

HLG Enterprise Limited

Company Registration No.: 196100131N

Unaudited First Quarter Financial Statement Announcement for the Period ended 31 March 2007**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group		Change %
		1Q 2007 \$'000	1Q 2006 \$'000	
Continuing Operations				
Sales		7,876	7,220	9.1
Cost of sales		(4,145)	(4,025)	3.0
Gross profit		3,731	3,195	16.8
Other gains (net)	(i)	5,066	11,209	(54.8)
Expenses				
- Selling and marketing		(250)	(239)	4.6
- Administrative		(221)	(361)	(38.8)
- Finance (net)	(ii)	(1,508)	(2,817)	(46.5)
- Others (net)	(iii)	(3,329)	(3,594)	(7.4)
Profit from operations		3,489	7,393	(52.8)
Share of results of associated companies		-	24	(100.0)
Profit before income tax		3,489	7,417	(53.0)
Income tax expense	(iv)	(249)	(106)	134.9
Profit from continuing operations		3,240	7,311	(55.7)
Discontinued Operations				
Loss from discontinued operations	(v)	-	(300)	(100.0)
Total profit for the period		3,240	7,011	(53.8)
Attributable to:				
Equity holders of the Company		3,240	7,011	(53.8)

Notes:

(i) Other gains (net)

	Group		Change %
	1Q 2007 \$'000	1Q 2006 \$'000	
Sundry income	294	74	297.3
Gain on disposal of an investment property (net)	-	9,578	(100.0)
Gain on disposal of Tristar Inn Singapore	4,455	-	NM
Gain on disposal of an associated company	-	654	(100.0)
Write back of trade and other payables	-	606	(100.0)
Interest income	317	297	6.7
	5,066	11,209	(54.8)

The gain on disposal of an investment property for 1Q 2006 is net of the loss on disposal of \$167,000 in connection with the plant and equipment related to the building.

NM: Not meaningful

(ii) Finance expenses (net)

	1Q 2007 \$'000	Group 1Q 2006 \$'000	Change %
Interest expense	(2,209)	(800)	176.1
Currency exchange gain/(loss)-net	701	(2,017)	(134.8)
	<u>(1,508)</u>	<u>(2,817)</u>	<u>(46.5)</u>

The net foreign currency exchange gain of \$0.7 million for 1Q 2007 was due mainly to the revaluation of foreign currency net monetary assets arising from the appreciation of Renminbi against the US dollars and Malaysian Ringgit against Singapore dollars. A substantial portion of these gains are unrealised.

(iii) Other expenses

	1Q 2007 \$'000	Group 1Q 2006 \$'000	Change %
Depreciation of property, plant and equipment	(1,450)	(1,401)	3.5
Wages/salaries/other relevant staff costs (directors and administrative staff)	(957)	(1,291)	(25.9)
Others	(922)	(902)	2.2
	<u>(3,329)</u>	<u>(3,594)</u>	<u>(7.4)</u>

(iv) Income tax expense**Amount of any adjustment for under or overprovision of tax in respect of prior years**

There was no adjustment for under or overprovision of tax in respect of prior years. The taxation charge is lower than the statutory income tax rate of 18% mainly because certain other income is not subject to tax. (31/03/2006: There was an overprovision of group taxation amounting to \$26,000.)

(v) Discontinued operations

The Company had sold its shares in Primefield Company Pte Ltd on 30 September 2006. The results of Primefield Company Pte Ltd and its subsidiaries for 1Q 2006 are presented separately in the income statement as "Discontinued Operations". An analysis of the results of Discontinued Operations is as follows:

	1Q 2007 \$'000	Group 1Q 2006 \$'000	Change %
Sales	-	1,845	(100.0)
Cost of sales	-	(857)	(100.0)
Gross profit	-	988	(100.0)
Other gains(net)	-	23	(100.0)
Expenses			
- Selling and marketing	-	(30)	(100.0)
- Administrative	-	(17)	(100.0)
- Finance (net)	-	(243)	(100.0)
- Others	-	(1,021)	(100.0)
Loss from discontinued operations	<u>-</u>	<u>(300)</u>	<u>(100.0)</u>

