LOW KENG HUAT (SINGAPORE) LIMITED (Reg. No. 196900209G)

Unaudited First Quarter ("Q1") Financial Statements For the Period Ended 30 April 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY RESULTS

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

	Note	3 months ended 30-04-2018 $'000	3 months ended 30-04-2017 $'000	Increase / (Decrease) %
Revenue	1	75,354	16,949	n.m.
Cost of sales	2	(64,302)	(7,947)	n.m.
Gross profit		11,052	9,002	23
Other income	3	1,691	3,055	(45)
Rental income		166	228	(27)
Distribution costs	4	(2,142)	(208)	n.m.
Administrative costs	5	(2,220)	(2,323)	(4)
Other operating expenses	6	(470)	(1,744)	(73)
Finance costs	7	(1,536)	(1,411)	9
Profit from operations		6,541	6,599	(1)
Share of results of associated companies and joint ventures	8	332	(225)	n.m.
Profit before taxation		6,873	6,374	8
Taxation	9	(1,144)	(630)	82
Profit after taxation for the period		5,729	5,744	-
Attributable to:				
Owners of the parent	10	5,166	5,397	(4)
Non-controlling interests		563	347	62
		5,729	5,744	-
Earnings per share (cents)				
- basic		0.70	0.73	
- diluted		0.70	0.73	

n.m.: Not Meaningful

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

	3 months ended 30-04-2018 $'000	3 months ended 30-04-2017 $'000	Increase / (Decrease) %
Net profit for the period	5,729	5,744	-
Other comprehensive income/(expense) after tax			
Items that may be reclassified subsequently to profit and loss:			
Fair value (loss)/gain on available-for-sale financial assets recognised directly to equity	(1,667)	4,842	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	(2,015)	(1,096)	84
Other comprehensive (expense) / income for the period, net of tax	(3,682)	3,746	n.m.
Total comprehensive income for the period	2,047	9,490	(78)
Total comprehensive income attributable to:			
Owners of the parent	1,675	9,281	(82)
Non-controlling interests	372	209	78
Total comprehensive income for the period	2,047	9,490	(78)

n.m.: Not Meaningful

(a)(ii) Notes to the income statement

1. Group revenue increased by $58.5M to $75.4M in Q1 current year from $16.9M in Q1 previous year. The increase was mainly due to increased sales in development segment offset by decreased revenue in hotel segment. Sixteen freehold landed units at Kismis Residences & Tranquilia @ Kismis ("Kismis") were sold during Q1 current year. Lower revenue at Duxton Hotel Perth was due to lower occupancy and room rates in a sluggish market condition. Lower revenue from food and beverage business was due to closure of outlets.

2. Cost of sales increased by $56.4M to $64.3M in Q1 current year from $7.9M in Q1 previous year. The increase in cost of sales was mainly due to increased sales in development segment offset by lower cost of sales in hotel segment and write back of construction cost for completed construction projects upon finalisation of accounts in investment segment in previous year.

3. Other income decreased by $1.4M to $1.7M in Q1 current year from $3.1M in Q1 previous year. The decrease in Q1 current year was mainly due to absence of gain on disposal of long-term quoted equity investment and the decrease in fair value of short-term quoted equity investment in Q1 current year.

4. Distribution costs increased by $1.9M to $2.1M in Q1 current year from $0.2M in Q1 previous year. The increase was mainly due to commission incurred for sale at Kismis in Q1 current year. Kismis obtained TOP in May 2018.

5. Administrative costs decreased by $0.1M to $2.2M in Q1 current year from $2.3M in Q1 previous year.

1(a)(ii) Notes to the income statement

6 Other operating expenses decreased by $1.2M to $0.5M in Q1 current year from $1.7M in Q1 previous year. The decrease was mainly due to unrealised exchange loss in relation to USD fixed deposit in Q1 previous year.

7 Finance costs increased by $0.1M to $1.5M in Q1 current year from $1.4M in Q1 previous year. The increase was mainly due to additional bank loan drawdown for enbloc purchase of Cairnhill Mansion.

