

LCD Global Investments Ltd

Company Registration No. 197301118N
(Incorporated in the Republic of Singapore)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

- 1(a) **An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED INCOME STATEMENT

	Group		
	Quarter Ended		Change
	30.09.2014	30.09.2013	
	S\$'000	S\$'000	%
Revenue	12,649	12,699	-
Cost of sales	(6,808)	(7,201)	(5)
Gross profit	5,841	5,498	6
Other operating income	354	136	160
Marketing expenses	(607)	(572)	6
Administrative expenses	(6,298)	(3,506)	80
Other operating expenses	(1,608)	(1,577)	2
Operating loss	(2,318)	(21)	10,938
Finance costs	(463)	(446)	4
Share of results of associated and joint venture companies	211	699	(70)
(Loss)/profit before taxation	(2,570)	232	NM
Taxation	(489)	(580)	(16)
Loss for the period	(3,059)	(348)	779
Attributable to :			
Shareholders of the Company	(3,327)	(691)	381
Non-controlling interests	268	343	(22)
	(3,059)	(348)	779

'NM' : Not meaningful.

Notes to Income Statement :

1. Included in revenue were :

	Group		
	Quarter Ended		
	30.09.2014	30.09.2013	Change
	S\$'000	S\$'000	%
Interest income from advances to an associated company	1	1	-

2. Cost of sales comprised mainly direct costs and overheads in respect of the Group's hospitality and leisure businesses.

3. (Loss)/profit before taxation is stated after crediting/(charging) :

	Group		
	Quarter Ended		
	30.09.2014	30.09.2013	Change
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from :			
- Fixed deposits	66	78	(15)
- Loan to a non-controlling interest	-	3	(100)
Gain on sale of property, plant and equipment, net	3	-	NM
Foreign currency gains (*)	228	-	NM
Rental income from investment property	56	54	4
Others	1	1	-
	354	136	160
(b) Depreciation of property, plant and equipment	(1,862)	(1,872)	(1)
(c) Depreciation of investment property	(86)	(86)	-
(d) Amortisation of club memberships	(4)	(4)	-
(e) Loss on sale of property, plant and equipment, net	-	(69)	(100)
(f) Property, plant and equipment written off	(183)	(10)	1,730
(g) Share-based compensation expense	-	(19)	(100)
(h) Foreign currency losses (*)	-	(93)	(100)

* Against Singapore Dollar, Thai Baht had strengthened in the quarter under review but weakened in the corresponding quarter last year.

4. The major components of income tax expense were :

	Group		
	Quarter Ended		
	30.09.2014	30.09.2013	Change
	S\$'000	S\$'000	%
Current tax			
- Current year	397	684	(42)
- Under/(over) provision in respect of prior years	2	(12)	NM
Deferred tax			
- Origination and reversal of temporary differences	90	(92)	NM
	489	580	(16)

Although the Group reported a pre-tax loss in the quarter under review, it was still in a tax paying position mainly because losses incurred by some companies could not be offset against profits made by other companies in the Group. The higher current tax expense in the corresponding quarter last year was mainly because of withholding taxes paid on interest income received and dividends declared by Thai subsidiary companies.

'NM' : Not meaningful.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	Quarter Ended		Change
	30.09.2014	30.09.2013	
S\$'000	S\$'000	%	
Loss for the period	(3,059)	(348)	779
Other comprehensive income/(loss) :			
<u>Items that may be reclassified subsequently to income statement</u>			
Foreign currency translation *	2,118	307	590
Fair value (loss)/gain on investment securities	(18)	2	NM
	2,100	309	580
Total comprehensive loss for the period	(959)	(39)	2,359
Attributable to :			
Shareholders of the Company	(2,337)	218	NM
Non-controlling interests	1,378	(257)	NM
	(959)	(39)	2,359

Note to Statement of Comprehensive Income :

- * Foreign currency translation comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to the income statement. The translation gain in the quarter under review was mainly due to the strengthening of Thai Baht, US Dollar and Renminbi against Singapore Dollar. The gain in the corresponding quarter last year was mainly due to the strengthening of Sterling Pound against Singapore Dollar.

'NM' : Not meaningful.

