



Unaudited First Quarter (“Q1”) Financial Statements For the Period Ended 30 April 2014

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		Increase / (Decrease)
		30/04/2014	30/04/2013	%
		\$'000	\$'000	
Revenue	1	24,213	17,751	36
Cost of sales		(19,571)	(5,397)	n.m.
Gross profit	2	4,642	12,354	(62)
Other income	3	2,553	1,322	n.m.
Rental income		-	100	n.m.
Distribution costs	4	(169)	(700)	(76)
Administrative costs	5	(3,630)	(3,779)	(4)
Changes in fair value of derivative financial instrument		293	190	54
Other operating expenses	6	(905)	(1,052)	n.m.
Finance costs	7	(761)	(378)	n.m.
Profit/(loss) from operations		2,023	8,057	(75)
Share of results of associated companies and joint ventures	8	14,563	9,642	51
Profit/(loss) before taxation		16,586	17,699	(6)
Taxation	9	(1,743)	(2,175)	(20)
Profit/(loss) after taxation for the period		14,843	15,524	(4)
Attributable to:				
Owners of parent	10	14,621	15,261	(4)
Non-controlling interests		222	263	(16)
		14,843	15,524	(4)
Earnings per share (cents)				
- basic		1.98	2.07	
- diluted		1.98	2.07	

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		Increase / (Decrease) %
	30/04/2014 \$'000	30/04/2013 \$'000	
Net profit for the period	14,843	15,524	(4)
Other comprehensive income			
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	3,698	1,938	91
Fair value (gain)/loss on available-for-sale financial assets recycled to income statement on derecognition	(409)	(349)	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	2,260	(5)	n.m.
Other comprehensive income/(loss) for the period, net of tax	5,549	1,584	n.m.
Total comprehensive income for the period	20,392	17,108	19
Total comprehensive income attributable to:			
Owners of the parent	19,828	16,845	18
Non-controlling interests	564	263	114
Total comprehensive income for the period	20,392	17,108	19

n.m.: Not Meaningful

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

- Group revenue increased by \$6.4M to \$24.2M in Q1 current year from \$17.8M in Q1 previous year. The increase in revenue is due to the construction activity at Jurong Town Hall. The Group has been awarded a \$114.3 million construction contract in June 2013 for the design and build of one block of hotel development with landscape deck, basement carpark, swimming pool and other ancillary facilities at Jurong Town Hall Road and it's expected to be completed in the first half of 2015. In line with the adoption of accounting standard INT FRS 115, the Group can only recognise the revenue and related costs of development in Paya Lebar Square, a commercial development, and Parkland Residences, a DBSS development, when these projects obtain TOP. Both projects are expected to receive TOP by end 2014.
- Cost of sales increased by \$14.2M to \$19.6M in Q1 current year from \$5.4M in Q1 previous year. The increase was due to the construction activity at Jurong Town Hall Road during 1Q current year.
- Other income increased by \$1.3M to \$2.6M in Q1 current year from \$1.3M in Q1 previous year. The increase was mainly due to gain on disposal of quoted investments and interest income received in Q1 current year.

- 4 Distribution costs decreased by \$0.5M to \$0.2M during Q1 current year from \$0.7M during Q1 previous year. The decrease was mainly due to lower marketing expenses incurred for the two development projects, Paya Lebar Square and Parkland Residences in Q1 current year.
- 5 Administrative costs decreased by \$0.2M to \$3.6M during Q1 current year from \$3.8M during Q1 previous year. The decrease in administrative costs was mainly due to lower profit share for Joint Managing and Deputy Managing directors. The provision for profit share was made in accordance with service contracts.
- 6 Other operating expenses decreased by \$0.2M to \$0.9M during Q1 current year from \$1.1M during Q1 previous year. The decrease was mainly due to increase in fair value of short-term quoted investments in Q1 current year.
- 7 Finance costs increased by \$0.4M to \$0.8M in Q1 current year from \$0.4M in Q1 previous year. The increase was mainly due to higher interest expense on increased bank borrowings in Q1 current year.
- 8 Share of results of associated companies and joint ventures increased by \$5.0M to \$14.6M in Q1 current year from \$9.6M in Q1 previous year. The Group's joint venture, Suasana Simfoni Sdn.Bhd. ("Suasana") has accepted a conditional offer to sell our land at Jalan Conlay for a total cash consideration of RM568.0M (S\$221.0M). The Sales and Purchase Agreement has been executed and the transaction has been completed in Q1 FY2015.
- 9 The basis of tax computation is set out below:

