



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

**Unaudited Third Quarter ("Q3") Financial Statements For the Period Ended 31 October 2017**

**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 /	9 months ended		Increase /	
		31/10/2017	31/10/2016	(Decrease)	31/10/2017	31/10/2016	(Decrease)	
		\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	1	13,482	12,402	9	44,057	36,808	20	
Cost of sales	2	(3,545)	(7,214)	(51)	(23,070)	(20,327)	13	
Gross profit		9,937	5,188	92	20,987	16,481	27	
Other income	3	3,379	2,523	34	10,942	59,024	(81)	
Rental income		217	216	0	649	721	(10)	
Distribution costs		(533)	(254)	110	(1,200)	(621)	93	
Administrative costs	4	(1,907)	(2,333)	(18)	(6,001)	(10,332)	(42)	
Other operating expenses	5	93	1,585	(94)	(4,294)	(5,280)	(19)	
Finance costs	6	(1,666)	(1,345)	24	(4,782)	(4,435)	8	
Profit from operations		9,520	5,580	71	16,301	55,558	(71)	
Share of results of associated companies and joint ventures	7	(1,549)	(1,581)	(2)	(983)	(3,968)	(75)	
Profit before taxation		7,971	3,999	99	15,318	51,590	(70)	
Taxation	8	(998)	(618)	61	(1,861)	(1,473)	26	
Profit after taxation for the period		6,973	3,381	106	13,457	50,117	(73)	
Attributable to:								
Owners of the parent	9	6,619	3,017	119	12,490	49,387	(75)	
Non-controlling interests		354	364	(3)	967	730	32	
		6,973	3,381	106	13,457	50,117	(73)	
Earnings per share (cents)								
- basic		0.90	0.41		1.69	6.68		
- diluted		0.90	0.41		1.69	6.68		
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) %	9 months ended		Increase / (Decrease) %
	31/10/2017 \$'000	31/10/2016 \$'000		31/10/2017 \$'000	31/10/2016 \$'000	
<b>Net profit for the period</b>	6,973	3,381	106	13,457	50,117	(73)
<b>Other comprehensive income/(expense) after tax</b>						
<b>Items that may be reclassified subsequently to profit and loss:</b>						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	3,152	(635)	n.m.	9,316	1,820	n.m.
Fair value (gain)/loss on available-for-sale financial assets recycled to income statement on derecognition	(879)	-	n.m.	(3,230)	-	n.m.
Realisation of reserve upon disposal of subsidiary	-	3,310	(100)	-	3,310	(100)
Exchange differences on translation of the financial statements of foreign entities (net)	(1,047)	1,915	n.m.	(967)	967	n.m.
Other comprehensive income for the period, net of tax	1,226	4,590	(73)	5,119	6,097	(16)
<b>Total comprehensive income for the period</b>	<u>8,199</u>	<u>7,971</u>	3	<u>18,576</u>	<u>56,214</u>	(67)
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	7,913	7,106	11	17,708	55,152	(68)
Non-controlling interests	286	865	(67)	868	1,062	(18)
<b>Total comprehensive income for the period</b>	<u>8,199</u>	<u>7,971</u>	3	<u>18,576</u>	<u>56,214</u>	(67)

n.m.: Not Meaningful

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

- Group revenue increased by \$7.3M to \$44.1M in 9 months current year from \$36.8M in 9 months previous year. It increased by \$1.1M to \$13.5M in Q3 current year from \$12.4M in Q3 previous year. The increase was mainly due to increased sales in Development segment offset by lower revenue in Hotel segment. Four office units at Paya Lebar Square ("PLS"), four residential units at Parkland Residences and one residential unit at Kismis Residences were sold during 9 months current year. Lower revenue at Duxton Hotel Perth was due to lower occupancy and room rates in a slower market condition.
- Cost of sales increased by \$2.8M to \$23.1M in 9 months current year from \$20.3M in 9 months previous year. It decreased by \$3.7M to \$3.5M in Q3 current year from \$7.2M in Q3 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 projects upon finalisation of accounts in Investment segment.
- Other Income decreased by \$48.1M to \$10.9M in 9 months current year from \$59.0M in 9 months previous year. It increased by \$0.9M to \$3.4M in Q3 current year from \$2.5M in Q3 previous year. The decrease was mainly due to extraordinary gain on the sale of Duxton Hotel Saigon completed in Q3 previous year for an aggregate consideration of US\$49.0M. Excluding this extraordinary gain, other income would have increased by \$0.9M in 9 months current year compared to 9 months previous year. The increase was mainly due to gains on disposal of long-term quoted equity investment and gains on fair value of short term quoted equity investment offset by lower interest income from junior bonds of AXA Tower and lower bank interest income.

