

First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 Mar 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

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

Consolidated Income Statement for the financial period ended 31-Mar-15

	GROUP		
	31-Mar-15	31-Mar-14	Variance
	S\$'000	S\$'000	%
Revenue	18,684	17,118	9%
Cost of sales	(12,370)	(11,043)	12%
Gross profit	6,314	6,075	
Other income	1,427	1,325	8%
Other gains – net	977	833	
Expenses			
- Distribution and marketing	(3,103)	(2,906)	7%
- Administrative	(5,100)	(4,785)	7%
- Finance	(51)	(23)	122%
Share of profit of joint ventures – net of tax	3,511	2,897	
Share of profit of associated companies – net of tax	-	(1)	
Profit before income tax	3,975	3,415	
Income tax expense	(37)	(44)	
Net profit	3,938	3,371	
Profit attributable to:			
Equity holders of the Company	3,638	3,120	
Non-controlling interests	300	251	
	3,938	3,371	

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

Consolidated Statement of Comprehensive Income for the financial period ended 31-Mar-15

	GROUP		
	31-Mar-15	31-Mar-14	Variance
	S\$'000	S\$'000	%
Net profit	3,938	3,371	
Other comprehensive income:			
Available-for-sale financial assets – fair value gains	-	8	
Currency translation differences arising from consolidation – gains/(losses)	605	(75)	
Other comprehensive income/(loss), net of tax	605	(67)	
Total comprehensive income	4,543	3,304	
Total comprehensive income attributable to:			
Equity holders of the Company	4,081	3,074	
Non-controlling interests	462	230	
	4,543	3,304	

Additional information to the income statement:

	GROUP	
	31-Mar-15	31-Mar-14
	S\$'000	S\$'000
1. Other income		
Commission income	4	6
Fixed deposit interest income	235	190
Interest income	46	82
Parking fee income	21	26
Management fee	14	14
Rental income	932	874
Miscellaneous income	175	133
	1,427	1,325

	GROUP	
	31-Mar-15	31-Mar-14
	S\$'000	S\$'000
2. Other gains – net		
Amortisation of deferred income	812	812
Bad debts recovered	147	21
Gain on disposal of property, plant and equipment	18	-
	977	833

Additional information to the income statement (continued):**3. Distribution and Marketing Expenses**

The increase in distribution and marketing expenses was mainly due to increase in rental due to expansion of showroom, staff cost and marketing cost.

	<u>GROUP</u>	
	31-Mar-15	31-Mar-14
	S\$'000	S\$'000
4. Finance Expenses		
Bank loan interest	27	1
Finance lease interest	1	2
Trust receipts interest	23	20
	51	23

	<u>GROUP</u>	
	31-Mar-15	31-Mar-14
	S\$'000	S\$'000
5. Profit before income tax		
Profit before income tax is determined after charging/(crediting):-		
Depreciation of property, plant and equipment	163	133
Allowance/(Allowance recovered) for impairment of trade and other receivables	134	(2)
Foreign Exchange loss - net	59	15

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

	GROUP		COMPANY	
	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	109,082	92,228	95,072	76,790
Available-for-sale financial assets	22	24	22	24
Trade and other receivables	17,498	32,577	10,384	24,642
Inventories	19,220	18,457	-	-
Gross amount due from customers for contract work-in-progress	135	89	-	-
	145,957	143,375	105,478	101,456
Non-current assets				
Trade and other receivables	424	421	-	-
Investments in associated companies	-	-	-	-
Investments in joint ventures	30,768	31,026	1,138	1,138
Investments in subsidiaries	-	-	3,716	3,716
Property, plant and equipment	1,675	1,770	155	182
Intangible assets	161	161	161	161
	33,028	33,378	5,170	5,197
Total assets	178,985	176,753	110,648	106,653
LIABILITIES				
Current liabilities				
Trade and other payables	18,625	20,396	5,147	4,534
Borrowings	11,186	12,395	8,406	8,470
Obligations under finance leases	44	59	10	19
Gross amount due to customers for contract work-in-progress	4,542	3,748	-	-
Current income tax liabilities	567	544	-	-
Deferred income	3,250	3,250	3,250	3,250
	38,214	40,392	16,813	16,273
Non-current liabilities				
Deferred income	7,041	7,854	7,041	7,854
Obligations under finance leases	10	16	-	-
Deferred income tax liabilities	94	94	69	69
	7,145	7,964	7,110	7,923
Total liabilities	45,359	48,356	23,923	24,196
NET ASSETS	133,626	128,397	86,725	82,457
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	33,408	32,460	33,408	32,460
Other reserves	1,617	1,436	1,394	1,656
Retained earnings	95,429	91,791	51,923	48,341
	130,454	125,687	86,725	82,457
Non-controlling interests	3,172	2,710	-	-
Total equity	133,626	128,397	86,725	82,457