	3 months ended		Increase / (Decrease) %
	30/04/2014 \$'000	30/04/2013 \$'000	
Income tax expense			
- tax credit/(charge)			
- current	(975)	(1,347)	(28)
- foreign tax	(768)	(828)	(7)
	<u>(1,743)</u>	<u>(2,175)</u>	(20)

Income tax decreased by \$0.5M to \$1.7M in Q1 current year from \$2.2M in Q1 previous year. The decrease was mainly due to lower activities in construction segments.

- 10 Net profit attributable to shareholders decreased by \$0.7M to \$14.6 in Q1 current year from \$15.3M in Q1 previous year. The decrease was mainly due to lower profits from construction 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	
	30/04/2014 \$'000	31/01/2014 \$'000	Note	30/04/2014 \$'000	31/01/2014 \$'000
ASSETS					
Non-current assets					
Investment properties	14,646	14,366	1	2,171	2,320
Property, plant and equipment	60,912	59,598	1	14,212	13,349
Subsidiaries	-	-		7,312	6,791
Associated companies and joint ventures	245,472	169,756	2	98,629	37,686
Long-term equity investments	41,395	41,438	3	2,026	2,103
Other receivables	63	64		-	-
Deferred tax assets	3,379	3,369		-	-
	<u>365,867</u>	<u>288,591</u>		<u>124,350</u>	<u>62,249</u>
Current assets					
Cash and cash equivalents	164,758	195,782	4	13,247	53,187
Short-term quoted equity investments	5,026	4,342	5	-	-
Amount owing by subsidiaries	-	-		383,348	368,496
Amount owing by a non-controlling shareholder	979	-		-	-
Trade and other receivables	25,771	44,056	6	17,869	30,731
Inventories	471	545		-	-
Development properties	1,234,648	1,191,528	7	-	-
	<u>1,431,653</u>	<u>1,436,253</u>		<u>414,464</u>	<u>452,414</u>
Total assets	<u>1,797,520</u>	<u>1,724,844</u>		<u>538,814</u>	<u>514,663</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Reserves	9,518	6,229	8	1,171	1,248
Retained profits	325,143	310,385		205,225	200,115
Exchange fluctuation account	2,090	309	9	-	-
	<u>498,614</u>	<u>478,786</u>		<u>368,259</u>	<u>363,226</u>
Non-controlling interests	13,860	13,296		-	-
Total equity	<u>512,474</u>	<u>492,082</u>		<u>368,259</u>	<u>363,226</u>
Non-current liabilities					
Bank borrowings	438,135	438,135	10	-	-
Other payables	236	231		-	-
Amount owing to non-controlling shareholders of subsidiaries	101,747	98,596	11	-	-
Joint venture	41,573	27,234		41,477	27,104
Deferred tax liabilities	52	52		-	-
Derivative financial instrument	1,303	1,595	12	1,303	1,595
	<u>583,046</u>	<u>565,843</u>		<u>42,780</u>	<u>28,699</u>
Current liabilities					
Trade and other payables	618,578	600,482	13	100,755	96,764
Amount owing to subsidiaries	-	-		-	15,989
Advance received from a joint venture	2	2		2	2
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	-	476		-	-
Provision for directors' fee	306	245		306	245
Provision for taxation	7,960	6,560		5,712	4,738
Bank borrowings	75,154	59,154	10	21,000	5,000
	<u>702,000</u>	<u>666,919</u>		<u>127,775</u>	<u>122,738</u>
Total liabilities	<u>1,285,046</u>	<u>1,232,762</u>		<u>170,555</u>	<u>151,437</u>
Total equity and liabilities	<u>1,797,520</u>	<u>1,724,844</u>		<u>538,814</u>	<u>514,663</u>