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

- 4 Administrative costs decreased by \$4.3M to \$6.0M in 9 months current year from \$10.3M in 9 months previous year. It decreased by \$0.4M to \$1.9M in Q3 current year from \$2.3M in Q3 previous year. The decrease was mainly due to the absence of profit share for managing directors and lower professional fees. The service contracts of managing directors have been amended, at the request of the managing directors and approved by Remuneration Committee, to exclude profit share entitlement with effect from Q1FY2018.
- 5 Other operating expenses decreased by \$1.0M to \$4.3M in 9 months current year from \$5.3M in 9 months previous year. The decrease was mainly due to absence of provision for impairment loss on development project Balestier Tower. Other operating expense was positive \$0.1M in Q3 current year and positive \$1.6M in Q3 previous year. The positive expense in Q3 current year and Q3 previous year was due to lower unrealised translation gain offset by higher operating expenses.
- 6 Finance cost increased by \$0.4M to \$4.8M in 9 months current year from \$4.4M in 9 months previous year. It increased by \$0.4M to \$1.7M in Q3 current year from \$1.3M in Q3 previous year. The increase was mainly due to additional loan drawdown.
- 7 Share of loss from associated companies and joint ventures decreased by \$3.0M to \$1.0M in 9 months current year from \$4.0M in 9 months previous year. It decreased by \$0.1M to \$1.5M in Q3 current year from \$1.6M in Q3 previous year. The improvement in share of results of associated companies and joint ventures was mainly due to higher profits at AXA Tower upon sale of office units and lower operating loss from Westgate Tower.
- 8 The basis of tax computation is set out below:

	3 months ended		Increase (Decrease) %	9 months ended		Increase (Decrease) %
	31/10/2017	31/10/2016		31/10/2017	31/10/2016	
	\$'000	\$'000		\$'000	\$'000	
Income tax expense:						
- current	(723)	(225)	n.m.	(1,295)	(575)	125
- foreign tax	(275)	(393)	(30)	(566)	(898)	(37)
	<u>(998)</u>	<u>(618)</u>	61	<u>(1,861)</u>	<u>(1,473)</u>	26
n.m.: Not Meaningful						

Taxation increased by \$0.4M to \$1.9M in 9 months current year from \$1.5M in 9 months previous year. It increased by \$0.4M to \$1.0M in Q3 current year from \$0.6M in Q3 previous year. The increase was mainly due to the additional provision for tax for the write back of construction cost for completed projects upon finalisation of accounts.