Additional information to the statement of financial position:**Current Assets**

- Cash and cash equivalents increased by \$16.85 million as compared to 31 Dec 2014. The increase is mainly due to funds received from joint ventures.
- Trade and other receivables decreased by \$15.08 million as compared to 31 Dec 2014. The decrease is mainly due to loans repaid by joint ventures to the Company.

Current and Non-Current Liabilities

- Total bank borrowings decreased by \$1.23 million as compared to 31 Dec 2014. The decrease is mainly due to repayment of bank borrowings.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31-Mar-15		As at 31-Dec-14	
Secured	Unsecured	Secured	Unsecured
S\$10,867,471	S\$362,770	S\$11,980,784	S\$472,490

Amount repayable after one year

As at 31-Mar-15		As at 31-Dec-14	
Secured	Unsecured	Secured	Unsecured
S\$10,087	Nil	S\$16,998	Nil

Details of any collateral

A subsidiary's bank trade facilities are secured by its fixed deposit of \$602,484 and proportionate corporate guarantee by the Company.

Finance leases of \$86,151 (31 Dec 2014: \$106,850) are secured over some of the Group's motor vehicles.

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

	GROUP	
	31-Mar-15	31-Mar-14
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit	3,938	3,371
Adjustments for:		
- Income tax expense	37	44
- Employee share option expense	58	141
- Amortisation of deferred income	(812)	(812)
- Depreciation	163	133
- Gain on disposal of property, plant and equipment	(18)	-
- Gain on disposal of club membership	-	(14)
- Loss on disposal of available-for-sale financial assets	-	9
- Reversal of impairment loss on available-for-sale financial assets	2	1
- Interest income	(281)	(272)
- Finance expenses	51	23
- Share of profit of joint ventures	(3,511)	(2,897)
- Share of profit of associated companies	-	1
- Unrealised currency translation losses/(gains)	583	(72)
	210	(344)
<i>Change in working capital:</i>		
- Trade and other receivables	1,019	400
- Inventories	(763)	445
- Contract work-in-progress	748	1,256
- Trade and other payables	(1,771)	(1,212)
Cash (used in)/generated from operations	(557)	545
- Income tax paid	(14)	(26)
Net cash (used in)/generated from operating activities	(571)	519
Cash flows from investing activities		
Dividend income received from joint ventures	3,769	-
Loans to associated companies	46	(1,678)
Loans to joint ventures	14,010	(294)
Disposal of property, plant and equipment	18	-
Proceeds from redemption of available-for-sale financial assets	-	500
Proceeds from disposal of club membership	-	202
Additions to property, plant and equipment	(50)	(13)
Fixed deposits with maturity of more than three months	(10,234)	8,996
Interest received	281	272
Net cash provided by investing activities	7,840	7,985
Cash flows from financing activities		
Proceeds from bank borrowings	7,151	8,646
Repayment of bank borrowings	(8,360)	(8,326)
Net proceeds from issuance of shares	628	15
Fixed deposits pledged	(9)	(4,365)
Repayment of finance leases	(20)	(23)
Interest paid	(51)	(23)
Net cash used in financing activities	(661)	(4,076)
Net increase in cash and cash equivalents	6,608	4,428
Cash and cash equivalents		
Beginning of financial year	10,279	10,560
Effect of currency translation on cash and cash equivalents	3	(3)
End of financial year	16,890	14,985

Notes to Cash Flow Statement

For the purpose of presenting in the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP	
	31-Mar-15	31-Mar-14
	S\$'000	S\$'000
Cash and cash equivalents	109,082	82,790
Less: Bank deposits pledged	(11,848)	(5,684)
Less: Bank deposits with maturity more than three months	(80,344)	(62,121)
Cash and cash equivalents per consolidated statement of cash flows	16,890	14,985

The Group generated an operating cash flow before working capital changes of \$0.21 million as compared to cash used in operations of \$0.34 million in the 1st quarter ended 31 Mar 2014. Taking into account changes in working capital and income tax paid, the Group used \$0.57 million in its operating activities as compared to \$0.52 million generated from the 1st quarter ended 31 Mar 2014.