Notes to the balance sheets

- 1 The net book value of investment properties increased by \$0.2M to \$14.6M as at 30 April 2014 from \$14.4M as at 31 January 2014. The increase was mainly due to purchase of Paya Lebar Square (Retail Mall). The net book value of property, plant and equipment increased by \$1.4M to \$61.0M as at 30 April 2014 from \$59.6M as at 31 January 2014. The increase was mainly due to additions of plant and equipment offset by depreciation.
- 2 Associated companies and joint ventures increased by \$75.7M to \$245.5M as at 30 April 2014 from \$169.8M as at 31 January 2014. The increase was mainly due to increased share of profits of joint venture companies and loans to associate.
- 3 Long-term quoted equity investments decreased by \$0.1M to \$41.3M as at 30 April 2014 from \$41.4M as at 31 January 2014. The decrease was mainly due to decrease in fair value of available-for-sale financial asset during Q1 current year. These quoted equity investments were made with the objective of optimising cash holdings and earning higher returns compared to the current near zero interest rate offered by banks.
- 4 Cash and cash equivalents decreased by \$31.0M to \$164.8M as at 30 April 2014 from \$195.8M as at 31 January 2014. The decrease was mainly due to shareholder loans granted to the Group's associate companies Westgate Commercial Pte Ltd ("WGC") and Westgate Tower Pte Ltd ("WGT") for the purchase of Westgate Tower during current year. Working capital was \$729.7M as at 30 April 2014 compared to \$769.3M as at 31 January 2014.

In January 2014, Westgate Commercial Pte Ltd ("WGC") and Westgate Tower Pte Ltd ("WGT"), two associated companies of LKHS have entered into sale and purchase agreements with JG2 Trustee Pte. Ltd. (in its capacity as trustee of Infinity Office Trust) and JG Trustee Pte Ltd. (in its capacity as trustee of Infinity Mall Trust) to purchase 295 Strata-titled office units on levels 6 to 25 of Westgate Tower at 1 Gateway Drive, on lot 8360V Mukim 5, Singapore. The purchase price is \$579,431,600 and it is purchased for long term investment purpose. LKHS owns 40% of the shares in WGC and WGT, while Sun Venture Homes Pte. Ltd. ("SVH") owns the other 60% shares. SVH is a Singapore incorporated company and it is part of the Sun Venture Group of companies which currently own and manage prime commercial real estate in Singapore.

- 5 Short-term quoted equity investments increased by \$0.7M to \$5.0M as at 30 April 2014 from \$4.3M as at 31 January 2014. The increase was mainly due to increase in fair value of short-term quoted equity investments.
- 6 Trade and other receivables decreased by \$18.3M to \$25.8M as at 30 April 2014 from \$44.1M as at 31 January 2014.
- 7 Development properties increased by \$43.1M to \$1,234.6M as at 30 April 2014 from \$1,191.5M as at 31 January 2014. The increase was mainly due to higher construction activities on development projects, Paya Lebar Square and Parkland Residences and acquisition of Kismis Lodge and Balestier Towers. As of 31 May 2014, 96% of the office units at Paya Lebar Square were sold and 1 unit was unsold at Parkland Residences.

The Group purchased Paya Lebar Square (Retail Mall) for investment holding purpose for generation of consistent cash income stream. A new subsidiary, Paya Lebar Square Pte Ltd (PLSPL), has been incorporated to purchase the retail mall from Paya Lebar Development Pte. Ltd (PLDPL) for \$300.0M. LKHS has 55% equity interest and Sun Venture Realty Pte Ltd (part of the Sun Venture group) has 45% equity interest in PLSPL. LKHS (through its subsidiary, Siong Feng Development Pte Ltd) owned 80% of PLDPL while Guthrie (PLC) Pte. Ltd. and Sun Venture Commercial Pte. Ltd. each owned 10% of PLDPL. The mall is about 86% leased out as of 31 May 2014 and its target TOP is end of 2014.

