



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

Unaudited Full Year ("FY") Financial Statements For the Year Ended 31 January 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 /	12 months ended		Increase /
		31/1/2014	31/1/2013	(Decrease)	31/1/2014	31/1/2013	(Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1	22,007	25,254	(13)	79,700	126,364	(37)
Cost of sales		(14,457)	(8,348)	73	(51,330)	(70,014)	(27)
Gross profit	2	7,550	16,906	(55)	28,370	56,350	(50)
Other income/(loss)	3	(246)	4,256	(106)	10,067	7,396	36
Concessionary income/(loss)	4	-	(346)	n.m.	-	(623)	n.m.
Rental income		586	87	n.m.	1,105	162	n.m.
Distribution costs	5	(463)	(2,296)	(80)	(2,296)	(15,982)	(86)
Administrative costs	6	(4,220)	(7,788)	(46)	(15,905)	(22,085)	(28)
Changes in fair value of derivative financial instrument	7	295	280	5	1,110	598	86
Other operating expenses	8	(3,310)	(2,178)	52	(5,974)	(3,777)	58
Finance costs	9	(1,069)	(328)	226	(2,116)	(1,411)	50
Profit/(loss) from operations		(877)	8,593	(110)	14,361	20,628	(30)
Share of results of associated companies and joint ventures	10	7,874	33,987	(77)	39,502	94,813	(58)
Profit/(loss) before taxation		6,997	42,580	(84)	53,863	115,441	(53)
Taxation	11	(78)	(34)	129	(4,485)	(5,866)	(24)
Profit/(loss) after taxation for the period		6,919	42,546	(84)	49,378	109,575	(55)
Attributable to:							
Owners of the parent	12	6,707	42,150	(84)	48,115	109,746	(56)
Non-controlling interests		212	396	(46)	1,263	(171)	n.m.
		6,919	42,546	(84)	49,378	109,575	(55)
Earnings per share (cents)							
- basic		0.91	5.71		6.51	14.85	
- diluted		0.91	5.71		6.51	14.85	

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 /	12 months ended		Increase /
	31/1/2014	31/1/2013	(Decrease)	31/1/2014	31/1/2013	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	6,919	42,546	(84)	49,378	109,575	(55)
Other comprehensive income						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	(3,833)	3,721	n.m.	(4,684)	10,168	(146)
Fair value (gain)/loss on available-for-sale financial assets recycled to income statement on derecognition	(27)	(600)	n.m.	(1,541)	(1,896)	(19)
Exchange differences on translation of the financial statements of foreign entities (net)	(3,840)	(633)	n.m.	(7,495)	(3,112)	141
Other comprehensive income/(loss) for the period, net of tax	(7,700)	2,488	n.m.	(13,720)	5,160	n.m.
Total comprehensive income for the period	<u>(781)</u>	<u>45,034</u>	(102)	<u>35,658</u>	<u>114,735</u>	(69)
Total comprehensive income attributable to:						
Owners of the parent	(418)	44,879	(101)	35,902	115,154	(69)
Non-controlling interests	(363)	155	n.m.	(244)	(419)	(42)
Total comprehensive income for the period	<u>(781)</u>	<u>45,034</u>	(102)	<u>35,658</u>	<u>114,735</u>	(69)

n.m.: Not Meaningful

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

- Group revenue decreased by \$46.7M to \$79.7M during current year from \$126.4M during previous year. It decreased by \$3.3M to \$22.0M in Q4 current year from \$25.3M in Q4 previous year. The decrease in revenue was mainly due to decrease in construction activity and hotel revenue. 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 decreased by \$18.7M to \$51.3M during current year from \$70.0M during previous year. It increased by \$6.2M to \$14.5M in Q4 current year from \$8.3M in Q4 previous year. Gross profit decreased by \$28.0M to \$28.4M during current year from \$56.4M during previous year. It decreased by \$9.3M to \$7.6M in Q4 current year from \$16.9M in Q4 previous year. The decrease in cost of sales and gross profit was mainly due to lower construction activity.
- Other income increased by \$2.7M to \$10.1M during current year from \$7.4M during previous year. It decreased by \$4.5M to loss of \$0.2M in Q4 current year from \$4.3M in Q4 previous year. The increase was mainly due to higher gain on disposal of quoted equity investment and gain on disposal of investment property in current year.
- During current year there is no loss of concessionary income derived from the gaming centre operations in Duxton Hotel Saigon. The gaming centre has ceased operation since April 2010 due to the withdrawal of its operating licence by the Vietnamese government.
- Distribution costs decreased by \$13.7M to \$2.3M during current year from \$16.0M during previous year. It decreased by \$1.8M to \$0.5M in Q4 current year from \$2.3M in Q4 previous year. The decrease was mainly due to lower marketing expenses incurred for the two development projects, Paya Lebar Square and Parkland Residences in current year.