- 9 Net profit attributable to shareholders decreased by \$36.9M to \$12.5M in 9 months current year from \$49.4M in 9 months previous year. It increased by \$3.6M to \$6.6M in Q3 current year from \$3.0M in Q3 previous year. The decrease was due to extraordinary gain on sale of Duxton Hotel Saigon in 9 months previous year but higher profits in Investment and Development 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	
	31/10/2017 \$'000	31/1/2017 \$'000		31/10/2017 \$'000	31/1/2017 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	309,577	309,999	1	18,464	18,613
Property, plant and equipment	140,673	137,191	1	5,301	5,521
Subsidiaries	-	-		490,923	288,256
Joint ventures	91,661	91,104	2	95,180	92,536
Associated companies	53,187	50,826	3	56	56
Long-term quoted equity investments	49,843	51,701	4	1,412	1,433
Other investment	32,000	32,000	15	-	-
Deferred tax assets	324	332		-	-
	<u>677,265</u>	<u>673,153</u>		<u>611,336</u>	<u>406,415</u>
<b>Current assets</b>					
Cash and cash equivalents	119,849	174,979	5	82,213	140,045
Fixed deposits	16,228	91,816	5	-	75,310
Short-term quoted equity investments	5,686	5,097	6	-	-
Trade and other receivables	30,469	90,483	7	1,631	14,068
Inventories	402	420		-	-
Work in progress	-	-		-	709
Properties held for sale	311	7,932	14	-	-
Development properties	302,234	107,454	8	-	-
	<u>475,179</u>	<u>478,181</u>		<u>83,844</u>	<u>230,132</u>
<b>Total assets</b>	<u>1,152,444</u>	<u>1,151,334</u>		<u>695,180</u>	<u>636,547</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	161,863	161,863		161,863	161,863
Capital reserves	(2,005)	(2,005)		-	-
Fair value reserves	13,858	7,764	9	689	713
Retained profits	480,175	497,239		426,531	396,200
Exchange fluctuation account	1,158	2,034		-	-
	<u>655,049</u>	<u>666,895</u>		<u>589,083</u>	<u>558,776</u>
Non-controlling interests	26,271	27,363	12	-	-
<b>Total equity</b>	<u>681,320</u>	<u>694,258</u>		<u>589,083</u>	<u>558,776</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	347,684	353,084	11	-	-
Amount owing to non-controlling shareholders of subsidiaries	59,668	58,157	10	-	-
Deferred tax liabilities	2,164	2,164		-	-
	<u>409,516</u>	<u>413,405</u>		<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	24,902	31,852	13	13,382	21,171
Amount owing to subsidiaries	-	-		66,250	55,855
Joint ventures	451	470	2	197	197
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	428	440	10	-	-
Provisions	50	77		-	-
Provision for directors' fee	184	245		184	245
Provision for taxation	3,393	3,387		1,084	303
Bank borrowings	32,200	7,200	11	25,000	-
	<u>61,608</u>	<u>43,671</u>		<u>106,097</u>	<u>77,771</u>
<b>Total liabilities</b>	<u>471,124</u>	<u>457,076</u>		<u>106,097</u>	<u>77,771</u>
<b>Total equity and liabilities</b>	<u>1,152,444</u>	<u>1,151,334</u>		<u>695,180</u>	<u>636,547</u>

## Notes to the balance sheets

- 1 There is no significant change to investment property. The net book value of property, plant and equipment increased by \$3.5M to \$140.7M as at 31 October 2017 from \$137.2M as at 31 January 2017. The increase was mainly due to higher development cost of serviced apartment at Balestier Tower offset by depreciation.
- 2 Joint ventures increased by \$0.6M to \$91.2M as at 31 October 2017 from \$90.6M as at 31 January 2017. The increase was mainly due to decrease in share of losses from Westgate Tower and additional advances to joint ventures in Malaysia in 9 months current year.
- 3 Associated companies increased by \$2.4M to \$53.2M as at 31 October 2017 from \$50.8M as at 31 January 2017. The increase was mainly due to higher share of profit from AXA Tower and additional advances to associate companies in Malaysia.
- 4 Long-term quoted equity investments decreased by \$1.9M to \$49.8M as at 31 October 2017 from \$51.7M as at 31 January 2017. The decrease was mainly due to disposal of quoted shares.
- 5 Cash and cash equivalents and fixed deposits decreased by \$130.7M to \$136.1M as at 31 October 2017 from \$266.8M as at 31 January 2017 mainly due to funding of development projects at Perumal and Kismis Residences.
- 6 Short-term quoted equity investments increased by \$0.6M to \$5.7M as at 31 October 2017 from \$5.1M as at 31 January 2017 due to increase in fair value of short-term quoted equity investments.
- 7 Trade and other receivables decreased by \$60.0M to \$30.5M as at 31 October 2017 from \$90.5M as at 31 January 2017 mainly due to sales proceeds received from Parkland Residences, PLS, Vung Tau project in Vietnam and Shanghai Xinfeng in China.
- 8 Development properties increased by \$194.7M to \$302.2M as at 31 October 2017 from \$107.5M as at 31 January 2017 mainly due to projects at Perumal and Kismis Residences. Kismis Residences is targeted to be launched for sales in Q1 FY2019. One unit has been sold as at 8 December 2017.
- 9 Fair value reserves increased by \$6.1M to \$13.9M as at 31 October 2017 from \$7.8M as at 31 January 2017 due to increase in fair value for long-term quoted equity investments.
- 10 Total amount owing to non-controlling shareholders of subsidiaries increased by \$1.5M to \$60.1M as at 31 October 2017 from \$58.6M as at 31 January 2017 mainly due to notional interest on shareholders loans for Kismis Residence and retail mall at PLS.
- 11 Bank borrowings increased by \$19.6M to \$379.9M as at 31 October 2017 from \$360.3M as at 31 January 2017 due to additional drawdown of bank loan to fund development projects at Perumal and Kismis Residences. Gearing was 0.37 as at 31 October 2017 compared to 0.14 as at 31 January 2017. The higher gearing was mainly due to decrease in cash and cash equivalents and fixed deposits.
- 12 Non-controlling interests decreased by \$1.1M to \$26.3M as at 31 October 2017 from \$27.4M as at 31 January 2017 mainly due to dividend paid to non-controlling shareholders.
- 13 Trade and other payables decreased by \$7.0M to \$24.9M as at 31 October 2017 from \$31.9M as at 31 January 2017. The decrease was mainly due to write back of construction project accruals upon finalisation of accounts.
- 14 Properties held for sale decreased by \$7.6M to \$0.3M as at 31 October 2017 from \$7.9M as at 31 January 2017 due to sales of four office units at PLS and four residential units at Parkland Residences. PLS and Parkland Residences are 100% sold as at 8 December 2017.
- 15 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**