The impact of the discontinued operations on the cash flows of the Group is as follows:

	1Q 2007 \$'000	1Q 2006 \$'000
Operating cash flows	-	15
Investing cash flows	-	(69)
Total cash flows	<u>-</u>	<u>(54)</u>

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

	Notes	Group 31/03/2007 \$'000	Group 31/12/2006 \$'000	Company 31/03/2007 \$'000	Company 31/12/2006 \$'000
ASSETS					
<u>Current Assets</u>					
Cash and cash equivalents	1	63,090	36,728	20,433	20,965
Trade and other receivables	2	4,503	11,209	7,250	8,931
Development properties		17,293	17,840	-	-
Inventories		508	490	-	-
Other current assets		354	371	45	62
		<u>85,748</u>	<u>66,638</u>	<u>27,728</u>	<u>29,958</u>
Property, plant and equipment classified as held for sale	3	-	13,396	-	-
		<u>85,748</u>	<u>80,034</u>	<u>27,728</u>	<u>29,958</u>
<u>Non-current assets</u>					
Trade and other receivables		8,829	9,100	21,230	21,266
Other investments		150	150	-	-
Investments in associated companies		7,330	7,219	-	-
Investments in subsidiaries		-	-	88,944	86,684
Investment property		7,190	7,131	-	-
Property, plant and equipment		75,737	75,539	26	25
		<u>99,236</u>	<u>99,139</u>	<u>110,200</u>	<u>107,975</u>
Total assets		<u>184,984</u>	<u>179,173</u>	<u>137,928</u>	<u>137,933</u>
LIABILITIES					
<u>Current liabilities</u>					
Trade and other payables		18,871	18,436	774	949
Current income tax liabilities		1,600	1,785	63	75
Borrowings		2,451	2,244	1	-
		<u>22,922</u>	<u>22,465</u>	<u>838</u>	<u>1,024</u>
<u>Non-current liabilities</u>					
Borrowings	4	171,449	169,650	163,765	161,781
Deferred income tax liabilities		418	418	-	-
		<u>171,867</u>	<u>170,068</u>	<u>163,765</u>	<u>161,781</u>
Total liabilities		<u>194,789</u>	<u>192,533</u>	<u>164,603</u>	<u>162,805</u>
NET LIABILITIES					
		<u>(9,805)</u>	<u>(13,360)</u>	<u>(26,675)</u>	<u>(24,872)</u>
Capital and reserves attributable to the Company's equity holders					
Share capital		108,329	108,329	108,329	108,329
Special reserve		8,529	8,529	12,471	12,471
Capital and other reserves		(2,040)	(6,176)	-	-
Accumulated losses		(124,623)	(124,042)	(147,475)	(145,672)
TOTAL EQUITY		<u>(9,805)</u>	<u>(13,360)</u>	<u>(26,675)</u>	<u>(24,872)</u>

Notes:

- 1 The substantial increase in cash and cash equivalents was mainly due to the sales proceeds received from the disposal of Tristar Inn Singapore ("Tristar") and the two shop units.
- 2 The decrease in trade and other receivables was mainly due to the following:
 - a) the realisation of deposits of about \$1.9 million held by lawyer as stakeholders arising from the sale of Tristar and the two shop units;
 - b) loan repayment of about \$2.7 million from AXS InfoComm Pte Ltd; and
 - c) net dividend of \$2.0 million received from a joint venture.
- 3 The balance at 31 December 2006 relates to Tristar which has since been disposed in March 2007.
- 4 The accrual of finance cost on the unsecured bonds attributed to the increase in borrowings.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand;

(b) the amount repayable after one year;

(c) whether the amounts are secured or unsecured; and

(d) details of any collaterals.