6. Administrative costs decreased by \$6.2M to \$15.9M during current year from \$22.1M during previous year. It decreased by \$3.6M to \$4.2M in Q4 current year from \$7.8M in Q4 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.
7. 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 31 January 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 hedging instrument and the movements in fair value gain of \$1.1M in current year has been recognised in the income statement.
8. Other operating expenses increased by \$2.2M to \$6.0M during current year from \$3.8M during previous year. It increased by \$1.1M to \$3.3M in Q4 current year from \$2.2M in Q4 previous year. The increase was mainly due to decrease in fair value of short-term quoted investments in current year.
9. Finance costs increased by \$0.7M to \$2.1M during current year from \$1.4M during previous year. It increased by \$0.8M to \$1.1M in Q4 current year from \$0.3M in Q4 previous year. The increase was mainly due to increase in interest expense on bank loan.
10. Share of results of associated companies and joint ventures decreased by \$55.3M to \$39.5M during current year from \$94.8M during previous year. It decreased by \$26.1M to \$7.9M in Q4 current year from \$34.0M in Q4 previous year. The decrease was mainly due to lower contribution from the Minton. The Minton, launched in May 2010, is completely sold and received its TOP in Q4 current year.
11. The basis of tax computation is set out below:

	3 months ended		Increase /	12 months ended		Increase /
	31/1/2014	31/1/2013	(Decrease)	31/1/2014	31/1/2013	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Income tax expense						
- tax credit/(charge)						
- current	(348)	80	n.m.	(2,232)	(1,820)	23
- over/(under) provision	105	21	n.m.	105	-	n.m.
- foreign tax	165	(135)	n.m.	(2,358)	(4,046)	(42)
	<u>(78)</u>	<u>(34)</u>	n.m.	<u>(4,485)</u>	<u>(5,866)</u>	(24)

Income tax decreased by \$1.4M to \$4.5M during current year from \$5.9M during previous year. The decrease was mainly due to lower activities in construction segment.

12. Net profit attributable to shareholders decreased by \$61.6M to \$48.1M during current year from \$109.7M during previous year. It decreased by \$35.5M to \$6.7M in Q4 current year from \$42.2M in Q4 previous year. The decrease was mainly due to lower profits from development and construction segments.