The Group recorded a net cash inflow of \$6.61 million in the 1st quarter ended 31 Mar 2015 compared to a net cash inflow of \$4.43 million in the 1st quarter ended Mar 2014. The net increase in cash and cash equivalents was due to net cash provided by investing activities of \$7.84 million, which was partially offset by net cash used in operating activities and financing activities of \$0.57 million and \$0.66 million respectively.

1(d)(i) A statement (for the issuer and Group) showing either

(i) all changes in equity or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of changes in equity for the period ended 31-Mar-15

	Attributable to equity holders of the Company								
GROUP	Share capital	Employee share option reserve	Warrants reserve	Fair value reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-15	32,460	1,656	-	-	(220)	91,791	125,687	2,710	128,397
Employee share option scheme	-	58	-	-	-	-	58	-	58
Issue of new shares	948	(320)	-	-	-	-	628	-	628
Total comprehensive income for the year	-	-	-	-	443	3,638	4,081	462	4,543
Balance as at 31-Mar-15	33,408	1,394	-	-	223	95,429	130,454	3,172	133,626

Consolidated statement of changes in equity for the period ended 31-Mar-14

	Attributable to equity holders of the Company								
GROUP	Share capital	Employee share option reserve	Warrants reserve	Fair value reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-14	27,310	1,591	255	(8)	(681)	70,884	99,351	2,497	101,848
Employee share option scheme	-	141	-	-	-	-	141	-	141
Issue of new shares	16	-	(1)	-	-	-	15	-	15
Total comprehensive income/(loss) for the year	-	-	-	8	(54)	3,120	3,074	230	3,304
Balance as at 31-Mar-14	27,326	1,732	254	-	(735)	74,004	102,581	2,727	105,308

Statement of changes in equity for the period ended 31-Mar-15

<u>COMPANY</u>	Share capital	Employee share option reserve	Warrants reserve	Fair value reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-15	32,460	1,656	-	-	48,341	82,457
Employee share option scheme	-	58	-	-	-	58
Issue of new shares	948	(320)	-	-	-	628
Total comprehensive income for the year	-	-	-	-	3,582	3,582
Balance as at 31-Mar-15	33,408	1,394	-	-	51,923	86,725

Statement of changes in equity for the period ended 31-Mar-14

<u>COMPANY</u>	Share capital	Employee share option reserve	Warrants reserve	Fair value reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-14	27,310	1,591	255	(8)	45,324	74,472
Employee share option scheme	-	141	-	-	-	141
Issue of new shares	16	-	(1)	-	-	15
Total comprehensive income/(loss) for the year	-	-	-	8	(508)	(500)
Balance as at 31-Mar-14	27,326	1,732	254	-	44,816	74,128

- 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.**

	GROUP AND COMPANY	
	31-Mar-15	31-Dec-14
	S\$'000	S\$'000
<u>Issued and paid up capital</u>		
At the end of the financial period/year	33,408	32,460

Note: During the financial period;

- (i) 837,000 share options were exercised and issued at \$0.2061 each; and
- (ii) 1,462,000 share options were exercised and issued at \$0.3120 each

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

	GROUP AND COMPANY	
	31-Mar-15	31-Dec-14
No of issued shares at the beginning of the period/year	209,531,686	190,481,700
Issue of new shares:		
- exercised of share option by employees and directors	2,299,000	3,242,000
- exercised of Warrant by warrant-holders	-	15,807,986
No of issued shares at the end of the period/year	211,830,686	209,531,686

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

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

The financial statements have not been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and method of computation in the financial statements for the current reporting period compared with the audited financial statements dated 31 March 2015 for the year ended 31 Dec 2014, except for the re-classification of the material entities of the Group, namely Urban Lofts Pte Ltd, LVND Homes Pte Ltd, Alliance Land Pte Ltd and LVND Holdings Pte Ltd as joint ventures under the Financial Reporting Standard 111, instead of joint operations. Please refer to the Company's announcement dated 21 May 2015.

