

# **Low Keng Huat (Singapore) Limited**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND HALF AND FINANCIAL YEAR ENDED  
31 JANUARY 2022

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**Unaudited Second Half (“2H”) and Full Year (“FY”) Financial Statements For the Period Ended 31 January 2022**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEARLY 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.**

**Consolidated income statement**

	Note	2H 2022		Increase / (Decrease) %	FY 2022		Increase / (Decrease) %
		31/1/2022 \$'000	31/1/2021 \$'000		31/01/2022 \$'000	31/01/2021 \$'000	
Revenue	1	72,697	50,491	44	161,638	73,351	120
Cost of sales	2	(62,432)	(44,323)	41	(140,355)	(60,909)	130
Gross profit		10,265	6,168	66	21,283	12,442	71
Other income	3	5,733	5,193	10	35,324	7,419	n.m.
Interest income	4	1,062	2,496	(57)	3,607	5,200	(31)
Distribution costs	5	(4,190)	(4,655)	(10)	(11,516)	(5,263)	119
Administrative costs		(4,461)	(4,626)	(4)	(9,427)	(9,196)	3
Other operating expenses	6	(7,408)	(2,914)	154	(8,433)	(5,735)	47
Finance costs	7	(4,469)	(3,939)	13	(7,811)	(9,151)	(15)
Profit/(loss) from operations		(3,468)	(2,277)	52	23,027	(4,284)	n.m.
Share of results of associated companies and joint ventures	8	241	(794)	n.m.	(40)	53,025	n.m.
Profit/(loss) before taxation		(3,227)	(3,071)	5	22,987	48,741	(53)
Taxation	9	(1,378)	(226)	n.m.	(2,580)	(869)	197
Profit/(loss) after taxation for the period		(4,605)	(3,297)	40	20,407	47,872	(57)
Attributable to:							
Owners of the parent	10	(4,253)	(3,143)	35	20,815	48,736	(57)
Non-controlling interests		(352)	(154)	129	(408)	(864)	(53)
		(4,605)	(3,297)	40	20,407	47,872	(57)
Earnings per share (cents)							
- basic		(0.58)	(0.43)	35	2.82	6.60	(57)
- diluted		(0.58)	(0.43)	35	2.82	6.60	(57)
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.**

**Consolidated statement of comprehensive income**

	2H 2022		Increase / (Decrease) %	FY 2022		Increase / (Decrease) %
	31/01/2022 \$'000	31/01/2021 \$'000		31/01/2022 \$'000	31/01/2021 \$'000	
<b>Net profit/(loss) for the period</b>	(4,605)	(3,297)	40	20,407	47,872	(57)
<b>Other comprehensive income after tax</b>						
<b>Items that will not be reclassified to profit and loss:</b>						
Fair value gain/(loss) on financial assets at FVOCI (net of tax at Nil%)	1,743	1,046	67	3,376	(2,596)	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	(54)	219	n.m.	(55)	397	n.m.
<b>Items that are or may be reclassified subsequently to profit and loss:</b>						
Exchange differences on translation of the financial statements of foreign entities (net)	(1,233)	1,505	n.m.	(1,978)	3,468	n.m.
<b>Total other comprehensive income for the period, net of tax</b>	456	2,770	(84)	1,343	1,269	6
<b>Total comprehensive income/(expense) for the period</b>	<u>(4,149)</u>	<u>(527)</u>	n.m.	<u>21,750</u>	<u>49,141</u>	(56)
<b>Total comprehensive income/(expense) attributable to:</b>						
Owners of the parent	(3,743)	(592)	n.m.	22,213	49,608	(55)
Non-controlling interests	(406)	65	n.m.	(463)	(467)	(1)
<b>Total comprehensive income/(expense) for the period</b>	<u>(4,149)</u>	<u>(527)</u>	n.m.	<u>21,750</u>	<u>49,141</u>	(56)