Amount repayable in one year or less, or on demand

	31/03/2007	31/12/2006
	\$'000	\$'000
Secured	395	196
Unsecured	2,056	2,048

Amount repayable after one year

	31/03/2007	31/12/2006
	\$'000	\$'000
Secured	7,683	7,865
Unsecured	163,766	161,785

Details of any collateral

The Group's secured long-term loan as at 31 March 2007 was secured on a joint venture's freehold land and building.

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

	Group	
	1Q 2007	1Q 2006
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after taxation and minority interest	3,240	7,011
Adjustments for:		
Depreciation of property, plant and equipment	1,450	1,777
Foreign exchange (loss)/gain-net	(728)	1,090
Gain on sale of Tristar Inn Singapore	(4,455)	-
Gain on disposal of investment property (gross)	-	(9,745)
Gain on disposal of an associated company	-	(654)
Impairment loss of property, plant and equipment	-	1
Income tax expense	249	106
Interest expense	2,209	1,043
Interest income	(317)	(314)
Loss on disposal of property, plant and equipment	-	167
Property, plant and equipment written off	3	-
Provision for impairment/ trade receivables written off	-	3
Share of results of associated companies	-	(24)
Write back of provision for impairment of receivables	(278)	(6)
Write back of trade and other payables	-	(606)
Operating cash flows before working capital changes	1,373	(151)
Changes in operating assets and liabilities		
Inventories	(18)	80
Development properties	547	340
Trade and other receivables	7,272	6,297
Trade and other payables	417	(5,732)
Cash generated from operations	9,591	834
Income tax paid	(435)	(891)
Interest paid	(211)	(1,633)
Net cash generated from/(used in) operating activities	8,945	(1,690)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	317	314
Proceeds from disposal of investment properties	-	42,536
Proceeds from disposal of an associated company	-	711
Proceeds from disposal of Tristar Inn Singapore	18,089	-
Purchase of property, plant and equipment	(940)	(1,336)
Net cash generated from investing activities	17,466	42,225

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	(49)	(41,324)
Net cash used in financing activities	(49)	(41,324)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	26,362	(789)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	36,695	22,869
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	63,057	22,080
Add: Fixed deposits pledged	33	59
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD AS PER CONSOLIDATED BALANCE SHEET	63,090	22,139

Note: Cashflow for 1Q 2006 includes activities for discontinued operations.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

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	-----Attributable to equity holders of the Company----->						Total \$'000
	Ordinary shares \$'000	Share premium \$'000	Preference shares \$'000	Special reserve \$'000	Capital and other reserves \$'000	Accumulated losses \$'000	
Balance at 1 January 2007	108,312	-	17	8,529	(6,176)	(124,042)	(13,360)
Transfer of exchange translation loss and revaluation surplus to accumulated losses arising from the adoption of FRS 40	-	-	-	-	3,821	(3,821)	-
Balance at 1 January 2007, as restated	108,312	-	17	8,529	(2,355)	(127,863)	(13,360)
Currency translation differences	-	-	-	-	315	-	315
Net gains recognised directly in equity	-	-	-	-	315	-	315
Net profit for the financial period	-	-	-	-	-	3,240	3,240
Total recognised gains for the financial period	-	-	-	-	315	3,240	3,555
Balance at 31 March 2007	108,312	-	17	8,529	(2,040)	(124,623)	(9,805)

Group	-----Attributable to equity holders of the Company----->						Total \$'000
	Ordinary shares \$'000	Share premium \$'000	Preference shares \$'000	Special reserve \$'000	Capital and other reserves \$'000	Accumulated losses \$'000	
Balance at 1 January 2006	32,857	71,529	-	8,529	3,397	(137,469)	(21,157)
Currency translation differences	-	-	-	-	(115)	-	(115)
Transfer of revaluation surplus to income statement arising from the sale of an investment property	-	-	-	-	(9,569)	-	(9,569)
Net losses recognised directly in equity	-	-	-	-	(9,684)	-	(9,684)
Net profit for the financial period	-	-	-	-	-	7,011	7,011
Total recognised (losses)/gains for the financial period	-	-	-	-	(9,684)	7,011	(2,673)
Transfer of share premium to share capital arising from the amendments to the Companies Act	71,529	(71,529)	-	-	-	-	-
Balance at 31 March 2006	104,386	-	-	8,529	(6,287)	(130,458)	(23,830)