8 The share of profit of associated companies and joint ventures is $0.3M in Q1 current year compared to share of loss of $0.2M in Q1 previous year. The improvement was due to higher profit from Westgate due to lower imputed interest on shareholder loan upon refinancing of bank loan and lower maintenance charge, offset with lower profit contribution from AXA Tower. The occupancy rate of Westgate Tower and AXA Tower are about 98.8% and 89.14% as at 8 June 2018.

9 The basis of tax computation is set out below:

	3 months ended		**Increase**
	30-04-2018	**30-04-2017**	**(Decrease)**
	$'000	$'000	%
Income tax expense:			
- current	(989)	(414)	139
- foreign tax	(155)	(216)	(28)
	(1,144)	(630)	82

n.m.: Not Meaningful

Taxation increased by $0.5M to $1.1M in Q1 current year from $0.6M in Q1 previous year. The increase was due to increase in tax provision from sale of development properties at Kismis.

10 Net profit attributable to shareholders decreased marginally by $0.2M to $5.2M in Q1 current year from $5.4M in Q1 previous year. The decrease was mainly due to lower profits at investment segment.

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

	Group			Company	
	30-04-2018	31-01-2018	Note	30-04-2018	31-01-2018
	$'000	$'000		$'000	$'000
ASSETS					
Non-current assets					
Investment properties	273,819	274,331	1	18,364	18,414
Property, plant and equipment	229,511	228,074	1	5,051	5,176
Subsidiaries	-	-		514,418	476,652
Joint ventures	91,747	91,745		95,499	95,804
Associated companies	53,897	53,203	2	56	56
Long-term quoted equity investments	49,242	50,810	3	1,748	1,730
Other investment	32,000	32,000	13	-	-
Other receivables	204	235	6	-	-
Deferred tax assets	380	402		-	-
	730,800	730,800		635,136	597,832
Current assets					
Cash and cash equivalents	151,458	134,045	4	81,251	80,482
Fixed deposits	5,375	5,365	4	-	-
Short-term quoted equity investments	5,826	5,949	5	-	-
Trade and other receivables	86,820	23,499	6	13,819	22,287
Inventories	322	379		-	-
Development properties	207,690	258,481	7	-	-
	457,491	427,718		95,070	102,769
Total assets	1,188,291	1,158,518		730,206	700,601
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Capital reserves	(2,005)	(2,005)		-	-
Fair value reserves	15,268	16,843	8	989	975
Retained profits	493,334	486,237		428,824	424,564
Exchange fluctuation account	(1,916)	1,931		-	-
	666,544	664,869		591,676	587,402
Non-controlling interests	32,593	32,989	11	-	-
Total equity	699,137	697,858		591,676	587,402
LIABILITIES					
Non-current liabilities					
Bank borrowings	250,195	246,995	10	-	-
Amount owing to non-controlling shareholders of subsidiaries	53,749	53,310	9	-	-
Deferred tax liabilities	3,448	2,860		-	-
	307,392	303,165		-	-
Current liabilities					
Trade and other payables	23,918	24,743	12	15,902	16,380
Amount owing to subsidiaries	-	-		75,531	74,787
Joint ventures	439	434		197	197
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	410	434	9	-	-
Provisions	24	46		-	-
Provision for directors' fee	306	245		306	245
Provision for taxation	5,576	5,504		1,594	1,590
Bank borrowings	151,089	126,089	10	45,000	20,000
	181,762	157,495		138,530	113,199
Total liabilities	489,154	460,660		138,530	113,199
Total equity and liabilities	1,188,291	1,158,518		730,206	700,601

Notes to the balance sheets

1 The net book value of Investment properties decreased by $0.5M to $273.8M as at 30 April 2018 from $274.3M as at 31 January 2018. The decrease was mainly due to depreciation. The net book value of Property, plant and equipment increased by $1.4M to $229.5M as at 30 April 2018 from $228.1M as at 31 January 2018. The increase was mainly due to higher development cost of serviced apartment at Balestier Tower offset by depreciation.