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	
	30.09.2014	30.06.2014	30.09.2014	30.06.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	285,051	283,796	-	541
Investment property	8,850	8,936	-	-
Intangible assets	158	161	104	108
Subsidiary companies	-	-	287,491	284,732
Associated companies	1,573	1,574	-	-
Joint venture companies	72,083	74,018	-	-
Investment securities	5,061	5,061	-	-
Deferred tax assets	106	99	-	-
	372,882	373,645	287,595	285,381
Current assets				
Investment securities	190	188	-	-
Inventories	532	504	-	-
Trade receivables	1,016	1,296	-	-
Other receivables	1,306	2,267	81	83
Tax recoverable	-	2	-	-
Prepayments	932	518	30	24
Cash and short-term deposits	34,826	35,287	2,556	4,413
	38,802	40,062	2,667	4,520
Current liabilities				
Provision	56	56	-	-
Trade payables	2,366	2,770	-	-
Other payables and accruals	6,413	7,476	644	613
Amount due to a subsidiary company	-	-	-	1,636
Provision for taxation	1,020	936	-	-
Hire purchase creditors	83	203	-	120
Term loans	6,054	5,985	-	-
	15,992	17,426	644	2,369
Net current assets	22,810	22,636	2,023	2,151
Non-current liabilities				
Provision	43	43	-	-
Hire purchase creditors	186	527	-	320
Term loans	40,469	40,002	-	-
Deferred tax liabilities	23,460	23,107	-	-
	64,158	63,679	-	320
Net assets	331,534	332,602	289,618	287,212
Equity attributable to shareholders of the Company				
Share capital	209,267	209,232	209,267	209,232
Treasury shares	(263)	(393)	(263)	(393)
Reserves	71,516	73,639	80,614	78,373
	280,520	282,478	289,618	287,212
Non-controlling interests	51,014	50,124	-	-
Total equity	331,534	332,602	289,618	287,212

Notes to Statement of Financial Position :Group

1. The decrease in other receivables was mainly because dividend receivable from a joint venture company at the end of the last financial year was received in the quarter under review.
2. The increase in prepayments was mainly due to prepaid premiums for insurance of the Group's hotel properties.
3. The decrease in other payables and accruals was mainly attributable to payment of renovation and development costs accrued at the end of the last financial year.
4. The decrease in hire purchase creditors (under both current and non-current liabilities) was mainly because the Company's motor vehicle under hire purchase was disposed in the quarter under review.

Company

5. The decrease in cash and short-term deposits was due to repayment of amount owing to a subsidiary company.

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

As at 30.09.2014		As at 30.06.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,137	-	6,188	-

Amount repayable after one year

As at 30.09.2014		As at 30.06.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
40,655	-	40,529	-

Details of any collaterals

The Group's borrowings comprised :

1. A term loan of S\$33.9 million secured by :
 - a mortgage on the freehold land and building owned by a company in the Group.
 - a fixed and floating charge over the assets of a company in the Group.
 - a pledge of shares of a company in the Group.
2. 2 term loans of S\$12.6 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.
3. Finance leases of motor vehicles for S\$0.3 million.

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

	Group	
	Quarter Ended	
	30.09.2014	30.09.2013
	S\$'000	S\$'000
Cash flows from operating activities :		
(Loss)/profit before taxation	(2,570)	232
Adjustments for :		
Depreciation of property, plant and equipment	1,862	1,872
Depreciation of investment property	86	86
(Gain)/loss on sale of property, plant and equipment	(3)	69
Property, plant and equipment written off	183	10
Share of results of associated and joint venture companies	(211)	(699)
Amortisation of club memberships	4	4
Share-based compensation expense	-	19
Interest income	(67)	(82)
Finance costs	463	446
Currency realignment	(341)	48
Operating (loss)/profit before reinvestment in working capital	(594)	2,005
Increase in inventories	(28)	(33)
Increase in receivables and prepayments	(48)	(68)
Decrease in payables	(1,442)	(2,328)
Cash flows used in operations	(2,112)	(424)
Interest received	67	69
Interest paid	(462)	(454)
Income taxes paid	(361)	(832)
Net cash flows used in operating activities	(2,868)	(1,641)
Cash flows from investing activities :		
Dividends received	3,673	-
Proceeds from sale of property, plant and equipment	519	25
Purchase of property, plant and equipment	(2,383)	(3,866)
Net cash flows from/(used in) investing activities	1,809	(3,841)
Cash flows from financing activities :		
Proceeds from a bank loan	1,565	1,772
Repayment of a bank loan	(362)	(352)
Proceeds from exercise of share options	132	-
Decrease in hire purchase creditors	(461)	(38)
Dividends paid to non-controlling interests	(550)	(140)
Net cash flows from financing activities	324	1,242
Net decrease in cash and cash equivalents	(735)	(4,240)
Effects of exchange rate changes on opening cash and cash equivalents	272	(45)
Cash and cash equivalents at beginning of period	35,196	46,785
Cash and cash equivalents at end of period	34,733	42,500