Company	Ordinary shares \$'000	Share premium \$'000	Preference shares \$'000	Special reserve \$'000	Capital and other reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 January 2007	108,312	-	17	12,471	-	(145,672)	(24,872)
Net loss for the financial period	-	-	-	-	-	(1,803)	(1,803)
Balance at 31 March 2007	108,312	-	17	12,471	-	(147,475)	(26,675)

Company	Ordinary shares \$'000	Share premium \$'000	Preference shares \$'000	Special reserve \$'000	Capital and other reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 January 2006	32,857	71,529	-	12,471	9,569	(163,197)	(36,771)
Transfer of revaluation surplus to income statement arising from the sale of an investment property	-	-	-	-	(9,569)	-	(9,569)
Net losses recognised directly in equity	-	-	-	-	(9,569)	-	(9,569)
Net profit for the period	-	-	-	-	-	8,471	8,471
Total recognised (losses)/gains for the financial period	-	-	-	-	(9,569)	8,471	(1,098)
Transfer of share premium to share capital arising from the amendments to the Companies Act	71,529	(71,529)	-	-	-	-	-
Balance at 31 March 2006	104,386	-	-	12,471	-	(154,726)	(37,869)

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 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.

(A) Movements in the Share Capital

During the period ended 31 March 2007, the Company issued 5,898 new ordinary shares pursuant to the conversion of 5,898 non-redeemable convertible cumulative preference shares ("NCCPS") at an issue price of \$0.02 each, thus bringing the total issued and paid-up ordinary share capital as at 31 March 2007 to \$108,312,260.37 comprising 853,441,781 ordinary shares.

(i) <u>Ordinary Shares</u>	Number of Shares	Share Capital (\$'000)
Balance as at 1 January 2007	853,435,883	108,312
New ordinary shares issued arising from the conversion of NCCPS	5,898	-*
Balance as at 31 March 2007	<u>853,441,781</u>	<u>108,312</u>

(ii) <u>NCCPS</u>	Number of Shares	Share Capital (\$'000)
Balance as at 1 January 2007	842,616	17
Conversion of NCCPS to new ordinary shares	(5,898)	-*
Balance as at 31 March 2007	<u>836,718</u>	<u>17</u>

* denotes less than \$1,000

(B) Redeemable Convertible Preference Shares ("RCPS")

During the period ended 31 March 2007, there were no redemption of Series A RCPS and Series B RCPS.

	Number of <u>Series A RCPS</u>	Number of <u>Series B RCPS</u>
Balance as at 1 January 2007 and 31 March 2007	14,202,139	100,942,644

In accordance with the Financial Reporting Standards, the outstanding Series A and Series B RCPS are classified as borrowings.

As at 31 March 2007, the maximum number of ordinary shares that may be issued upon full conversion of all the NCCPS, Series A and Series B RCPS is 115,981,501 ordinary shares (31 March 2006: 125,169,011 ordinary shares).

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the 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.

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements.

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

On 1 January 2007, the Group adopted the following new and revised Financial Reporting Standard ("FRS") that are mandatory for application from that date.