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		Note	Company	
	31/1/2014	31/1/2013		31/1/2014	31/1/2013
	\$'000	\$'000		\$'000	\$'000
ASSETS					
Non-current assets					
Investment properties	14,366	8,541	1	2,320	6,416
Property, plant and equipment	59,598	65,992	1	13,349	4,923
Subsidiaries	-	-		6,791	6,241
Associated companies and joint ventures	169,756	168,565	2	37,686	28,827
Long-term equity investments	41,438	49,244	3	2,103	2,032
Other receivables	64	62		-	3,705
Deferred tax assets	3,369	3,269		-	-
	<u>288,591</u>	<u>295,673</u>		<u>62,249</u>	<u>52,144</u>
Current assets					
Cash and cash equivalents	195,782	205,517	4	53,187	64,138
Short-term quoted equity investments	4,342	6,200	5	-	-
Amount owing by subsidiaries	-	-		368,496	315,142
Trade and other receivables	44,056	41,881	6	30,731	30,392
Inventories	545	566		-	-
Development properties	1,191,528	872,421	7	-	-
	<u>1,436,253</u>	<u>1,126,585</u>		<u>452,414</u>	<u>409,672</u>
Total assets	<u><u>1,724,844</u></u>	<u><u>1,422,258</u></u>		<u><u>514,663</u></u>	<u><u>461,816</u></u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Reserves	6,229	12,454	8	1,248	1,133
Retained profits	310,385	295,517		200,115	163,074
Exchange fluctuation account	309	6,297	9	-	-
	<u>478,786</u>	<u>476,131</u>		<u>363,226</u>	<u>326,070</u>
Non-controlling interests	13,296	13,265		-	-
Total equity	<u>492,082</u>	<u>489,396</u>		<u>363,226</u>	<u>326,070</u>
Non-current liabilities					
Bank borrowings	438,135	513,750	10	-	-
Other payables	231	240		-	-
Amount owing to non-controlling shareholders of subsidiaries	98,596	43,435	11	-	-
Joint venture	27,234	22,618		27,104	22,573
Deferred tax liabilities	52	14		-	-
Derivative financial instrument	1,595	2,705	12	1,595	2,705
	<u>565,843</u>	<u>582,762</u>		<u>28,699</u>	<u>25,278</u>
Current liabilities					
Trade and other payables	600,482	339,461	13	96,764	87,105
Amount owing to subsidiaries	-	-		15,989	16,795
Advance received from a joint venture	2	2		2	2
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	476	511		-	-
Provision for directors' fee	245	245		245	245
Provision for taxation	6,560	9,881		4,738	6,321
Bank borrowings	59,154	-	10	5,000	-
	<u>666,919</u>	<u>350,100</u>		<u>122,738</u>	<u>110,468</u>
Total liabilities	<u>1,232,762</u>	<u>932,862</u>		<u>151,437</u>	<u>135,746</u>
Total equity and liabilities	<u><u>1,724,844</u></u>	<u><u>1,422,258</u></u>		<u><u>514,663</u></u>	<u><u>461,816</u></u>

Notes to the balance sheets

- 1 The net book value of investment properties increased by \$5.9M to \$14.4M as at 31 January 2014 from \$8.5M as at 31 January 2013. The increase was mainly due to purchase of Paya Lebar Square (Retail Mall). The net book value of property, plant and equipment decreased by \$6.4M to \$59.6M as at 31 January 2014 from \$66.0M as at 31 January 2013. The decrease was mainly due to disposal of land at Lot 13 to Lot 19 and Lot 117 located at Section 49, Town and District of Kuala Lumpur, Malaysia during current year.
- 2 Associated companies and joint ventures increased by \$1.2M to \$169.8M as at 31 January 2014 from \$168.6M as at 31 January 2013. The increase was mainly due to increased share of profits of joint venture companies and increased shareholders' loan to joint venture companies offset against dividends received from joint venture companies.
- 3 Long-term quoted equity investments decreased by \$7.8M to \$41.4M as at 31 January 2014 from \$49.2M as at 31 January 2013. The decrease was mainly due to disposal of quoted equity investment during 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 \$9.7M to \$195.8M as at 31 January 2014 from \$205.5M as at 31 January 2013. The decrease was mainly due to repayment of bank borrowings and deposit paid for development properties during current year. Working capital was \$769.3M as at 31 January 2014 compared to \$776.5M as at 31 January 2013.
- 5 Short-term quoted equity investments decreased by \$1.9M to \$4.3M as at 31 January 2014 from \$6.2M as at 31 January 2013. The decrease was mainly due to decrease in fair value of short-term quoted equity investments.
- 6 Trade and other receivables increased by \$2.2M to \$44.1M as at 31 January 2014 from \$41.9M as at 31 January 2013.
- 7 Development properties increased by \$319.1M to \$1,191.5M as at 31 January 2014 from \$872.4M as at 31 January 2013. 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 18 March 2014, 96% of the office units at Paya Lebar Square were sold and 4 units were 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 80% leased out as of 18 March 2014 and its target TOP is Q3 FY2014/2015.

During Q2 current year, the Group completed the collective purchase of Kismis Lodge for \$84.2M via a 70% owned subsidiary, Newfort Alliance (Kismis) Pte Ltd ("Kismis"). Our joint venture partner, Newfort Land Pte Ltd, owns 30% of Kismis. Kismis Lodge will be redeveloped into 3 storey mixed landed residential units. In addition, the Group has completed the purchase of 15 commercial units and 1 residential unit at Balestier Towers for \$77.4M for investment holding purposes. The purchase was made by Newfort Alliance (Moulmein) Pte Ltd which is 99% owned by LKHS.