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	Quarter Ended	
	30.09.2014	30.09.2013
	S\$'000	S\$'000
Fixed deposits	19,305	26,816
Cash and bank balances	15,521	15,779
Cash and short-term deposits per Consolidated Statement of Financial Position	34,826	42,595
Less : Fixed deposits pledged	(93)	(95)
Cash and cash equivalents per Consolidated Statement of Cash Flows	34,733	42,500

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 30 SEPTEMBER 2014

2015 Group	-----Attributable to shareholders of the Company-----								Revenue reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000				
As at 1 July 2014	209,232	(393)	37,191	60	(19,218)	55,696	138	515	36,448	73,639	50,124	332,602
Total comprehensive income/(loss) for the period	-	-	989	-	1,003	-	-	(14)	(3,326)	(2,337)	1,378	(959)
Transfer of treasury shares on exercise of share options	35	130	(33)	-	-	-	(33)	-	-	(33)	-	132
Lapsing of share options	-	-	(2)	-	-	-	(2)	-	2	-	-	-
Increase in net assets of a joint venture company	-	-	-	-	-	-	-	-	247	247	62	309
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(550)	(550)
As at 30 September 2014	209,267	(263)	38,145	60	(18,215)	55,696	103	501	33,371	71,516	51,014	331,534

2014 Group	-----Attributable to shareholders of the Company-----								Revenue reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000				
As at 1 July 2013	206,274	(464)	27,083	30	(19,205)	45,077	818	363	57,157	84,240	54,823	344,873
Total comprehensive income/(loss) for the period	-	-	909	-	907	-	-	2	(691)	218	(257)	(39)
Transfer to legal reserve	-	-	31	31	-	-	-	-	(31)	-	-	-
Share-based compensation expense	-	-	19	-	-	-	19	-	-	19	-	19
Lapsing of share options	-	-	(164)	-	-	-	(164)	-	164	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(140)	(140)
As at 30 September 2013	206,274	(464)	27,878	61	(18,298)	45,077	673	365	56,599	84,477	54,426	344,713

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

2015 Company	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
As at 1 July 2014	209,232	(393)	138	78,235	78,373	287,212
Total comprehensive income for the period	-	-	-	2,274	2,274	2,274
Transfer of treasury shares on exercise of share options	35	130	(33)	-	(33)	132
Lapsing of share options	-	-	(2)	2	-	-
As at 30 September 2014	209,267	(263)	103	80,511	80,614	289,618
2014 Company	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
As at 1 July 2013	206,274	(464)	818	84,484	85,302	291,112
Total comprehensive loss for the period	-	-	-	(477)	(477)	(477)
Share-based compensation expense	-	-	19	-	19	19
Lapsing of share options	-	-	(164)	164	-	-
As at 30 September 2013	206,274	(464)	673	84,171	84,844	290,654

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.

Since the end of the previous period reported on, 940,000 share options were exercised pursuant to the LCD Share Option Scheme ("Option Scheme") and were satisfied by transfer of treasury shares.

The Company's issued and fully paid-up shares as at 30 September 2014 comprised 1,052,654,464 (30 September 2013 : 1,035,614,464) ordinary shares with voting rights and 1,682,000 (30 September 2013 : 3,162,000) ordinary shares (treasury shares) with no voting rights.

Under the Option Scheme, the number of shares that may be issued on conversion of all the outstanding share options as at 30 September 2014 was 2,985,000 (30 September 2013 : 20,945,000) shares.

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 immediately preceding year.

	30.09.2014	30.06.2014
Total number of ordinary shares excluding treasury shares	1,052,654,464	1,051,714,464

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.

During the current financial period, 940,000 treasury shares were transferred upon exercise of share options granted under the Option Scheme.

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

The figures in this announcement have not been audited or 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 financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 30 June 2014.

The adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS relevant to the Group's operations which are effective for annual periods beginning on 1 July 2014 does not have a material impact on the 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per ordinary share of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	30.09.2014	30.09.2013
(a) Based on weighted average number of ordinary shares in issue	(0.32) cent	(0.07) cent
(b) On a fully diluted basis	(0.32) cent	(0.07) cent
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,052,243	1,035,614
Adjustment for assumed exercise of share options granted under the LCD Share Option Scheme ('000)	-	619
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,052,243	1,036,233

As at 30 September 2014 and 2013, the Company has only one category of outstanding convertibles which is share options.

For the purpose of calculating diluted earnings per share for the current financial period, the effect of outstanding share options is anti-dilutive and is disregarded.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

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

	Group		Company	
	30.09.2014	30.06.2014	30.09.2014	30.06.2014
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.27	S\$0.27	S\$0.28	S\$0.27

⁽¹⁾ Net asset is defined as total equity less non-controlling interests.

⁽²⁾ Based on total number of shares (excluding treasury shares which have no voting rights) as at the end of the financial period.