2 Associated companies increased by $0.7M to $53.9M as at 30 April 2018 from $53.2M as at 31 January 2018. The increase was mainly due to additional advances made to associated companies in Malaysia.

3 Long-term quoted equity investments decreased by $1.6M to $49.2M as at 30 April 2018 from $50.8M as at 31 January 2018. The decrease was mainly due to decrease in the fair value of long-term quoted equity investment.

4 Cash and cash equivalents and fixed deposits increased by $17.4M to $156.8M as at 30 April 2018 from $139.4M as at 31 January 2018 mainly due to progressive payment received from sale of development property at Kismis.

5 Short-term quoted equity investments decreased by $0.1M to $5.8M as at 30 April 2018 from $5.9M as at 31 January 2018 due to decrease in fair value of short-term quoted equity investment.

6 Trade and other receivables increased by $63.3M to $87.0M as at 30 April 2018 from $23.7M as at 31 January 2018 mainly due to progressive sales recognition at Kismis.

7 Development properties decreased by $50.8M to $207.7M as at 30 April 2018 from $258.5M as at 31 January 2018 mainly due to progressive sales recognition at Kismis. During Q1 current year, sixteen units at Kismis was sold. As at 8 June 2018, Kismis is fully sold.

8 Fair value reserves decreased by $1.5M to $15.3M as at 30 April 2018 from $16.8M as at 31 January 2018 due to decrease in fair value of long-term quoted equity investments.

9 Total amount owing to non-controlling shareholders of subsidiaries increased by $0.5M to $54.2M as at 30 April 2018 from $53.7M as at 31 January 2018 mainly due to additional imputed interest on shareholder loan.

10 Bank borrowings increased by $28.2M to $401.3M as at 30 April 2018 from $373.1M as at 31 January 2018 due to additional drawdown of bank loan to fund enbloc purchase of Cairnhill Mansion. Gearing was 0.37 as at 30 April 2018 compared to 0.35 as at 31 January 2018.

11 Non-controlling interests decreased by $0.4M to $32.6M as at 30 April 2018 from $33.0M as at 31 January 2018 mainly due to dividend paid to non-controlling shareholder offset by increase in share of profit.

12 Trade and other payables decreased by $0.8M to $23.9M as at 30 April 2018 from $24.7M as at 31 January 2018. The decrease was mainly due to write back of construction ánd development project accruals upon finalisation of accounts and lower trade payables in food and beverage business in line with lower revenue offset by higher booking fees from sales at Kismis.

13 The amount of $32.0M is part of the 20% equity investment in AXA Tower. It is invested in the form of junior bonds which are expected to mature in year 2025 with a coupon rate of not more than 10% per annum repayable semi-annually.

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

	30-04-2018		31-01-2018	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	106,089	45,000	106,089	20,000
Amount repayable after one year	250,195	-	246,995	-
	356,284	45,000	353,084	20,000

Details of any collateral

Borrowings are secured by the mortgages on the borrowing subsidiaries' development and investment properties and assignment of all rights and benefits with respect to the development and investment properties mortgaged.

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

	3 months ended	
	30-04-2018	**30-04-2017**
	$'000	**$'000**
Cash Flows from Operating Activities		
Profit before taxation	6,872	6,374
Adjustments for:		
Share of results of associated companies and joint ventures	(332)	225
Depreciation of:		
-investment properties	782	743
-property, plant and equipment	469	540
Gain on disposal of:		
-property, plant and equipment	-	(13)
Impairment loss no longer required on:		
-property, plant and equipment	(213)	-
-unquoted equity investment in a joint venture	-	(568)
Bad debts provision for the year	25	-
Property, plant and equipment written off	214	-
Fair value loss / (gain) on financial assets at fair value through profit or loss	123	(734)
Interest expense	1,536	1,411
Interest income	(676)	(1,541)
Operating profit before working capital changes	8,800	6,437
Increase in inventories	(1)	(5)
Decrease / (Increase) in development properties	50,792	(180,799)
(Increase) / Decrease in receivables	(64,105)	10,698
Decrease in payables	(784)	(1,592)
Cash used in operations	(5,298)	(165,261)
Interest paid	(1,494)	(1,448)
Income tax paid	(457)	(794)
Net cash used in operating activities	(7,249)	(167,503)
Balance carried forward	(7,249)	(167,503)