	31/10/2017		31/1/2017	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	7,200	25,000	7,200	-
Amount repayable after one year	347,684	-	353,084	-
	<u>354,884</u>	<u>25,000</u>	<u>360,284</u>	<u>-</u>

**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**

	<b>9 months ended</b>	
	<b>31/10/2017</b>	<b>31/10/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flow from Operating Activities</b>		
Profit before taxation	15,318	51,590
Adjustments for:		
Share of results of associated companies and joint ventures	983	3,968
Depreciation of:		
-investment properties	2,230	2,268
-property, plant and equipment	1,574	2,395
Impairment loss on property, plant and equipment	-	3,338
Impairment loss on investment property	-	1,113
Gain on disposal of:		
-a subsidiary	-	(49,875)
-property, plant and equipment	(13)	-
Fair value gain recycled from fair value reserve to consolidated income statement on derecognition of available-for-sale financial assets	(3,326)	-
Fair value gain on financial assets at fair value through profit or loss	(492)	(23)
Interest expense	4,782	4,435
Interest income	(5,163)	(6,985)
<b>Operating profit before working capital changes</b>	<b>15,893</b>	<b>12,224</b>
Inventories	27	239
Development properties	(187,159)	(2,081)
Receivables	59,958	62,439
Payables	(4,288)	(15,514)
<b>Cash (used in)/generated from operations</b>	<b>(115,569)</b>	<b>57,307</b>
Interest paid	(4,788)	(4,627)
Income tax paid	(1,838)	(11,006)
<b>Net cash (used in)/generated from operating activities</b>	<b>(122,195)</b>	<b>41,674</b>
<b>Amount carried forward</b>	<b>(122,195)</b>	<b>41,674</b>

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

	<b>9 months ended</b>	
	<b>31/10/2017</b>	<b>31/10/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Amount brought forward</b>	(122,195)	41,674
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(5,948)	(20)
Acquisition of investment property	(1,808)	2,084
Acquisition of quoted investments	(844)	(12,346)
Interest received	5,163	6,985
Fixed deposit with maturity more than three months	(7)	(72,035)
Advances and loans (made to)/from joint ventures and associated companies	(3,683)	(2,639)
Repayment of loans from joint ventures	38	-
Proceeds from disposal of quoted equity investments	12,030	-
Net proceeds from sale of subsidiary (Note A)	-	49,875
Proceeds from disposal of property, plant and equipment	143	16,335
<b>Net cash generated from/(used in) investing activities</b>	<b>5,084</b>	<b>(11,761)</b>
<b>Cash Flow from Financing Activities</b>		
Dividends paid to shareholders of the Company	(29,553)	(29,553)
Dividends paid to minority shareholder of a subsidiary	(1,960)	(21,445)
Proceeds from bank borrowings	71,500	26,949
Repayment of bank borrowings	(51,900)	(5,940)
Loans from non-controlling shareholders of a subsidiary	1,510	1,690
Fixed deposit pledged	-	(11,480)
<b>Net cash used in financing activities</b>	<b>(10,403)</b>	<b>(39,779)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(127,514)</b>	<b>(9,866)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>250,574</b>	<b>213,876</b>
<b>Exchange differences on translation of cash and cash equivalent at beginning of year</b>	<b>(3,211)</b>	<b>(3,552)</b>
<b>Cash and cash equivalents at end of year</b>	<b>119,849</b>	<b>200,458</b>

The Group has unused bank facilities of \$274.2M as of 31 October 2017.