- 8 Reserves decreased by \$6.3M to \$6.2M as at 31 January 2014 from \$12.5M as at 31 January 2013 due to decrease in fair value reserves for long-term quoted equity investments.
- 9 Exchange fluctuation account decreased by \$6.0M to \$0.3M as at 31 January 2014 from \$6.3M as at 31 January 2013 mainly due to weakening of the Australian dollar and Malaysian Ringgit against the Singapore dollar.
- 10 The total bank borrowings decreased by \$16.5M to \$497.3M as at 31 January 2014 from \$513.8M as at 31 January 2013. The decrease was mainly due to repayment of bank borrowings in current year. A major part of total bank borrowings was drawn down to finance purchase of land for Parkland Residences, Paya Lebar Square, Kismis Lodge and Balestier Towers. Gearing was 0.63 as at 31 January 2014 compared to 0.65 as at 31 January 2013.
- 11 Amount owing to non-controlling shareholders of subsidiaries increased by \$55.2M to \$98.6M as at 31 January 2014 from \$43.4M as at 31 January 2013. The increase was mainly due to increase in shareholders' loan for Paya Lebar Square (Retail Mall), Kismis Lodge and Balestier Towers.

- 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 31 January 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 \$1.1M has been recognised in the income statement.
- 13 Trade and other payables increased by \$261.0M to \$600.5M as at 31 January 2014 from \$339.5M as at 31 January 2013 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 31 January 2014, \$13.2M was paid to vendors.

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

	31/1/2014		31/1/2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	54,154	5,000	-	-
Amount repayable after one year	438,135	-	513,750	-
	<u>492,289</u>	<u>5,000</u>	<u>513,750</u>	<u>-</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**

	12 months ended	
	31/1/2014	31/1/2013
	\$'000	\$'000
Cash Flow from Operating Activities		
Profit before taxation	53,863	115,441
Adjustments for:		
Share of results of associated companies and joint ventures	(39,502)	(94,813)
Depreciation of property, plant and equipment	5,105	4,198
Deficit on liquidation of a joint venture company	-	(49)
Impairment loss on property, plant and equipment	1,084	-
Depreciation of investment properties	725	725
(Gain)/loss on disposal of		
- property, plant and equipment	(21)	11
- investment properties	(3,560)	-
Fair value (gain)/loss recycled from fair value reserve to profit or loss on derecognition of available-for-sale financial assets	(1,541)	(1,896)
Write off of property, plant and equipment	36	97
Fair value loss/(gain) on financial assets at fair value through profit or loss	1,858	(2,121)
Changes in fair value of derivative financial instrument	(1,110)	(598)
Interest expense	2,116	1,411
Interest income	(479)	(476)
Operating profit before working capital changes	18,574	21,930
Inventories	138	359
Receivables	(1,874)	61
Payables	261,992	209,534
Development properties	(319,107)	(81,022)
Cash generated from/(used in) operations	(40,277)	150,862
Interest paid	(2,773)	(601)
Income tax paid	(7,704)	(16,819)
Net cash generated from/(used in) operating activities	(50,754)	133,442

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)**

	12 months ended	
	31/1/2014	31/1/2013
	\$'000	\$'000
Amount brought forward	(50,754)	133,442
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(5,859)	(5,969)
Acquisition of investment property	(9,990)	-
Interest received	479	476
Advances received from/(made to) joint ventures and associated companies	32,923	22,028
Capital return from a joint venture company	1,500	57
Dividends from associated companies and joint ventures	47,800	15,923
Proceeds from disposal of quoted equity investments	3,045	6,135
Proceeds from disposal of property, plant and equipment	248	527
Proceeds from disposal of investment properties	7,000	-
Proceeds from return on loan of joint ventures and associated companies	(41,282)	73,142
Net cash generated from/(used in) investing activities	<u>35,864</u>	<u>112,319</u>
Cash Flow from Financing Activities		
Capital contribution from non-controlling shareholders of subsidiaries (Note A)	750	-
Advance from non-controlling shareholders of subsidiaries	55,125	120
Dividends paid to shareholders of the Company	(33,247)	(29,552)
Dividends paid to non-controlling shareholders of subsidiaries	(475)	(480)
Proceeds from bank borrowings	267,289	10,000
Repayment of bank borrowings	(283,750)	(53,000)
Net cash generated from/(used in) financing activities	<u>5,692</u>	<u>(72,912)</u>
Net increase/(decrease) in cash and cash equivalents	(9,198)	172,849
Cash and cash equivalents at beginning of the period	205,517	32,888
Exchange differences on translation of cash and cash equivalents at beginning of the period	(537)	(220)
Cash and cash equivalents at end of the period	<u><u>195,782</u></u>	<u><u>205,517</u></u>