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

	3 months ended	
	30-04-2018	**30-04-2017**
	$'000	**$'000**
Balance brought forward	(7,249)	(167,503)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(3,657)	(2,030)
Acquisition of investment properties	(35)	(560)
Interest received	676	1,541
Increase in fixed deposit with maturity more than three months	(10)	(249)
Advances and loans made to joint ventures and associated companies	(569)	(1,080)
Repayment of loans from joint ventures	254	63
Proceeds from disposal of quoted equity investments	-	3,146
Proceeds from disposal of property, plant and equipment	-	51
Net cash (used in)/generated from investing activities	(3,341)	882
Cash Flow from Financing Activities		
Dividends paid to minority shareholder of a subsidiary	(760)	-
Proceeds from bank borrowings	30,000	45,000
Repayment of bank borrowings	(1,800)	(1,800)
Loans from non-controlling shareholders of a subsidiary	431	542
Net cash generated from financing activities	27,871	43,742
Net increase/(decrease) in cash and cash equivalents	17,281	(122,879)
Cash and cash equivalents at beginning of year	134,045	250,574
Exchange differences on translation of cash and cash equivalent at beginning of year	132	(1,630)
Cash and cash equivalents at end of year	151,458	126,065

The Group has unused bank facilities of $249.4M as of 30 April 2018.

The Group generated a net increase of $17.3M cash flow during Q1 current year compared to net decrease of $122.9M during Q1 previous year. The net increase in cash and cash equivalents was due to net cash generated from financing activities of $27.9M offset with net cash used in operating and investing activities of $7.2M and $3.3M respectively.

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 year

	Share capital	Reserves	Retained profits	Total
	$'000	$'000	$'000	$'000
The Company				
Balance at 1 February 2017	161,863	713	396,200	558,776
Total comprehensive income and loss for the period	-	145	2,313	2,458
Balance at 30 April 2017	161,863	858	398,513	561,234
Balance at 1 February 2018	161,863	975	424,564	587,402
Total comprehensive income and loss for the period	-	14	4,260	4,274
Balance at 30 April 2018	161,863	989	428,825	591,676

	Share capital	Reserves	Retained profits	Exchange fluctuation account	Sub-total	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 1 February 2017	161,863	5,759	497,239	2,034	666,895	27,363	694,258
Total comprehensive income and loss for the period	-	4,846	5,397	(962)	9,281	209	9,490
Balance at 30 April 2017	161,863	10,605	502,636	1,072	676,176	27,572	703,748
Balance at 1 February 2018	161,863	14,838	486,237	1,931	664,869	32,989	697,858
Total comprehensive income and loss for the period	-	(1,575)	5,166	(1,916)	1,675	372	2,047
Dividends paid in repect of financial year ended 31 January 2017	-	-	-	-	-	(760)	(760)
Transaction with owners -							
Reserves arising from non-interest bearing loans from non-controlling shareholders	-	-	-	-	-	(8)	(8)
Effect of adopting SFRS(I)1	-	-	1,931	(1,931)	-	-	-
Balance at 30 April 2018	161,863	13,263	493,334	(1,916)	666,544	32,593	699,137

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

There was no change in the Company’s share capital as at 30 April 2018 compared to 31 January 2018.

There were no outstanding executives’ share options granted as at 30 April 2018 and 31 January 2018.

There was no treasury share held or issued as at 30 April 2018 and 31 January 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding financial year

	As at 30-04-2018	As at 31-01-2018
Number of issued shares excluding treasury shares	738,816,000	738,816,000

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.