n.m.: Not Meaningful

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

- Revenue increased by \$88.2M to \$161.6M in current year from \$73.4M in previous year. It increased by \$22.2M to \$72.7M in 2H current year from \$50.5M in 2H previous year. Increase in YTD revenue was mainly from Development segment of \$76.0M. Revenue from Investment segment and Hotel segment increased by \$7.9M and \$4.3M respectively. Development revenue increase was mainly due to sales at Uptown @ Farrer, which obtained TOP on 7 September 2021. As at 31 January 2022, 112 units out of total 116 units were sold at average of \$1,859 psf. The increase in revenue in Investment segment was mainly from increased construction revenue due to increase in construction completion for Dalvey Haus project and decrease in rental relief granted to tenants at the retail mall at Paya Lebar Square. Revenue in Hotel segment increased by \$4.3M to \$20.3M in current year from \$16.0M in prior year mainly due to higher average room rates at both Duxton Perth and Citadines Balestier and higher restaurant revenue at Duxton Perth.
- Cost of sales increased by \$79.5M to \$140.4M in current year from \$60.9M in previous year. It increased by \$18.1M to \$62.4M in 2H current year from \$44.3M in 2H previous year. The increase in cost of sales was mainly due to higher sales in Development segment and higher operational cost at Duxton Perth in Hotel segment.
- Other income increased by \$27.9M to \$35.3M in current year from \$7.4M in previous year. It increased by \$0.5M to \$5.7M in 2H current year from \$5.2M in 2H previous year. Increase was mainly due to gain on disposal of investment in joint ventures at Westgate Tower Pte Ltd and Westgate Commercial Pte Ltd of \$19.7M, gain on disposal of \$8.6M from sales of office units at Paya Lebar Square, reversal of impairment at Citadines Balestier of \$3.4M, reversal of provision for doubtful debts of \$0.3M at Paya Lebar Square retail mall offset by decrease in government grants of \$3.1M.
- Interest income decreased by \$1.6M to \$3.6M in current year from \$5.2M in previous year. It decreased by \$1.4M to \$1.1M in 2H current year from \$2.5M in 2H previous year. The decrease was mainly due to lower fixed deposit interest and lower bond interest income in current year because of lower interest rate and redemption of junior bond on 30 June 2020.

5. Distribution costs increased by \$6.2M to \$11.5M in current year from \$5.3M in previous year. It decreased by \$0.5M to \$4.2M in 2H current year from \$4.7M in 2H previous year. The increase was due to increase in sales agent commission at Uptown @ Farrer and show flat costs at Klimt Cairnhill.
6. Other operating expenses increased by \$2.7M to \$8.4M in current year from \$5.7M in previous year. It increased by \$4.5M to \$7.4M in 2H current year from \$2.9M in 2H previous year. The increase was mainly due to \$3.4M fair value loss recognised on financial assets and \$1.9M impairment loss at BT Centre, offset by decrease in property tax refund granted to tenants at Paya Lebar Square retail mall.
7. Finance costs decreased by \$1.4M to \$7.8M in current year from \$9.2M in previous year. It increased by \$0.6M to \$4.5M in 2H current year from \$3.9M in 2H previous year. The decrease in finance cost was due to lower interest expense due to loan repayments and lower average interest rate in current year.
8. Share of results of associated companies and joint ventures was negative \$40K in current year compared to \$53.0M in previous year. Share of results of associated companies and joint ventures was \$0.2M in 2H current year compared to a negative \$0.8M in 2H previous year. The decrease was mainly due to gain on sale of equity stake in Perennial Shenton Holding Pte. Ltd. ("PSH") of \$50.0M in previous year.
9. The basis of tax computation is set out below:

	2H 2022		Increase / (Decrease)	FY 2022		Increase / (Decrease)
	31/01/2022	31/01/2021		31/01/2022	31/01/2021	
	\$'000	\$'000	%	\$'000	\$'000	%
Income tax expense:						
- current	(1,473)	(219)	n.m.	(2,513)	(858)	193
- foreign tax	95	(7)	n.m.	(67)	(11)	n.m.
		-	n.m.		-	n.m.
	<u>(1,378)</u>	<u>(226)</u>	n.m.	<u>(2,580)</u>	<u>(869)</u>	197

Taxation increased by \$1.7M to \$2.6M in current year from \$0.9M in previous year. It increased by \$1.2M to \$1.4M in 2H current year from \$0.2M in 2H previous year. The increase was mainly due to increase in taxable profits in Development segment.

10. Net profit attributable to shareholders decreased by \$27.9M to \$20.8M in current year from \$48.7M in previous year. Net loss attributable to shareholders increased by \$1.1M to \$4.2M in 2H current year from \$3.1M in 2H previous year. The decrease was mainly due to lower profit in Investment segment offset by increase in profits in Hotel and Development segments. The decrease in Investment segment is mainly due to gain on sale of equity stake in PSH of \$50.0M in previous year compared to gain on disposal of Westgate Tower Pte Ltd and Westgate Commercial Pte Ltd and office units at Paya Lebar Square of \$19.7M and \$8.6M respectively in current year. The increase in profits in Hotel segment was mainly due to impairment loss no longer required at Citadines Balestier by \$3.4M. Development segment loss decreased by \$1.4M to \$0.1M in current year from \$1.5M in previous year, due to profit at Uptown @ Farrer offset by higher show flat costs at Klimt Cairnhill.