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.

Other than as disclosed in para 4 above and in the Company's announcement dated 21 May 2015, the Group has also adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 Jan 2015, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings of the Group as at 1 Jan 2015.

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

	GROUP	
	31-Mar-15	31-Mar-14
Earnings per share based on consolidated profit after taxation and Non-controlling interests		
Based on existing issued share capital (cents)	1.733	1.638
On a fully diluted basis (cents)	1.690	1.491

Note:

- a) The Earnings per share is calculated based on the weighted average number of shares in issue during the period amounting to 209,966,286 and 190,481,700 shares as at 31 Mar 2015 and 31 Mar 2014 respectively.
- b) In calculating Earnings per share on a fully diluted basis, the weighted average number of shares in issue during the period is adjusted to take into account the employee share options and warrants issued on a deemed exercised basis, being 215,247,290 and 209,253,009 shares as at 31 Mar 2015 and 31 Mar 2014 respectively.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	GROUP		COMPANY	
	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
Net asset value per share based on the existing issued share capital as at the respective period	61.58 cents	59.98 cents	40.94 cents	39.35 cents

Note:

The net assets value per ordinary shares are calculated based on the issued share capital of the Company of 211,830,686 and 209,531,686 shares as at 31 Mar 2015 and 31 Dec 2014 respectively.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Group revenue for the 1st quarter ended 31 Mar 2015 increased by 9% to \$18.68 million as compared to \$17.12 million for the 1st quarter ended 31 Mar 2014.

This increase is mainly attributable to the Group's supply chain division under Buylateral Group which sells to the USA market, which achieved a sales increase of 28% from \$8.93 million for the 1st quarter ended 31 Mar 2014 to \$11.41 million for the 1st quarter ended 31 Mar 2015. On the other hand, within the product supply/furniture retail segment, European imported luxury furniture business recorded lower sales, tracking the slow down in the high end residential market.

The Group's net profit for the 1st quarter increased 17% to \$3.94 million as compared to a net profit of \$3.37 million for the 1st quarter ended 31 Mar 2014.

In the 1st quarter ended 31 Mar 2015, the Group's property investments also performed well and contributed to the increase in the Group's net profit with the recognition of contribution from Cambio Suites, Stellar RV and One Dusun Residences.

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 significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Whilst the European luxury furniture business within the furniture retail/product supply segment has slowed down and remains challenging, we will continue to build on and look for regional product supply opportunities particularly in Penang, Kuala Lumpur and Jakarta. We will continue to innovate our product lines and brands and increase our focus on the mid-mass market segment to cater to the growth in the aspirational "mass-tige" market.

The property development business in Singapore continues to be challenging and opportunities remain limited. The Group will continue to seek and explore opportunities in property development locally and overseas.

The Group's USA distribution and supply chain company, Buylateral Group Pte Ltd, has performed positively in the 1st quarter of 2015. The Group is positive about the growth in the USA market and expects Buylateral to continue to expand its customer base in the USA market.

In the light of loan tightening measures and other property related policy measures in Singapore which have affected affordability and spending power of potential customers, the Group is cautious about its prospects moving forward but hopes to build on the performance of the 1st quarter results.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the current financial period ended 31 Mar 2015.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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.

Not applicable.

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

Not applicable.

15. A breakdown of sales.

Not applicable.

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$)	Previous Full Year (S\$)
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Interest Person Transaction

Name of Interested Person	Aggregate value of all Interested Persons Transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' Mandate pursuant to Rule 920)	Aggregate value of all Interested Persons Transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	Nil	Nil

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The board of directors have confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of which may render the unaudited 1st quarter financial statements for the three month ended 31 Mar 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Goon Eu Jin Terence
Director

Wee Ai Quey
Director

BY ORDER OF THE BOARD

Goon Eu Jin Terence
Group Chief Executive Officer and Managing Director

21 May 2015