%	7	86%	4.2	-	4.2
		Restaurant	100%	16	94%	11.7	-	11.7
		office	100%	60	18%	8.0	-	8.0
9	Centropod@Changi	Shop	100%	108	100%	54.4	-	54.4
		Restaurant	100%	9	100%	8.3	-	8.3
		Office	100%	75	61%	42.5	-	42.5
10	Treescape [2]	Residential	100%	30	100%	29.2	-	29.2

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value [1]	Attributable revenue recognised up to 30 Jun 2012	Balance attributable progress billings to be recognised from 3Q2012
			%	Unit	%	$'m	$'m	$'m
11	Millage [3]	Residential	48%	70	100%	23.5	-	23.5
		Shop	48%	86	100%	28.7	-	28.7
12	Natura@Hillview [3]	Residential	49%	193	81%	58.8	-	58.8
13	Eon Shenton [4]	Office	20%	98	59%	32.4	-	32.4
		Residential	20%	132	84%	32.9	-	32.9
		Shop	20%	23	100%	4.8	-	4.8
14	The MKZ[5]	Residential	100%	42	71%	32.7	-	32.7
	Total			**1,727**		**914.4**	**97.2**	**817.2**

[1] Based on Option to Purchase granted up to 1st August 2012.
[2] Launched in February 2012
[3] Launched in March 2012
[4] Launched in April 2012
[5] Launched in July 2012

In addition, the Group has the following land plots with a total attributable gross floor area of approximately 272,026 square foot for development:

Location / Description	Approximate Land Area	Approximate Gross Floor Area	Group's stake	Approximate Attributable Gross Floor Area	Approximate Attributable Land Cost
	(sqf)	(sqf)	%	(sqf)	$'m
2 & 4 Lew Lian Vale [1] (currently known as Jade Towers)	92,412	131,702	100%	131,702	106.27
334 Pasir Panjang Singapore [1] (currently known as Westvale Condominium)	62,710	87,794	100%	87,794	77.50
14 Adis Road [1] (currently known as Sophia Mansions)	17,545	36,845	90%[2]	33,161	38.97
211 – 223A Pasir Panjang Road, Singapore [1] (currently known as Harbour View Gardens)	30,745	43,043	45%	19,369	14.85
	203,412	299,384		272,026	237.59

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[(1)] the acquisition is subject to and conditional upon the obtaining of an Order for Sale from the Strata Titles Board or the High Court (as case may be) approving this sale and purchases, if necessary.

[(2)] the Group will hold 90% stake upon entering a joint venture agreement with a third party.

The Group continues to enjoy a healthy cashflow with high earnings visibility. Coupled with a good landbank, this will put the Group on a firm ground to navigate forward.

Hotel Ownership

The Singapore Tourism Board ("STB") has forecasted that Singapore could enjoy $23.0 billion to $24.0 billion in tourism receipts and 13.5 million to 14.5 million visitor arrivals this year. Based on its latest tourism report released on July 17, 2012, gazetted hotel room revenue for 1Q2012 grew 6% year on year to hit $0.6 billion.

Singapore's overall hotel industry has been boosted by an increase in leisure traffic from China and business traffic from India. The Group believes that demand for the hotel rooms should continue to be strong in the coming quarters. With our hotel located in close proximity to the Integrated Resort and business district, the Group will continue to ride on this positive tourism momentum.

Outlook

Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2012.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim
Dividend Type	Cash (Ordinary)
Dividend Rate	0.67 cents per ordinary share
Total Dividend Amount	$6,397,428
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? No

(c) Date payable

31 August 2012

(d) Books closure date

21 August 2012

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

Not applicable

13. Interest Person Transactions

The Company does not have a shareholders' mandate for interested person transactions. There were no interested person transactions during the period.

ON BEHALF OF THE BOARD

Teo Hong Lim Chairman & CEO	Koh Seng Geok Executive Director & CFO

2 August 2012
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 second quarter and six months ended 30 June 2012 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim Chairman & CEO	Koh Seng Geok Executive Director & CFO

2 August 2012
Singapore