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 30 April 2018.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 January 2018.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)s), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) issued by the International Accounting Statutory Board (IASB). The Group's financial statements for the financial year ending 31 January 2019 will be prepared in accordance with SFRS(I) issued by the ASC and IFRS issued by the IASB.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 January 2018, except for the adoption of the new/revised SFRS(I) applicable for the financial period beginning 1 February 2018 as follows:

- SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

a) SFRS(I) 1
SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements except as disclosed below.

	2018 Increase/ (decrease) S$'000
Group	
Balance sheet as at 1 Feb 2018	
Retained earnings	(1,931)
Foreign currency translation reserve	1,931
Total impact on equity	-

b) SFRS(I) 9

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

c) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

Based on the existing contractual arrangement for revenue, management has assessed that the implementation of SFRS(I) 15 does not result in a change in the amounts and timing of revenue recognition by the company in respect of properties under development as at 30 April 2018.

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

	3 months ended	
	30-04-18	**30-04-17**
Earnings per ordinary share for the period based on net profit attributable to shareholders of the Company:		
(i) Based on weighted average number of ordinary shares in issue	0.70 cents	0.73 cents
(ii) On a fully diluted basis	0.70 cents	0.73 cents

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 period reported on and (b) immediately preceding financial year

	Group		Company	
	30-04-18	**31-01-18**	**30-04-18**	**31-01-18**
Net asset value per ordinary share	90 cents	90 cents	80 cents	76 cents
Net tangible assets backing per ordinary share	90 cents	90 cents	80 cents	76 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

	3 months ended		Increase /
	30-04-18	**30-04-17**	**(Decrease)**
	$'M	$'M	%
Revenue			
Development	65.6	6.4	n.m.
Investment	4.9	4.4	11
Hotels	4.9	6.1	(20)
Total	75.4	16.9	n.m.
Profit before tax and non-controlling interests			
Development	5.0	3.7	35
Investment	1.5	2.7	(44)
Hotels	0.4	-	n.m
Total	6.9	6.4	8
Non-controlling interests	(0.6)	(0.4)	50
Taxation	(1.1)	(0.6)	83
Net profit attributable to shareholder	5.2	5.4	(4)

n.m.: Not Meaningful

Development

Development revenue increased by $59.2M to $65.6M in Q1 current year from $6.4M in Q1 previous year. The increase was due to progressive sales recognition of Kismis during Q1 current year.

Net profit before tax and non-controlling interests for development segment increased by $1.3M to $5.0M in Q1 current year from $3.7M in Q1 previous year. The increase was in line with the increase in revenue.

The Company has announced on 4 June 2018 that its wholly owned subsidiary, LKHS Property Investment Pte Ltd ("LPIPL"), together with Dalvey Breeze Pte Ltd ("DBPL"), a subsidiary of KOP Limited, has incorporated Dalvey Breeze Development Pte Ltd ("DBDPL"), a 40% associated company of the Group to redevelop Villa D'Este into a high end condominium. DBPL has entered into a Sale and Purchase Agreement on 10 May 2018 with owners of Villa D'Este to purchase all the strata lots for a total consideration of S$93.0 million. Villa D'Este, located at Dalvey Road, Singapore, is built on freehold land with an area of approximately 55,000 square feet.

As announced by the Company on 7 June 2018, Glopeak Development Pte. Ltd. ("Glopeak"), its wholly owned subsidiary, has entered into a Sale & Purchase Agreement on 7 June 2018 ("SPA") to purchase 67 Cairnhill Road, Singapore and Lots 836C and 844T both of Town Subdivision 27 (collectively, the "Property") for a purchase consideration of S$100,000,000 ("Purchase Consideration"). The Property is on freehold land with land area of approximately 19,800 square feet and a plot ratio of 2.8. Its completion is subject to satisfaction of conditions precedent as set out in the SPA. A deposit of $5.0M has been paid upon signing of SPA. The Property is situated adjacent to 69 Cairnhill Road, Cairnhill Mansion Singapore ("69 Cairnhill"). As announced previously on 14 February 2018, the Company entered into a Sale and Purchase Agreement ("69 Cairnhill SPA"), subject to the consenting owners obtaining sale order approving the collective sale of 69 Cairnhill in accordance with the Land Titles (Strata) Act. As at the date of this announcement, the sale order approving the collective sale of 69 Cairnhill in accordance with the Land Titles (Strata) Act has yet to be obtained.