The Group generated a net decrease of \$127.5M cash flow during 9 months current year compared to net decrease of \$9.9M during 9 months previous year. The net decrease in cash and cash equivalents was due to net cash used in operating activities of \$122.2M and net cash used in financing activities of \$10.4M offset with net cash generated from investing activities of \$5.1M.



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

Note A:

The Group disposed of its subsidiary on 12 May 2016. The carrying value of assets disposed of and liabilities discharged were as follows:

	<b>31 October 2017</b>	<b>31 October 2016</b>
	\$'000	\$'000
Property, plant and equipment	-	16,105
Deferred tax assets	-	198
Inventory	-	71
Trade receivables	-	1,132
Other receivables	-	657
Deferred expenses	-	147
Cash and bank balances	-	878
Trade payables	-	(733)
Other payables	-	(461)
Provision for taxation	-	(199)
Provision for severance pay	-	(245)
Net assets disposed	<u>-</u>	<u>17,550</u>
Gain on disposal	-	49,875
Proceeds received	<u>-</u>	<u>67,425</u>
Less:		
Cash balance in subsidiary disposed	-	(878)
Cash outflow to settle amount owing by subsidiary	-	(14,608)
Cash outflow on expenses relating to disposal of subsidiary	-	(2,027)
Exchange difference on cash outflow	<u>-</u>	<u>(37)</u>
Net cash inflow on disposal	<u><u>-</u></u>	<u><u>49,875</u></u>

**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			
<b>The Company</b>							
Balance at 1/2/2017	161,863	713	396,190	558,766			
Total comprehensive income and loss for the period	-	(24)	59,893	59,869			
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2017	-	-	(29,552)	(29,552)			
Balance at 31/10/2017	161,863	689	426,531	589,083			
Balance at 1/2/2016	161,863	622	333,236	495,721			
Total comprehensive income and loss for the period	-	206	64,373	64,579			
Balance at 31/10/2016	161,863	828	397,609	560,300			
	Share capital	Reserves	Retained profits	Exchange fluctuation account	Sub-total	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>							
Balance at 1/2/2017	161,863	5,759	497,239	2,034	666,895	27,363	694,258
Transaction with owners -							
Dividends paid to minority shareholder of a subsidiary	-	-	-	-	-	(1,960)	(1,960)
Total comprehensive income and loss for the period	-	6,094	12,490	(876)	17,708	868	18,576
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2017	-	-	(29,554)	-	(29,554)		(29,554)
Balance at 31/10/2017	161,863	11,853	480,175	1,158	655,049	26,271	681,320
Balance at 1/2/2016	161,863	564	467,606	(2,475)	627,558	47,366	674,924
Total comprehensive income and loss for the period	-	1,782	52,697	673	55,152	1,062	56,214
Realisation of reserve upon disposal of a subsidiary	-	-	-	(3,310)	(3,310)	-	(3,310)
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2016	-	-	(29,553)	-	(29,553)	(21,445)	(50,998)
Balance at 31/10/2016	161,863	2,346	490,750	(5,112)	649,847	26,983	676,830

- 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 October 2017 compared to 31 January 2017.

There were no outstanding executives' share options granted as at 31 October 2017 and 31 January 2017.

There was no treasury share held or issued as at 31 October 2017 and 31 January 2017.

- 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**

	<b>As at 31-10-2017</b>	<b>As at 31-01-2017</b>
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 October 2017.

- 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 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 2017.

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

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 February 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

**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		9 months ended	
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
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	0.90 cents	0.41 cents	1.69 cents	6.68 cents
(ii) On a fully diluted basis	0.90 cents	0.41 cents	1.69 cents	6.68 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	
	31/10/2017	31/1/2017	31/10/2017	31/1/2017
Net asset value per ordinary share	89 cents	90 cents	80 cents	76 cents
Net tangible assets backing per ordinary share	89 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 / (Decrease) %	9 months ended		Increase / (Decrease) %
	31/10/2017 \$'M	31/10/2016 \$'M		31/10/2017 \$'M	31/10/2016 \$'M	
<b>Revenue</b>						
Construction*	-	0.4	(100)	-	0.6	(100)
Development	2.9	-	n.m.	12.9	1.8	n.m.
Investment	4.4	4.4	-	13.0	13.5	(4)
Hotels	6.2	7.6	(18)	18.2	20.9	(13)
Total	13.5	12.4	9	44.1	36.8	20
<b>Profit before tax and non-controlling interests</b>						
Construction*	-	2.8	(100)	-	2.2	(100)
Development	0.1	(0.1)	n.m.	1.7	0.2	n.m.
Investment	5.6	0.3	n.m.	12.4	2.0	n.m.
Hotels	2.3	1.0	130	1.2	47.2	(97)
Total	8.0	4.0	100	15.3	51.6	(70)
Non-controlling interests	(0.4)	(0.4)	-	(1.0)	(0.7)	43
Taxation	(1.0)	(0.6)	67	(1.8)	(1.5)	20
<b>Net profit attributable to shareholder</b>	6.6	3.0	120	12.5	49.4	(75)