The Group has unused bank facilities of \$465.5M as of 31 January 2014.

The Group generated a net decrease of \$9.2M cash flow during current year compared to net increase of \$172.8M cash flow during previous year. The net decrease in cash and cash equivalents was due to net cash used in operating activities of \$50.8M offset by cash generated from investing activities of \$35.9M and financing activities of \$5.7M respectively.

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 subsidiaries.

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 01/02/2013	161,863	1,133	163,074	-	326,070
Total comprehensive income and loss for the period	-	115	70,288	-	70,403
Dividends paid	-	-	(33,247)	-	(33,247)
Balance at 31/01/2014	161,863	1,248	200,115	-	363,226
Balance at 01/02/2012	161,863	1,030	198,958	14	361,865
Total comprehensive income and loss for the period	-	103	(6,332)	(14)	(6,243)
Dividends paid	-	-	(29,552)	-	(29,552)
Balance at 31/01/2013	161,863	1,133	163,074	-	326,070

	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 01/02/2013	161,863	12,454	295,517	6,297	476,131	13,265	489,396
Total comprehensive income and loss for the period	-	(6,225)	48,115	(5,988)	35,902	(244)	35,658
Dividends paid	-	-	(33,247)	-	(33,247)	(475)	(33,722)
Acquisition of subsidiaries	-	-	-	-	-	750	750
Balance at 31/01/2014	161,863	6,229	310,385	309	478,786	13,296	492,082
Balance at 01/02/2012	161,863	4,266	215,323	9,077	390,529	14,164	404,693
Total comprehensive income and loss for the period	-	8,188	109,746	(2,780)	115,154	(419)	114,735
Dividends paid	-	-	(29,552)	-	(29,552)	(480)	(30,032)
Balance at 31/01/2013	161,863	12,454	295,517	6,297	476,131	13,265	489,396

- 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 31 January 2014 compared to 31 January 2013.

There were no outstanding executives' share options granted as at 31 January 2014 and 31 January 2013.

There was no treasury share held or issued as at 31 January 2014 and 31 January 2013.

- 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 31-01-2014	As at 31-01-2013
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 31 January 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		FY ended	
	31-01-2014	31-01-2013	31-01-2014	31-01-2013
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	0.91 cent	5.71 cents	6.51 cents	14.85 cents
(ii) On a fully diluted basis	0.91 cent	5.71 cents	6.51 cents	14.85 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	
	31-01-2014	31-01-2013	31-01-2014	31-01-2013
Net asset value per ordinary share	65 cents	64 cents	49 cents	44 cents
Net tangible assets backing per ordinary share	65 cents	64 cents	49 cents	44 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 decreased by 56.0% to \$29.6M during current year from \$67.4M during previous year. It decreased by 12.7% to \$10.3M in Q4 current year from \$11.8M in Q4 previous year. The decrease was due to the completion of Hard Rock Hotel at Sentosa and nex at Serangoon Central Mall last year. Net profit before tax & non-controlling interests for construction segment decreased by \$10.1M to \$5.7M during current year from \$15.8M during previous year. It decreased by \$8.3M to negative \$2.1M in Q4 current year from \$6.2M in Q4 previous year. The decreased profit performance was due to decrease in construction activities for third party construction projects. 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.