- 8 Reserves increased by \$3.3M to \$9.5M as at 30 April 2014 from \$6.2M as at 31 January 2014 due to increase in fair value reserves for long-term quoted equity investments.
- 9 Exchange fluctuation account increased by \$1.8M to \$2.1M as at 31 January 2014 from \$0.3M as at 31 January 2014 mainly due to strengthening of the Australian dollar against the Singapore dollar.
- 10 The total bank borrowings increased by \$16.0M to \$513.3M as at 30 April 2014 from \$497.3M as at 31 January 2014. Bank borrowings were drawn down to finance purchase of land for Parkland Residences and Paya Lebar Square and purchases of Kismis Lodge, Balestier Tower and Westgate Tower. Gearing was 0.70 as at 30 April 2014 compared to 0.63 as at 31 January 2014.
- 11 Total amount owing to non-controlling shareholders of subsidiaries increased by \$3.1M to \$101.7M as at 30 April 2014 from \$98.6M as at 31 January 2014. The increase was mainly due to increase in shareholder loan for Paya Lebar Square (Retail Mall), Kismis Lodge, Balestier Tower and Westgate Tower.

Notes to the balance sheets

- 12 The Group uses interest rate swap to manage its exposure to interest rate movements by swapping the borrowings from floating rates to fixed rates. The interest rate swap settles on a quarterly basis. The fair value of the swap entered into as at 30 April 2014 is based on quoted market prices for equivalent instruments at the balance sheet date. The Group does not designate this interest rate swap as a hedging instrument and the movements in fair value gain of \$0.3M has been recognised in the income statement.
- 13 Trade and other payables increased by \$18.1M to \$618.6M as at 30 April 2014 from \$600.5M as at 31 January 2014 mainly due to progress billings received in advance for development projects where revenue and related costs are accounted for using the completion of contract method. Subsequent to 30 April 2014, \$18.8M was paid to vendors.

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

	30/4/2014		31/1/2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	54,154	21,000	54,154	5,000
Amount repayable after one year	438,135	-	438,135	-
	<u>492,289</u>	<u>21,000</u>	<u>492,289</u>	<u>5,000</u>

Details of any collateral

Borrowings are secured by the mortgages on the borrowing subsidiaries' development properties and assignment of all rights and benefits with respect to the development 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	
	30/04/2014 \$'000	30/04/2013 \$'000
Cash Flow from Operating Activities		
Profit before taxation	16,586	17,699
Adjustments for:		
Share of results of associated companies and joint ventures	(14,563)	(9,642)
Depreciation of property, plant and equipment	1,255	1,184
Depreciation of investment properties	182	181
(Gain)/loss on disposal of		
- property, plant and equipment	1	(3)
Fair value (gain)/loss recycled from fair value reserve to profit or loss on derecognition of available-for-sale financial assets	(274)	(349)
Fair value loss/(gain) on financial assets at fair value through profit or loss	(683)	418
Changes in fair value of derivative financial instrument	(293)	(190)
Interest expense	761	378
Interest income	(547)	(128)
Operating profit before working capital changes	<u>2,425</u>	<u>9,548</u>
Inventories	107	(105)
Receivables	17,894	13,587
Payables	17,678	45,569
Development properties	(43,120)	(41,794)
Cash generated from/(used in) operations	<u>(5,016)</u>	<u>26,805</u>
Interest paid	(778)	(534)
Income tax refund/(paid)	557	(1,273)
Net cash generated from/(used in) operating activities	<u>(5,237)</u>	<u>24,998</u>