**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**

	Note	Group		Company	
		31/01/2022 \$'000	31/01/2021 \$'000	31/01/2022 \$'000	31/01/2021 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	1	293,716	314,475	-	17,817
Property, plant and equipment	1	178,879	294,609	2,283	2,231
Right-of-use assets		129,195	6,804	2,505	2,535
Subsidiaries		-	-	675,433	545,759
Joint ventures	2	10,812	89,364	10,797	98,678
Associated companies	2	92,288	89,099	-	-
Financial assets at FVOCI	3	13,458	10,089	1,267	969
Financial asset at FVPL	3	15,708	763	-	-
Other receivables	5	1,262	496	2,990	718
Deferred tax assets		201	1,040	-	-
		<u>735,519</u>	<u>806,739</u>	<u>695,275</u>	<u>668,707</u>
<b>Current assets</b>					
Cash and cash equivalents	4	119,929	76,427	25,607	36,326
Fixed deposits	4	7,473	7,456	-	-
Amount owing by subsidiaries		-	-	2,230	2,734
Amount owing by non-controlling interests		1,618	957	-	-
Trade and other receivables	5	9,650	8,467	3,072	2,631
Inventories		406	402	-	-
Contract assets	12	25,038	25,889	2,167	4,117
Contract costs		1,018	332	-	-
Development properties	6	546,501	621,980	-	-
		<u>711,633</u>	<u>741,910</u>	<u>33,076</u>	<u>45,808</u>
<b>Total assets</b>		<u><u>1,447,152</u></u>	<u><u>1,548,649</u></u>	<u><u>728,351</u></u>	<u><u>714,515</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital		161,863	161,863	161,863	161,863
Capital reserves	7	(30,214)	(2,005)	-	-
Fair value reserves	7	1,860	(1,513)	515	214
Retained profits		540,127	537,779	509,314	514,175
Exchange fluctuation account		(2,563)	(585)	-	-
		<u>671,073</u>	<u>695,539</u>	<u>671,692</u>	<u>676,252</u>
Non-controlling interests	10	12,536	32,172	-	-
<b>Total equity</b>		<u>683,609</u>	<u>727,711</u>	<u>671,692</u>	<u>676,252</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	9	653,369	687,986	3,583	5,000
Trade and other payables	11	3,106	3,106	-	-
Provisions		28	28	-	-
Amount owing to non-controlling interests	8	-	44,876	-	-
Lease liabilities		1,376	1,837	19	5
Deferred tax liabilities		3,082	3,082	-	-
		<u>660,961</u>	<u>740,915</u>	<u>3,602</u>	<u>5,005</u>
<b>Current liabilities</b>					
Trade and other payables	11	30,068	28,602	13,580	11,819
Contract liabilities	12	1,554	-	-	-
Amount owing to subsidiaries		-	-	12,944	11,422
Amount owing to joint ventures		253	249	-	-
Lease liabilities		404	399	6	7
Amount owing to non-controlling interests	8	1,350	417	-	-
Provision for directors' fee		215	215	215	215
Provision for taxation		5,711	3,241	95	95
Bank borrowings	9	63,027	46,900	26,217	9,700
		<u>102,582</u>	<u>80,023</u>	<u>53,057</u>	<u>33,258</u>
<b>Total liabilities</b>		<u>763,543</u>	<u>820,938</u>	<u>56,659</u>	<u>38,263</u>
<b>Total equity and liabilities</b>		<u><u>1,447,152</u></u>	<u><u>1,548,649</u></u>	<u><u>728,351</u></u>	<u><u>714,515</u></u>