After the successful completion of 69 Cairnhill, the Group has the option of either:-
(a) redeveloping the Property into a high rise residential condominium with condominium facilities that is expected to yield approximately 55 residential units; or
(b) (subject to the successful completion of the acquisition of 69 Cairnhill and such approval(s) from the relevant authorities being obtained) amalgamating the Property with 69 Cairnhill to redevelop into a high rise residential condominium with condominium facilities that is expected to yield approximately 200 residential units.

Investment

Investment revenue increased by $0.5M to $4.9M in Q1 current year from $4.4M in Q1 previous year. The increase was mainly due to construction income from Jurong Hotel during Q1 current year.

Net profit before tax and non-controlling interests for investment segment decreased by $1.2M to $1.5M in Q1 current year from $2.7M in Q1 previous year. The decrease in Q1 current year was mainly due to absence of gain on disposal of long term equity investment and the decrease in fair value of short term equity investment in Q1 current year.

Hotel and F&B business

Revenue for hotel segment decreased by $1.2M to $4.9M in Q1 current year from $6.1M in Q1 previous year. The decrease was mainly due to lower room rates and lower occupancy in Duxton Hotel Perth and closure of two Carnivore outlets.

Net profit before tax and non-controlling interests for hotel segment was $0.4M in Q1 current year compared to a break even in Q1 previous year. The increase in Q1 current year was mainly due to the absence of exchange loss on USD fixed deposit in Q1 previous year offset with the lower profit performance at Duxton Hotel Perth.

Net profit attributable to shareholders

Net profit attributable to shareholders decreased marginally by $0.2M to $5.2M in Q1 current year from $5.4M in Q1 previous year. The decrease was mainly due to lower profits at investment segment.

Balance Sheet

Group shareholders' funds increased by $1.6M to $666.5M as at 30 April 2018 from $664.9M as at 31 January 2018. Cash and cash equivalents and fixed deposits increased by $17.4M to $156.8M as at 30 April 2018 from $139.4M as at 31 January 2018 mainly due to progressive payment received from sale of development properties at Kismis. Bank borrowings increased by $28.2M to $401.3M as at 30 April 2018 from $373.1M as at 31 January 2018 due to additional drawdown of bank loan to fund en bloc purchase of Cairnhill Mansion. Gearing was 0.37 as at 30 April 2018 compared to 0.35 as at 31 January 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

10. A commentary at the date of the announcement of the 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

The residential property market has turned around as prices of residential properties rose quarter-to-quarter by 3.9% in April 2018 after 15 consecutive quarters of decline. Recent en bloc transactions have also led to increased property activity and high bidding prices. The Group will continue to be selective in land bidding and investment projects. The Group will strive to maintain rental rates for renewals.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? No

Name of Dividend	:	NIL
Dividend Type	:	NIL
Dividend Amount	:	NIL
Tax Rate	:	NIL

Name of Dividend	:	NIL
Dividend Type	:	NIL
Dividend Amount	:	NIL
Tax Rate	:	NIL

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	:	NIL
Dividend Type	:	NIL
Dividend Amount	:	NIL
Tax Rate	:	NIL

Name of Dividend	:	NIL
Dividend Type	:	NIL
Dividend Amount	:	NIL
Tax Rate	:	NIL

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable

14. Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors, which may render the unaudited consolidated financial results for the 3 months ended 30 April 2018 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Low Keng Boon @ Lau Boon Sen
Joint Managing Director

Dato' Marco Low Peng Kiat
Joint Managing Director

14 June 2018