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

	3 months ended	
	30/04/2014 \$'000	30/04/2013 \$'000
Amount brought forward	(5,237)	24,998
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(1,147)	(2,526)
Interest received	547	128
Capital contribution made towards associated companies	(800)	-
Advances received from/(made to) joint ventures and associated com	(54,355)	6,206
Return of cost of investment in joint venture	200	-
Proceeds from disposal of quoted equity investments	3,748	714
Proceeds from disposal of property, plant and equipment	269	22
Acquisition of investment property	(462)	-
Proceeds from return on loans of joint ventures and associated companies	8,357	3,546
Net cash generated from/(used in) investing activities	<u>(43,643)</u>	<u>8,090</u>
Cash Flow from Financing Activities		
Capital contribution from non-controlling shareholder of a subsidiary (Note A)	-	300
Advance from non-controlling shareholders of subsidiaries	1,695	597
Loan from financial institutions	51,000	-
Repayment of bank borrowings	(35,000)	(23,750)
Net cash generated from/(used in) financing activities	<u>17,695</u>	<u>(22,853)</u>
Net increase/(decrease) in cash and cash equivalents	(31,185)	10,235
Cash and cash equivalents at beginning of the period	195,782	205,517
Exchange differences on translation of cash and cash equivalents at beginning of the period	161	-
Cash and cash equivalents at end of the period	<u><u>164,758</u></u>	<u><u>215,752</u></u>

The Group has unused bank facilities of \$418.4M as of 30 April 2014.

The Group generated a net decrease of \$31.2M cash flow in Q1 current year compared to net increase of \$10.2M cash flow in Q1 previous year. The net decrease in cash and cash equivalents was due to net cash used in operating activities of \$5.3M and investing activities of \$43.6M respectively offset by net cash generated from financing activities of \$17.7M.

Note A The Group acquired 70% equity interest in a subsidiary, Newfort Alliance (Kismis) Pte Ltd and 99% equity interest in a subsidiary, Newfort Alliance (Moulmein) Pte Ltd during the period. The fair value acquired represented the share capital of the subsidiary.

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 \$'000	Fair value reserve \$'000	Retained profits \$'000	Exchange fluctuation account \$'000	Total \$'000
The Company					
Balance at 01/02/2014	161,863	1,248	200,115	-	363,226
Total comprehensive income and loss for the period	-	(77)	5,110	-	5,033
Balance at 30/04/2014	161,863	1,171	205,225	-	368,259
Balance at 01/02/2013	161,863	1,133	163,074	-	326,070
Total comprehensive income and loss for the period	-	90	7,212	-	7,302
Balance at 30/04/2013	161,863	1,223	170,286	-	333,372

	Share capital \$'000	Fair value reserve \$'000	Retained profits \$'000	Exchange fluctuation account \$'000	Sub-total \$'000	Non-controlling interests \$'000	Total \$'000
The Group							
Balance at 01/02/2014	161,863	6,229	310,385	309	478,786	13,296	492,082
Total comprehensive income and loss for the period	-	3,289	14,758	1,781	19,828	564	20,392
Acquisition of a subsidiary	-	-	-	-	-	-	-
Balance at 30/04/2014	161,863	9,518	325,143	2,090	498,614	13,860	512,474
Balance at 01/02/2013	161,863	12,454	295,517	6,297	476,131	13,265	489,396
Total comprehensive income and loss for the period	-	1,589	15,261	(5)	16,845	263	17,108
Acquisition of a subsidiary	-	-	-	-	-	300	300
Balance at 30/04/2013	161,863	14,043	310,778	6,292	492,976	13,828	506,804

- 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 2014 compared to 31 January 2014.

There were no outstanding executives' share options granted as at 30 April 2014 and 31 January 2014.

There was no treasury share held or issued as at 30 April 2014 and 31 January 2014.

- 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 30-04-2014	As at 31-01-2014
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 2014.

- 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**

The Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited 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**

Not applicable

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

3 months ended
30-04-2014 30-04-2013

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	1.98 cents	2.07 cents
(ii) On a fully diluted basis	1.98 cents	2.07 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	
	30-04-2014	31-01-2014	30-04-2014	31-01-2014
Net asset value per ordinary share	67 cents	65 cents	50 cents	49 cents
Net tangible assets backing per ordinary share	67 cents	65 cents	50 cents	49 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

Construction

Construction revenue increased by \$7.5M to \$11.9M during Q1 current year from \$4.4M during Q1 previous year. Net profit before tax and non-controlling interests for construction segment decreased by \$6.7M to \$0.3M during Q1 current year from \$6.4M during Q1 previous year.