## 1(b)(ii) Notes to the statement of financial position

- 1 The net book value of Investment properties decreased by \$20.8M to \$293.7M as at 31 January 2022 from \$314.5M as at 31 January 2021. The decrease was mainly due to disposal of 4 office units at Paya Lebar Square. The net book value of property, plant and equipment decreased by \$115.7M to \$178.9M as at 31 January 2022 from \$294.6M as at 31 January 2021. The decrease was mainly due to LYF @ Farrer obtaining TOP in September 2021 and has been reclassified to right-of-use assets.
- 2 Joint ventures decreased by \$78.6M to \$10.8M as at 31 January 2022 from \$89.4M as at 31 January 2021 mainly due to disposal of joint ventures, Westgate Tower and Westgate Commercial on 30 June 2021 and repayment of shareholder loans as part of the consideration. Amount due from associated companies increased by \$3.2M to \$92.3M as at 31 January 2022 from \$89.1M as at 31 January 2021. The increase was mainly from imputed interest charged of \$1.8M and increase in share of profit of \$0.5M from Pre-13 Pte Ltd, and additional shareholder loan of \$0.9M to Binakawa Sdn. Bhd.
- 3 Financial assets at FVOCI increased by \$3.4M to \$13.5M as at 31 January 2022 from \$10.1M as at 31 January 2021. The increase was mainly due to the increase in fair value of quoted equity investments measured at FVOCI. Financial assets at FVPL increased by \$14.9M as at 31 January 2022 from \$0.8M as at 31 January 2021. The increase was mainly due to capital contribution to HThree City Australian Commercial Fund 3 LP "HCACF3", offset by fair value loss recognised. Investment in HCACF3 is to generate risk-adjusted returns by investing in well-located commercial assets in Australia.
- 4 Cash and cash equivalents and fixed deposits increased by \$43.5M to \$127.4M as at 31 January 2022 from \$83.9M as at 31 January 2021 mainly due to progressive payments received from development sales at Uptown @ Farrer.
- 5 Trade and other receivables increased by \$1.9M to \$10.9M as at 31 January 2022 from \$9.0M as at 31 January 2021. The increase was mainly due to higher receivables at Klimt Cairnhill and Dalvey Haus project. As at 31 January 2022, Klimt Cairnhill sold 3 units out of total 138 units and Dalvey Haus construction was 43% completed.
- 6 Development properties decreased by \$75.5M to \$546.5M as at 31 January 2022 from \$622.0M as at 31 January 2021. The decrease was mainly due to reclassification of \$98.6M to cost of sales recognised for Uptown @ Farrer offset by \$19.2M increase in development costs at Klimt Cairnhill. Uptown @ Farrer obtained Temporary Occupation Permit on 7 September 2021 and construction at Klimt Cairnhill was 16% completed as at 31 January 2022.
- 7 Capital reserves were negative \$30.2M as at 31 January 2022 compared to negative \$2.0M as at 31 January 2021 mainly due to acquisition of non-controlling interests in Paya Lebar Square Pte. Ltd. on 30 June 2021. Fair value reserves were \$1.9M as at 31 January 2022 compared to negative \$1.5M as at 31 January 2021 mainly due to increase in fair value of quoted equity investments measured at FVOCI.
- 8 Amount due to non-controlling interests decreased by \$43.9M to \$1.4M as at 31 January 2022 from \$45.3M as at 31 January 2021. The decrease was due to repayment of loans owing to non-controlling interests as part of the consideration in the acquisition of non-controlling interests in Paya Lebar Square Pte. Ltd.
- 9 Bank borrowings decreased by \$18.5M to \$716.4M as at 31 January 2022 from \$734.9M as at 31 January 2021 due to repayment of loans offset by loan drawdown to finance daily operations. Gearing ratio was 0.88 as at 31 January 2022 compared to 0.94 as at 31 January 2021.
- 10 Non-controlling interests decreased by \$19.7M to \$12.5M as at 31 January 2022 from \$32.2M as at 31 January 2021 mainly due to acquisition of non-controlling interests in Paya Lebar Square Pte. Ltd. on 30 June 2021.
- 11 Trade and other payables increased by \$1.5M to \$33.2M as at 31 January 2022 from \$31.7M as at 31 January 2021. The increase was mainly due to increase in construction progress at Dalvey Haus and Klimt Cairnhill. Construction completion at Dalvey Haus project and Klimt Cairnhill is 43% and 16% respectively as at 31 January 2022.
- 12 Contract assets decreased by \$0.9M to \$25.0M as at 31 January 2022 from \$25.9M as at 31 January 2021. Contract assets are unbilled progress payments but recognised as revenue at Uptown @ Farrer upon its TOP on 7 September 2021. The decrease was mainly due to progress billings during the year for Uptown @ Farrer. Contract liabilities of \$1.6M as at 31 January 2022 represents progress payment received for sales at Klimt Cairnhill. Klimt was launched for sales in August 2021 and it sold 3 units as at 31 January 2022.

**1(c) 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**

**Statement of Changes in Equity**

	Share capital \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000			
<b>The Company</b>							
Balance at 1 February 2021	161,863	214	514,175	676,252			
Total comprehensive income and loss for the period	-	304	13,606	13,910			
Transfer upon disposal of financial assets at FVOCI	-	(3)	3	-			
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2021	-	-	(18,470)	(18,470)			
Balance at 31 January 2022	161,863	515	509,314	671,692			
Balance at 1 February 2020	161,863	216	512,125	674,204			
Total comprehensive income and loss for the period	-	(2)	13,132	13,130			
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2020	-	-	(11,082)	(11,082)			
Balance at 31 January 2021	161,863	214	514,175	676,252			
	Share capital \$'000	Reserves \$'000	Retained profits \$'000	Exchange fluctuation account \$'000	Sub-total \$'000	Non-controlling interests \$'000	Total \$'000
<b>The Group</b>							
Balance at 1 February 2021	161,863	(3,518)	537,779	(585)	695,539	32,172	727,711
Total comprehensive income and loss for the period	-	3,376	20,815	(1,978)	22,213	(463)	21,750
Transfer upon disposal of financial assets at FVOCI	-	(3)	3	-	-	-	-
Transaction with owners: -							
Dividends paid	-	-	(18,470)	-	(18,470)	(943)	(19,413)
Transactions with non-controlling interests	-	(28,209)	-	-	(28,209)	(18,230)	(46,439)
Balance at 31 January 2022	161,863	(28,354)	540,127	(2,563)	671,073	12,536	683,609
Balance at 1 February 2020	161,863	(922)	500,125	(4,053)	657,013	32,639	689,652
Total comprehensive income and loss for the period	-	(2,596)	48,736	3,468	49,608	(467)	49,141
Transaction with owners: -							
Dividends paid	-	-	(11,082)	-	(11,082)	-	(11,082)
Balance at 31 January 2021	161,863	(3,518)	537,779	(585)	695,539	32,172	727,711