FRS 40 - Investment Property (Fair value model)
FRS 12 - Income Taxes

The adoption of the above new and revised FRS has no impact on our income statements except for the currency translation loss in the reserve and the revaluation surplus which relate to the investment property amounting to \$4,697,000 and \$876,000 respectively, have been transferred to accumulated losses in accordance with FRS 40.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings/ (loss) per share for result from continuing operations attributable to equity holders of the Company	Group	
	1Q 2007	1Q 2006
	¢	¢
(i) Basic earnings per share Based on the weighted average number of Ordinary Shares in issue (1Q 2007: 853,437,351; 1Q 2006: 657,137,309)	0.38	1.11
(ii) Diluted earnings/(loss) per share Based on the weighted average number of Ordinary Shares, NCCPS and Series A RCPS and Series B RCPS in issue (1Q 2007: 969,423,282; 1Q 2006: 782,306,320)	0.33	0.93
Earnings/ (loss) per share for result from discontinued operations attributable to equity holders of the Company		
(i) Basic earnings/ (loss) per share Based on the weighted average number of Ordinary Shares in issue (1Q 2007: 853,437,351; 1Q 2006: 657,137,309)	NA	(0.05)
(ii) Diluted earnings/ (loss) per share Based on the weighted average number of Ordinary Shares, NCCPS and Series A RCPS and Series B RCPS in issue (1Q 2007: 969,423,282; 1Q 2006: 782,306,320)	NA	(0.04)
Total earnings/ (loss) per share attributable to equity holders of the Company		
(i) Basic earnings per share (1Q 2007: 853,437,351; 1Q 2006: 657,137,309)	0.38	1.06
(ii) Diluted earnings/ (loss) per share (1Q 2007: 969,423,282; 1Q 2006: 782,306,320)	0.33	0.89

- 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
	\$	\$	\$	\$
Net liabilities value per existing issued share	(0.01)	(0.02)	(0.03)	(0.03)

Note:

The net liabilities value per existing issued share is computed based on:-

- (a) 853,441,781 issued Ordinary Shares at 31 March 2007
(b) 853,435,883 issued Ordinary Shares at 31 December 2006

- 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.

The Group reported a net attributable profit to equity holders of the Company of \$3.24 million for the 3 months ended 31 March 2007 ("**1Q 2007**") as compared to \$7.01 million for the 3 months ended 31 March 2006 ("**1Q 2006**").

For the quarter under review, the turnover of the Group increased by 9.1%, from \$7.22 million for 1Q 2006 to \$7.88 million. This was mainly due to the \$0.52 million increase in turnover from the property development segment. In addition, Hotel Equatorial Qingdao ("**HEQ**"), Hotel Equatorial Cameron ("**HEC**") and Changning Equatorial Service Apartments ("**CESA**") have collectively increased their sales by 12.8% to \$2.47 million during this quarter as compared to the same period last year. However, the increased turnover from the hospitality related business segment was partly offset by the decline in sales from Hotel Equatorial Shanghai ("**HES**") and the disposal of Tristar Inn Singapore ("**Tristar Inn**") which was completed on 12 March 2007. As a result, the net increase in the turnover of the hospitality related business segment was only 2.2%, from \$6.69 million for 1Q 2006 to \$6.84 million for 1Q 2007.

The Group's operating results before other income, finance costs and tax for 1Q 2007 was a loss of \$0.07 million as compared to a loss of \$1.00 million for 1Q 2006. The improvement was mainly due to the profit of \$0.32 million contributed by the property development segment in 1Q 2007 as compared to a loss of \$0.08 million in 1Q 2006. There was also savings in general overheads of \$0.36 million for the quarter under review. In spite of the higher non-cash depreciation charges amounting to \$0.21 million for 1Q 2007 relating to the recent hotel renovations in HES and HEQ, the hospitality related business segment had posted a slight improvement in its operating results in 1Q 2007 as compared to 1Q 2006.

The Group's net attributable profit to equity holders of \$3.24 million for 1Q 2007 was mainly due to the disposal gain of \$4.45 million recognised from the sale of Tristar Inn. Owing to the accrual of higher interest on the zero coupon unsecured non-convertible bonds due 2009 issued on 4 July 2006 (the "**Unsecured Bonds**"), the Group incurred an interest expense of \$2.21 million for 1Q 2007 as compared to \$0.80 million for 1Q 2006. The revaluation of foreign currency net monetary assets resulted in an unrealized gain of \$0.70 million for 1Q 2007 arising from the appreciation of Renminbi against US dollars and Malaysian Ringgit against Singapore dollars during the quarter under review.