Hotel & F&B business

Revenue for hotel & F&B businesses decreased by 13.0% to \$49.5M during current year from \$56.9M during previous year. It decreased by 10.8% to \$11.6M in Q4 current year from \$13.0M in Q4 previous year. The lower revenue in the hotels was mainly due to lower occupancy rates. Net profit before tax and non-controlling interests for hotel segment decreased by \$6.5M to \$6.4M during current year from \$12.9M during previous year. It decreased by \$0.4M to \$1.0M in Q4 current year from \$1.4M in Q4 previous year.

The decrease in profits performance was mainly due to lower revenue during current year.

Development

Contributions from associated companies and joint ventures decreased by \$40.7M to \$39.3M during current year from \$80.0M during previous year. It decreased by \$24.0M to \$8.1M in Q4 current year from \$32.1M in Q4 previous year. The decrease was mainly due to lower profit contributions from the Minton offset by lower marketing expenses incurred for Paya Lebar Square and Parkland Residences. The Minton is 100% sold and it obtained TOP in Q4 current year. As of 18 March 2014, 96% of the office units at Paya Lebar Square were sold and 4 units at Parkland Residences were unsold.

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% of PLDPL. The mall is about 80% leased out as of 18 March 2014 and its target TOP is Q3 FY2014/2015.

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.

During Q2 current year, the Group completed the collective purchase of Kismis Lodge for \$84.2M via a 70% owned subsidiary, Newfort Alliance (Kismis) Pte Ltd ("Kismis"). Our joint venture partner, Newfort Land Pte Ltd, owns 30% of Kismis. Kismis Lodge will be redeveloped into 3 storey mixed landed residential units. In addition, the Group has completed the purchase of 15 commercial units and 1 residential unit at Balestier Towers for \$77.4M for investment holding purposes. The purchase was made by Newfort Alliance (Moulmein) Pte Ltd which is 99% owned by LKHS.

In November 2013, Suasana Simfoni Sdn. Bhd. ("Suasana"), our 20% associated company has accepted a conditional offer to sell our land at Jalan Conlay, Seksyen 63, Kuala Lumpur, Malaysia to an unrelated third party for a total cash consideration of RM568 million. The offer is subject to the execution of a Sale and Purchase Agreement and completion of the transaction is expected in Q2 of 2014. The purchaser has paid to Suasana a sum equivalent to 2% of the consideration. The land, which is located in Jalan Conlay, Kuala Lumpur near the Bukit Bintang shopping area and has a site area of approximately 172,149 square feet, shall be sold on an "as-is-where-is" basis, subject to all existing title particulars, approvals, licences and/or permits subsisting as at completion. The consideration was arrived at based on negotiations on a willing-buyer, willing-seller basis. If the sale is completed, Suasana will recognise a pre-tax gain of approximately RM247 million (S\$96 million) and the net proceeds are expected to be applied towards reducing bank borrowings and for working capital purposes. LKHS' share of the gain will be RM49.4 million (S\$19.2 million). As completion is expected in Q2 of 2014, the gain will only be reflected in the results of the Group for the financial year ending 31 January 2015.

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.

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 interests in investment segment decreased by \$4.2M to \$2.5M during current year from \$6.7M during previous year mainly due to lower fair value on quoted equity investment during current year.

Net profit attributable to shareholders

Net profit attributable to shareholders decreased by \$61.6M to \$48.1M during current year from \$109.7M during previous year. It decreased by \$35.5M to \$6.7M in Q4 current year from \$42.2M in Q4 previous year. The decrease was mainly due to lower profits from development and construction segments.

Balance Sheet

Group shareholders' funds increased by 0.6% to \$478.8M as at 31 January 2014 from \$476.1M as at 31 January 2013. Cash and cash equivalents decreased by \$9.7M to \$195.8M as at 31 January 2014 from \$205.5M as at 31 January 2013. Gearing was 0.63 as at 31 January 2014 compared to 0.65 as at 31 January 2013.

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 latest round of cooling measures introduced by the Singapore government in June 2013 and the release of more land for development to cool the residential market have moderated prices. Buying interest in mass market projects has slowed down. 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? Yes

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount	:	3.0 cents per ordinary share
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? Yes

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount	:	3.0 cents per ordinary share
Tax Rate	:	Tax exempt (One-Tier tax)

Name of Dividend	:	Special
Dividend Type	:	Cash
Dividend Amount	:	1.5 cents per ordinary share
Tax Rate	:	Tax exempt (One-Tier tax)

(c) Date payable

Subject to shareholders' approval at the Annual General meeting to be held on 30 May 2014, the proposed first and final dividend will be paid on 18 June 2014.