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

	FY 2022	
	31/01/2022 \$'000	31/01/2021 \$'000
<b>Cash Flows from Operating Activities</b>		
Operating profit before taxation	22,987	48,741
Adjustments for:		
Share of results of associated companies and joint ventures	40	(53,025)
Depreciation of investment properties	4,153	4,145
Depreciation of property, plant and equipment	5,225	5,154
Depreciation of right-of-use assets	182	427
Loss/(gain) on disposal of property, plant and equipment	55	-
Gain on disposal of investment property	(8,630)	-
Gain on disposal of joint ventures	(19,685)	-
Gain on lease modification	-	(67)
(Impairment loss no longer required for) / impairment loss on property, plant and equipment	(3,391)	570
Impairment loss on investment properties	1,902	-
Rent concessions	-	(91)
Impairment of ROU asset	-	980
(Impairment loss no longer required for) / impairment loss on receivables	(353)	1,021
Bad debts (recovered) / written off	107	-
Amortisation of contract costs	4,652	1,537
Property, plant and equipment written off	30	6
Fair value gain on financial assets at FVPL	3,480	-
Dividend income from quoted equity investments	(356)	(193)
Finance costs	7,811	9,151
Interest income	(3,607)	(5,200)
<b>Operating profit before working capital changes</b>	<b>14,602</b>	<b>13,156</b>
Increase in inventories	(4)	(22)
Decrease/(increase) in development properties	75,479	(9,082)
Increase in contract assets & contract costs	(4,487)	(24,963)
Increase in operating receivables	(1,157)	(389)
Increase/(Decrease) in operating payables	1,960	(4,570)
Increase in contract liabilities	1,554	5,260
<b>Cash generated from / (used in) operations</b>	<b>87,947</b>	<b>(20,610)</b>
Income tax refunded/(paid)	674	(1,292)
<b>Net cash generated from / (used in) operating activities</b>	<b>88,621</b>	<b>(21,902)</b>
<b>Balance carried forward</b>	<b>88,621</b>	<b>(21,902)</b>

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

	FY 2022	
	31/01/2022	31/01/2021
	\$'000	\$'000
<b>Balance brought forward</b>	88,621	(21,902)
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(10,390)	(7,886)
Acquisition of investment properties	(30)	(110)
Interest received	251	2,663
Decrease/(increase) in fixed deposit with maturity more than three months	-	1,806
Cash receipt from associate's capital reduction	-	34,960
Redemption of principal of junior bonds	-	32,000
Dividend from quoted equity investments	356	168
Advances and loans made to associated companies and joint ventures	(1,178)	(1,002)
Proceeds from disposal of financial asset @FVOCI	6	-
Dividends from associated company	-	102
Investment in financial asset at FVPL	(19,043)	(763)
Repayment of loan from joint ventures	Note A 80,548	2,000
Proceeds from disposal of joint ventures	Note A 18,626	-
Proceeds from disposal of investment properties	22,776	
Proceeds from disposal of property, plant and equipment	255	152
<b>Net cash generated from investing activities</b>	<b>92,177</b>	<b>64,090</b>
<b>Cash Flows from Financing Activities</b>		
Dividends paid to shareholders of the Company	(18,470)	(11,082)
Advances to non-controlling interests	(661)	-
Repayment to non-controlling interests	Note A (47,566)	(2,700)
Bank borrowings:		
- Proceeds	30,000	46,978
- Principal paid	(48,490)	(52,500)
- Interest paid	(6,900)	(6,649)
Acquisition of non-controlling interests	Note A (44,625)	-
Fixed deposit pledged	-	(63)
Payment of lease liability		
- Principal paid	(289)	(248)
- Interest paid	(63)	(71)
<b>Net cash used in financing activities</b>	<b>(137,064)</b>	<b>(26,335)</b>
Net increase in cash and cash equivalents	43,734	15,853
Cash and cash equivalents at beginning of year	76,427	59,477
Exchange differences on translation of cash and cash	(232)	1,097
<b>Cash and cash equivalents at end of year</b>	<b>119,929</b>	<b>76,427</b>

**Note A**

On 30 June 2021, the Company acquired the non-controlling interests of an existing subsidiary, Paya Lebar Square Pte. Ltd., from Sun Venture Realty Pte. Ltd. and disposed of its investments in joint ventures, Westgate Tower Pte. Ltd. and Westgate Commercial Pte. Ltd., to Sun Venture Homes Pte. Ltd. The below-mentioned considerations were used to repay the shareholders' loans owing by the Group's existing subsidiary and former joint ventures. The details of these transactions are as follows:

	<b>\$'000</b>
Non-interest bearing loans owing by former joint ventures to the Group	80,548
Considerations receivable from disposal of investment in joint ventures	<u>18,626</u>
Amount receivable by the Group	<u>99,174</u>
Non-interest bearing loans owing to non-controlling shareholders of subsidiaries	(47,566)
Considerations payable for the acquisition of non-controlling interests	<u>(44,625)</u>
Amount payable by the Group	<u>(92,191)</u>
Amount received by the Group, after set-off	<u><u>6,983</u></u>

**1(d)(ii) Explanatory Notes to Consolidated Statement of Cash Flows**

The Group has unused bank facilities of \$136.0M as of 31 January 2022.

The Group generated a net increase in cash flow of \$43.7M for current year compared to net increase of \$15.9M for previous year. The net increase in cash and cash equivalents was due to \$88.6M and \$92.2M cash generated from operating and investing activities respectively offset by \$137.1M cash used in financing activities respectively.

## Notes to the condensed interim financial statements

### 1 Corporate information

Low Keng Huat (Singapore) Limited (“Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements for second half and financial year ended 31 January 2022 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Group are those of property development, hotels and investment holding.

### 2 Basis of preparation

The condensed interim financial statements for the second half and financial year ended 31 January 2022 have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group’s financial position and performance of the Group since the last annual audited financial statements for the year ended 31 January 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

These financial statements are presented in Singapore dollar which is the Company’s functional currency. All financial information has been presented in Singapore dollar and rounded to the nearest thousand (\$’000), unless otherwise stated.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated audited financial statements as at and for the year ended 31 January 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

#### **4. Segment and revenue information**

The Group is organised into the following main business segments:

- (i) **Development**  
Activities in this segment comprise the development of properties.
- (ii) **Hotels**  
Activities in this segment comprise owning and operating hotels, serviced apartments and restaurants.
- (iii) **Investments**  
Activities in this segment relate mainly to investments in properties and shares in quoted and unquoted equities and the construction activities of internal jobs.

These operating segments are reported in a manner consistent with internal reporting provided to the Executive Chairman and the Managing Director who are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1(a) Business Segments

	The Group							
	Second half ended 31 January 2022				Financial year ended 31 January 2022			
	Development \$'000	Hotels \$'000	Investments \$'000	Consolidated \$'000	Development \$'000	Hotels \$'000	Investments \$'000	Consolidated \$'000
<b>2022</b>								
<u>Revenue</u>								
Total segment revenue	49,394	11,240	20,022	80,656	116,597	21,867	41,542	180,006
Inter-segment revenue	-	(736)	(7,223)	(7,959)	-	(1,502)	(16,866)	(18,368)
External sales	49,394	10,504	12,799	72,697	116,597	20,365	24,676	161,638
<u>Results</u>								
Segment results	1,852	1,654	(3,567)	(61)	2,608	(414)	25,037	27,231
Interest income	25	1	1,036	1,062	55	3	3,549	3,607
Finance costs	(2,294)	(679)	(1,496)	(4,469)	(2,757)	(1,344)	(3,710)	(7,811)
	(417)	976	(4,027)	(3,468)	(94)	(1,755)	24,876	23,027
Share of results of joint ventures and associate companies	286	-	(45)	241	58	-	(98)	(40)
	(131)	976	(4,072)	(3,227)	(36)	(1,755)	24,778	22,987
Taxation				(1,378)				(2,580)
Loss attributable to non-controlling interests				352				408
Net profit				(4,253)				20,815
Segment assets as at 31 January 2022					841,124	24,200	581,828	1,447,152
Segment liabilities as at 31 January 2022					419,319	6,263	337,961	763,543

#### 4.1(a) Business Segments (Cont'd)

	The Group							
	Second half ended 31 January 2021				Financial year ended 31 January 2021			
	Development \$'000	Hotels \$'000	Investments \$'000	Consolidated \$'000	Development \$'000	Hotels \$'000	Investments \$'000	Consolidated \$'000
<b>2021</b>								
<u>Revenue</u>								
Total segment revenue	30,710	9,441	17,638	57,789	40,585	16,506	24,147	81,238
Inter-segment revenue	-	(18)	(7,280)	(7,298)	-	(479)	(7,408)	(7,887)
External sales	<u>30,710</u>	<u>9,423</u>	<u>10,358</u>	<u>50,491</u>	<u>40,585</u>	<u>16,027</u>	<u>16,739</u>	<u>73,351</u>
<u>Results</u>								
Segment results	(1,366)	(2,403)	2,935	(834)	105	(5,142)	4,704	(333)
Interest income	188	4	2,304	2,496	265	14	4,921	5,200
Finance costs	(466)	(666)	(2,807)	(3,939)	(1,127)	(1,583)	(6,441)	(9,151)
	<u>(1,644)</u>	<u>(3,065)</u>	<u>2,432</u>	<u>(2,277)</u>	<u>(757)</u>	<u>(6,711)</u>	<u>3,184</u>	<u>(4,284)</u>
Share of results of joint ventures and associate companies	(321)	-	(473)	(794)	(738)	-	53,763	53,025
	<u>(1,965)</u>	<u>(3,065)</u>	<u>1,959</u>	<u>(3,071)</u>	<u>(1,495)</u>	<u>(6,711)</u>	<u>56,947</u>	<u>48,741</u>
Taxation				(226)				(869)
Loss attributable to non-controlling interests				<u>154</u>				<u>864</u>
Net profit				<u>(3,143)</u>				<u>48,736</u>
Segment assets as at 31 January 2021					696,074	136,646	715,929	1,548,649
Segment liabilities as at 31 January 2021					440,977	6,517	373,444	820,938