n.m.: Not Meaningful  
\* With effect from Q1FY2018, construction business is included in investment segment as the construction division provides construction service for internal property development and investment project.

**Development**

Development revenue increased by \$11.1M to \$12.9M in 9 months current year from \$1.8M in 9 months previous year. Development revenue was \$2.9M in Q3 current year. There was no development revenue in Q3 previous year. The increase was due to sales from Parkland Residences residential project, PLS and Kismis Residences during 9 months current year.

Net profit before tax and non-controlling interests for development segment increased by \$1.5M to \$1.7M in 9 months current year from \$0.2M in 9 months previous year. It increased to \$0.1M in Q3 current year from negative \$0.1M in Q3 previous year. The increase was in line with the higher revenue.

### **Investments**

Investment revenue decreased by \$0.5M to \$13.0M in 9 months current year from \$13.5M in 9 months previous year. The revenue for Q3 current year and Q3 previous year was \$4.4M. The decrease was due to lower revenue at PLS retail mall.

Net profit before tax and non-controlling interests for investment segment increased by \$10.4M to \$12.4M in 9 months current year from \$2.0M in 9 months previous year. It increased by \$5.3M to \$5.6M in Q3 current year from \$0.3M in Q3 previous year. The increase was mainly due to gain on disposal of long term equity investment, dividend on long term equity investment and write back of construction cost for completed projects upon finalisation of accounts offset with increase in unrealised translation loss on USD deposit as the USD weakened against SGD.

### **Hotel and F&B business**

Revenue for hotel & F&B business decreased by \$2.7M to \$18.2M in 9 months current year from \$20.9M in 9 months previous year. It decreased by \$1.4M to \$6.2M in Q3 current year from \$7.6M in Q3 previous year. The decrease was mainly due to lower revenue at Duxton Perth due to lower occupancy and lower average room rates in a slower market condition.

Net loss before tax and non-controlling interests for hotel segment was \$1.2M in 9 months current year compared to net profit before tax and non-controlling interests of \$47.2M in 9 months previous year. It increased by \$1.3M to \$2.3M in Q3 current year from \$1.0M in Q3 previous year. Net loss before tax and non-controlling interest decreased by \$3.0M if the extraordinary gain on sale of Duxton Hotel Saigon in 1H previous year was excluded. The decrease in net loss before tax and non-controlling interest was due to lower non-operational expenses at Balestier Tower and F&B outlet.

### **Net profit attributable to shareholders**

Net profit attributable to shareholders decreased by \$36.9M to \$12.5M in 9 months current year from \$49.4M in 9 months previous year. The decrease was due to the extraordinary gain on sale of Duxton Hotel Saigon in 9 months previous year but higher profits in development and investment segment in 9 months current year.

### **Balance Sheet**

Group shareholders' funds decreased by \$11.9M to \$655.0M as at 31 October 2017 from \$666.9M as at 31 January 2017. Cash and cash equivalents and fixed deposits decreased by \$130.7M to \$136.1M as at 31 October 2017 from \$266.8M as at 31 January 2017 mainly due to funding of development projects at Perumal and Kismis Residences. Bank borrowings increased by \$19.6M to \$379.9M as at 31 October 2017 from \$360.3M as at 31 January 2017 due to additional drawdown of bank loan to fund development projects at Perumal and Kismis Residences. Gearing was 0.37 as at 31 October 2017 compared to 0.14 as at 31 January 2017. The higher gearing was mainly due to decrease in cash and cash equivalents and fixed deposits.

**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 0.7% in September 2017 after 15 consecutive quarters of decline. Recent enbloc 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.

**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

**(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

**(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 9 months ended 31 October 2017 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  
Joint Managing Director

Dato' Marco Low Peng Kiat  
Joint Managing Director

8 December 2017