(d) Books closure date

The Share Transfer Books and the Register of Members of the Company will be closed from 10 June 2014 after 5.00 p.m. to 11 June 2014 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 10 June 2014 will be registered to determine shareholders' entitlements to the said proposed first and final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 10 June 2014 will be entitled to the abovementioned proposed first and final dividend.

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical 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		Development		Hotels		Investments		Consolidated	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
REVENUE										
Total sales	176,974	131,590	-	580	55,327	63,219	507	2,032	232,808	197,421
Inter-segment sales	(147,327)	(64,153)	-	-	(5,781)	(6,271)	-	(633)	(153,108)	(71,057)
External sales	29,647	67,437	-	580	49,546	56,948	507	1,399	79,700	126,364
RESULTS										
Segment results	7,815	17,241	(193)	(14,861)	6,402	12,922	2,453	6,737	16,477	22,039
Finance costs	(2,116)	(1,411)	-	-	-	-	-	-	(2,116)	(1,411)
	5,699	15,830	(193)	(14,861)	6,402	12,922	2,453	6,737	14,361	20,628
Share of (losses)/profits in joint ventures/ associated companies	-	-	39,502	94,813	-	-	-	-	39,502	94,813
	5,698	15,830	39,309	79,952	6,402	12,922	2,453	6,737	53,863	115,441
Taxation									(4,485)	(5,866)
Non-controlling interests									(1,263)	171
Net profit									48,115	109,746

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

The group's construction business is conducted primarily in Singapore.

Its on-going development business is mainly in Singapore and it is expanding this business to Malaysia.

The group has 2 hotels, viz. Duxton Hotel Perth in Australia and Duxton Hotel Saigon in Vietnam. The main investments are investment properties in Singapore, Malaysia and Shanghai as well as some quoted equity investments.

Please refer to paragraph 8 above on changes in turnover and profit.

15. A breakdown of sales

	Group		
	FY ended 31/01/2014	FY ended 31/01/2013	Increase/ (Decrease)
	\$'000	\$'000	%
Sales reported for first half year	35,451	68,437	(48.2)
Operating profit after tax before deducting non-controlling interests reported for first half year	31,617	39,096	(19.1)
Sales reported for second half year	44,249	57,927	(23.6)
Operating profit after tax before deducting non-controlling interests reported for second half year	17,760	70,479	(74.8)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary one-tier dividend	22,164	22,164
Special one-tier dividend	-	11,083
	22,164	33,247

17. Interested parties transactions

INTERESTED PERSON TRANSACTIONS FOR FINANCIAL YEAR ENDED 31st January 2014

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Consistent Records Sdn Bhd	Bina Meganmas Sdn Bhd : Loan S\$ 766,360	N/A

Pursuant to Chapter 9 of the SGX-ST Listing Manual, the above interested person transactions are either below the relevant materiality threshold or exempted from shareholders' approval.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

	Name	Age	Family Relationship with any Director, CEO and/or Substantial Shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
1.	Low Poh Kok	41	Son of Low Keng Hoo @ Lau Keeng Foo. Brother of Low Poh Kuan. Nephew of Tan Sri Dato' Low Keng Huat & Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat & Low Chin Han.	Manager, Property Development.	Nil

2.	Low Chin Han	33	<p>Son of Low Keng Boon @ Lau Boon Sen.</p> <p>Nephew of Tan Sri Dato' Low Keng Huat & Low Keng Hoo @ Lau Keeng Foo.</p> <p>Cousin of Dato' Marco Low Peng Kiat, Low Poh Kuan & Low Poh Kok.</p>	<p>General Director of Duxton Hotel Saigon with effect from 1/11/2011.</p> <p>Director of Duxton Hotel Perth with effect from 1/11/2011.</p>	Appointed as Director – Hospitality with effect from March 2014
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BY ORDER OF THE BOARD

Low Keng Boon
Joint Managing Director

Dato' Marco Low Peng Kiat
Joint Managing Director

28 March 2014