#### 4.1(b) Geographical Segments

The Group	Revenue				Non-current assets	
	Second half ended 31 January		Financial year ended 31 January		Financial year ended 31 January	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	65,992	44,595	148,673	63,852	532,098	622,182
Australia	6,705	5,896	12,965	9,499	29,370	32,423
Malaysia	-	-	-	-	48,879	26,620
	<b>72,697</b>	<b>50,491</b>	<b>161,638</b>	<b>73,351</b>	<b>610,347</b>	<b>681,225</b>

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

Non-current assets information presented above consists of right-of-use assets, investments in joint ventures and associate companies, investment properties and property, plant and equipment.

#### 4.2 Disaggregation of Revenue

Revenue of the Group includes sale of development properties, hotel operations, food and beverage operations, revenue from construction contracts and rental income and excludes inter-company transactions and applicable goods and services taxes or value-added taxes.

The Group derives revenue from contracts with customers based on transfer of goods and services over time and at a point in time as follows:

Revenue from contracts with customers:	Financial year ended 31 January 2022			Financial year ended 31 January 2021		
	At a point in time	Over Time	Total	At a point in time	Over Time	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales of development properties	-	116,597	116,597	-	40,585	40,585
Rental income	-	16,860	16,860	-	15,141	15,141
Construction of buildings	-	7,816	7,816	-	1,598	1,598
Hotel operations	7,527	12,838	20,365	5,076	10,951	16,027
	<b>7,527</b>	<b>154,111</b>	<b>161,638</b>	<b>5,076</b>	<b>68,275</b>	<b>73,351</b>

Revenue from contracts with customers:	Second half ended 31 January 2022			Second half ended 31 January 2021		
	At a point in time	Over Time	Total	At a point in time	Over Time	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales of development properties	-	49,394	49,394	-	30,710	30,710
Rental income	-	8,179	8,179	-	9,063	9,063
Construction of buildings	-	4,620	4,620	-	1,295	1,295
Hotel operations	4,229	6,275	10,504	3,242	6,180	9,423
Total revenue of the Group	<b>4,229</b>	<b>68,468</b>	<b>72,697</b>	<b>3,242</b>	<b>47,249</b>	<b>50,491</b>



## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 January 2022 and 31 January 2021:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Financial Assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)	<b>13,458</b>	10,089	<b>1,267</b>	969
Financial assets at fair value through profit or loss (FVPL)	<b>15,708</b>	763	-	-
Cash and bank balances	<b>119,929</b>	76,427	<b>25,607</b>	36,326
Fixed deposits	<b>7,473</b>	7,456	-	-
Amount owing by joint ventures	-	76,296	-	74,408
Amount owing by subsidiaries	-	-	<b>94,678</b>	54,184
Amount owing by non-controlling shareholders of subsidiaries	<b>1,618</b>	957	-	-
Amount owing by associate companies	<b>38,672</b>	36,830	-	-
Trade and other receivables	<b>10,333</b>	7,797	<b>3,072</b>	3,057
Financial assets at amortised cost	<b>178,025</b>	205,763	<b>123,357</b>	167,975
<b>Financial Liabilities</b>				
Amount owing to subsidiaries	-	-	<b>12,944</b>	11,422
Amount owing to joint ventures	<b>253</b>	249	-	-
Amount owing to non-controlling shareholders of subsidiaries	<b>1,350</b>	45,293	-	-
Provision for directors' fee	<b>215</b>	215	<b>215</b>	215
Bank borrowings	<b>716,396</b>	734,886	<b>29,800</b>	14,700
Lease liabilities	<b>1,780</b>	2,236	<b>25</b>	12
Trade and other payables	<b>32,695</b>	28,631	<b>13,575</b>	11,494
Financial liabilities at amortised cost	<b>752,689</b>	811,510	<b>56,559</b>	37,843