- 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.**

Revenue

Revenue of the Group for the quarter under review of S\$12.7 million was comparable with the corresponding quarter last year. The breakdown by sector is as follows :

Hotel

Revenue of S\$11.1 million was S\$0.9 million or 8% higher than the corresponding quarter last year.

Crowne Plaza London Kensington had performed better and had achieved higher occupancy, room rate and food and beverage revenue. The average exchange rate of Sterling Pound against Singapore Dollar was also higher in the quarter under review compared to the preceding corresponding quarter.

Operating with full room inventory since 27 July 2014 with the completion of the refurbishment of the final phase of 92 rooms at its Main Wing, Holiday Inn Resort Phuket had turned in a marginally higher revenue.

Serviced Residence

Revenue of S\$0.9 million was S\$0.2 million or 19% lower than the corresponding quarter last year.

The performance of Parkview Executive Suites in Vientiane, Laos was affected by the closure of rooms for refurbishment works to rebrand this serviced residence as Somerset Vientiane.

Cityview Apartments and Commercial Centre in Ho Chi Minh City, Vietnam had performed within expectation.

Leisure and Others

Revenue of S\$0.7 million was S\$0.7 million or 49% lower than the corresponding quarter last year.

With the closure of 3 outlets in April 2014 owing to escalation of rental rates and a drop in business, the revenue of the Group's family entertainment business had fallen.

Costs and Expenses

Higher directors' remuneration due to payment of contractual retirement benefits in the quarter under review had resulted in an increase in administrative expenses.

Operating Loss

The Group incurred an operating loss of S\$2.3 million in the quarter under review compared to a small operating loss of S\$21,000 in the corresponding quarter last year. The breakdown by sector is as follows :

Hotel

This sector incurred an operating loss of S\$0.9 million compared to an operating profit of S\$0.6 million in the corresponding quarter last year mainly because of the higher directors' remuneration as explained under "Cost and Expenses" above.

The profit of Crowne Plaza London Kensington was higher owing to its better performance.

The profit of Holiday Inn Resort Phuket was lower despite its marginally higher revenue mainly because of the write-off of fixed assets replaced during the refurbishment exercise.

Serviced Residence

This sector's operating profit of S\$0.1 million was S\$0.1 million or 36% lower than the corresponding quarter last year which was mainly due to the drop in revenue of Parkview Executive Suites as explained under "Revenue" above.

Leisure and Others

This sector incurred an operating loss of S\$1.3 million which was S\$0.7 million or 104% higher than the corresponding quarter last year mainly because of the higher directors' remuneration as explained under "Cost and Expenses" above.

The loss incurred by the Group's family entertainment business was lower despite a drop in revenue mainly because of costs savings attributable to the downsizing of its operations.

Property

This sector incurred an operating loss of S\$0.2 million which was comparable with the corresponding quarter last year.

Results of Associated and Joint Venture Companies

The Group's share of results of its associated and joint venture companies for the quarter under review was a profit of S\$0.2 million which was S\$0.5 million or 70% lower than the corresponding quarter last year. Contribution from Knight Frank Pte Ltd and its subsidiaries was lower in the quarter under review mainly because of the continued effect of the property cooling measures on its agency business. The loss incurred by the joint venture companies for the Group's project in Xuzhou was higher mainly because of lower interest income and higher overheads.

Cash Flow

The deficit in cash flows from operations was mainly attributable to the payment of contractual retirement benefits in the quarter under review as mentioned under "Costs and Expenses" above.

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.**

Our residential project in Xuzhou, PRC obtained the official approval from the authorities on 7 November 2014 for the handover of the apartment units to the buyers; and the joint venture company has accordingly given notifications to the buyers to collect their keys. With this milestone accomplished, the Group will be recognising its share of results upon delivery of the units to the buyers. To date, we have sold 484 units or 40% of the total 1,206 units comprised in nine high-rise and four low-rise blocks.

The review of our re-development plans for the resort at Rawai, Phuket is in progress. It is prudent to review and make appropriate adjustments to the plans of this investment taking into consideration the market situation.

The Group's serviced residence in Vientiane, Parkview Executive Suites will begin operations as Somerset Vientiane by the end of the year.

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 (recommended), a statement to that effect.**

No dividend has been declared or recommended for the current financial period reported on.

13 **Confirmation pursuant to Rule 920(1)(a)(ii) of the Listing Manual.**

The Company does not have a general mandate from shareholders for interested person transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the first quarter ended 30 September 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kelvin Lum Wen Sum
Director

Iris Wu Hwee Tan
Director

BY ORDER OF THE BOARD

Iris Wu Hwee Tan
Company Secretary

14 November 2014