- 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 quarter under review is in line with its expectations as previously disclosed in the Group's results announcement for the year ended 31 December 2006.

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.

HES has completed the renovation of its office tower and lobby bar. Any future capital expenditure for this property will be carefully reviewed in view of the expiry of the hotel lease in approximately 6.5 years. For the rest of the year, HES will be operating in a challenging market where approximately 7,000 new rooms have been or will be supplied into the Shanghai hospitality market.

The Group expects business in HEQ to pick up at a faster pace in the second and third quarters of this year which are traditionally its stronger quarters. The recent completion of the renovation of its superior rooms, and the recent reinstatement of HEQ's frontage following the completion of the city government's construction project in front of the property will enhance HEQ's competitiveness.

As disclosed in the previous results announcement for the financial year ended 31 December 2006, the Group's results for the financial year ending 31 December 2007 will be affected by the accrual of the higher finance costs associated with the Unsecured Bonds. To reduce its heavy financing cost, the Company may consider redeeming some or all of the bonds when it is deemed prudent and appropriate to do so.

The Group continues to be exposed to currency fluctuation risks as a substantial portion of its assets are located in China and Malaysia.

The Group will continue with its ongoing asset rationalization program to dispose of its non-performing and/or non-core assets. In addition, as previously disclosed, the Group will also direct more attention to pursue mergers and acquisition opportunities, at the appropriate time, so as to grow its earning base. Such business expansion opportunities, if and when they materialise, may be funded by the Group's existing financial resources, new additional debt financing and/or new fundings from shareholders.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None

(b)(i) Amount per share cents (Optional) Rate: %
(ii) Previous corresponding period cents (Optional) Rate: %

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend is declared/ recommended for the quarter under review.

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

	Construction and related activities \$'000	Hotel and restaurant operations \$'000	Property development \$'000	Investments \$'000	Others \$'000	Total for Continuing Operations \$'000	Discontinued operations \$'000
3 months ended 31 March 2007							
SALES:							
- external sales	-	6,843	924	109	-	7,876	-
- inter-segment sales	-	-	30	-	-	30	-
	-	6,843	954	109	-	7,906	-
Elimination						(30)	-
						7,876	-
Segment result	(71)	8	323	(325)	(4)	(69)	-
Other gains - net						5,066	-
						4,997	-
Finance expenses - net						(1,508)	-
Share of results of associated companies						-	-
Profit before income tax						3,489	-
Income tax expenses						(249)	-
Net profit after income tax						3,240	-
Minority interest						-	-
Net profit						3,240	-
3 months ended 31 March 2006							
SALES:							
- external sales	19	6,693	407	101	-	7,220	1,845
- inter-segment sales	-	-	31	-	-	31	93
	19	6,693	438	101	-	7,251	1,938
Elimination						(31)	(93)
						7,220	1,845
Segment result	(101)	(131)	(75)	(690)	(2)	(999)	(80)
Other gains - net						11,209	23
						10,210	(57)
Finance expenses - net						(2,817)	(243)
Share of results of associated companies						24	-
Profit before income tax						7,417	(300)
Income tax expenses						(106)	-
Net profit/(loss) after income tax						7,311	(300)
Minority interest						-	-
Net profit/(loss)						7,311	(300)

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Not Applicable

- 15 A breakdown of sales.**

Not Applicable

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

- (a) Ordinary**
(b) Preference
(c) Total

Not Applicable

- 17 Interested persons transactions**

Not Applicable

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Aw Siew Yen, Patricia
Company Secretaries

9 May 2007
Singapore

Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited interim financial results for the first quarter ended 31 March 2007 to be false or misleading.

On behalf of the Board of Directors

Michael Yeo Chee Wee
Director

Neo Teck Pheng
Director

9 May 2007
Singapore