The increase in revenue is due to the construction activity at Jurong Town Hall Road during 1Q current year. The Company has been awarded a \$114.3M construction contract in June 2013 for the design and build of one block of hotel development with landscape deck, basement carpark, swimming pool & other ancillary facilities at Jurong Town Hall Road. The project is awarded by Tamerton Pte Ltd, a wholly-owned subsidiary of Genting Singapore PLC, and it is expected to be completed in the first half of year 2015.

The decrease in net profit before tax and non controlling interest during Q1 current year was mainly due to write back of project costs for completed projects Hard Rock Hotel at Sentosa and nex at Serangoon Central Mall on finalisation of accounts during Q1 previous year.

Hotel and F&B business

Revenue for hotel and F&B businesses decreased by \$0.9M to \$12.3M in Q1 current year from \$13.2M in Q1 previous year. The lower revenue in the hotels were mainly due to lower occupancy rates. Net profit before tax and non-controlling interests for hotel segment decrease slightly by \$0.1M to \$1.76M in Q1 current year from \$1.91M in Q1 previous year due to lower operating expense.

Development

Contributions from joint venture companies have contributed to the increase in development profits by \$4.9M to \$14.5M in Q1 current year from \$9.6M in Q1 previous year. The increase is due to the sale of development project at Jalan Conlay, Kuala Lumpur, by our Group's joint venture, Suasana Simfoni Sdn.Bhd. ("Suasana"). Suasana has accepted a conditional offer to sell our land at Jalan Conlay for a total cash consideration of RM568 million. The Sales and Purchase Agreement has been executed and the transaction has been completed in Q1 current year.

The Group has decided to retain the retail mall at Paya Lebar Square for investment holding purpose for generation of consistent cash income stream. A new subsidiary, Paya Lebar Square Pte Ltd (PLSPL), has been incorporated to purchase the retail mall from Paya Lebar Development Pte. Ltd (PLDPL) for \$300.0M. LKHS has 55% equity interest and Sun Venture Realty Pte Ltd (part of the Sun Venture group) has 45% equity interest in PLSPL. LKHS (through its subsidiary, Siong Feng Development Pte Ltd) owned 80% of PLDPL while Guthrie (PLC) Pte. Ltd. and Sun Venture Commercial Pte. Ltd. each owned 10%.

In line with the adoption of accounting standard INT FRS 115, the Group can only recognise the revenue and related costs of development in Paya Lebar Square, a commercial development, and Parkland Residences, a DBSS development, when these projects obtain TOP. Both projects are expected to receive TOP by end 2014.

Investments

The Group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equity investments. Net profit before tax and non-controlling interest in investment segment increased by \$0.8M to \$0.9M in Q1 current year from \$0.1M in Q1 previous year mainly due to gain on disposal of quoted investments and interest income received in Q1 current year.

Net profit attributable to shareholders

Net profit attributable to shareholders decreased by \$0.7M to \$14.6 M in Q1 current year from \$15.3M in Q1 previous year. The decrease was mainly due to lower profits from construction segment.

Balance Sheet

Group shareholders' funds increased by \$19.8M to \$498.6M as at 30 April 2014 from \$478.8M as at 31 January 2014. Cash and cash equivalents decreased by \$31.0M to \$164.8M as at 30 April 2014 from \$195.8M as at 31 January 2014. The Group's bank borrowings were used to finance the purchases of land for Parkland Residences and Paya Lebar Square and the purchases of Kismis Lodge, Balestier Tower and Westgate Tower. Gearing was 0.70 as at 30 April 2014 compared to 0.63 as at 31 January 2014.

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 cooling measures introduced by the Singapore government in 2013 and the release of more land for development to cool the residential market have moderated prices. Buying interest in mass market projects has been dampened while the high-end residential market remained subdued.

We remain cautiously optimistic and will continue to be selective in our project tendering. We will also continue to invest in business that will generate consistent revenue and profitability streams.

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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Low Keng Boon
Joint Managing Director

Dato' Marco Low Peng Kiat
Joint Managing Director

12 June 2014