## 6. Profit before taxation

### 6.1 Significant items

The Group	Second half ended 31 January		Financial year ended 31 January	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Income</b>				
Management fee	471	530	1,057	1,229
Government grant income	1,143	4,696	1,463	5,309
Dividend income	147	25	356	193
Interest income	1,062	2,496	3,607	5,200
Gain on disposal of joint ventures	-	-	19,685	-
Gain on disposal of investment properties	-	-	8,630	-
Impairment loss no longer required for:				
- Receivables	96	-	353	-
- Property, plant and equipment	3,391	-	3,391	-
<b>Expenses</b>				
Interest on borrowings and lease liabilities	3,621	1,508	6,963	6,720
Depreciation of investment properties	2,017	2,045	4,153	4,145
Depreciation of property, plant and equipment	2,526	2,382	5,225	5,154
Depreciation of right-of-use asset	128	177	182	427
Impairment loss on investment properties	1,902	-	1,902	-
Impairment loss on property, plant and equipment	-	570	-	570
Impairment loss on right-of-use asset	-	980	-	980
Amortisation of contract costs	1,744	1,205	4,652	1,537
Impairment loss on receivables	-	1,021	-	1,021
Bad debts written off	107	-	107	-

### 6.2 Related party transactions

In addition to the information disclosed elsewhere in the condensed interim financial statements, the following are significant transactions that took place between the Group and related parties at mutually agreed amounts:

The Group	Second half ended 31 January		Financial year ended 31 January	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Executive directors service fee charged by non-controlling shareholders of subsidiaries	-	23	-	81
Security services charged by other related party	144	106	254	245
Repayment of shareholder loans to non-controlling shareholders of subsidiary	-	2,700	47,566	2,700
Dividends to non-controlling shareholders of subsidiaries	-	-	943	-
Shareholders' loans to a joint venture	38	-	86	133
Repayment of shareholder loans by joint ventures	-	2,000	80,548	2,000
Construction work performed for an associate company	4,621	1,295	7,816	1,598
Advances to associate companies	283	412	1,092	869
Shareholders' loans to an associate company	-	98	-	59,761
Management fee charged to joint ventures	471	586	1,057	1,229
Interest income on junior bonds from an associate company	-	-	-	596

Other related party refers to a company which is controlled by the Group's key management personnel and his close family members.

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense comprise the following:

	Second half ended 31 January		Financial year ended 31 January	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current income tax expense	1,167	938	2,175	1,597
Deferred taxation	662	(275)	822	(275)
Over provision of current taxation in respect of prior years	(451)	(437)	(417)	(453)
	<b>1,378</b>	<b>226</b>	<b>2,580</b>	<b>869</b>

## 8. Dividends

	2022 \$'000	2021 \$'000
The Company		
<u>Dividends paid</u>		
- Ordinary dividends:		
First and final dividend of 2.5 (2021 – 1.5) cents per share, tax exempt paid in respect of the previous financial year	18,470	11,082
	<b>18,470</b>	<b>11,082</b>

At the forthcoming Annual General Meeting, a first and final tax-exempt (one-tier) ordinary dividend of 2.0 cents (2021 – 2.5 cents) per share amounting to \$14,776,320 (2021 - \$18,470,000) will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 January 2023.

## 9. Net asset value and net tangible Assets per ordinary share

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Net asset value per ordinary share</b>	<b>91 cents</b>	94 cents	<b>91 cents</b>	92 cents
<b>Net tangible assets per ordinary share</b>	<b>91 cents</b>	94 cents	<b>91 cents</b>	92 cents

## 10. Financial assets at fair value

Financial assets at fair value comprise the following:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets at FVOCI				
- Listed in Singapore	11,270	8,418	-	-
- Listed in Malaysia	2,188	1,671	1,267	969
	<b>13,458</b>	10,089	<b>1,267</b>	969
Financial assets at FVPL				
- Investment in limited partnership	15,708	763	-	-
Total equity securities	<b>29,166</b>	10,852	<b>1,267</b>	969

## 10. Financial assets at fair value (Cont'd)

### 10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the Levels within the hierarchy of financial assets at fair value on a recurring basis at 31 January 2022 and 31 January 2021:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>The Group</b>			
<b>31 January 2022</b>			
Financial assets at FVPL – Unquoted equity investments	-	-	<b>15,708</b>
Financial assets at FVOCI – Quoted equity investments	<b>13,458</b>	-	-
<b>31 January 2021</b>			
Financial assets at FVPL – Unquoted equity investments	-	-	763
Financial assets at FVOCI – Quoted equity investments	10,089	-	-
<b>The Company</b>			
<b>31 January 2022</b>			
Financial assets at FVOCI – Quoted equity investments	<b>1,267</b>	-	-
<b>31 January 2021</b>			
Financial assets at FVOCI – Quoted equity investments	969	-	-

## 11. Property, plant and equipment

During the financial year ended 31 January 2022, the Group acquired assets amounting to \$10,390,000 (31 January 2021 - \$7,886,000) and disposed or write off assets amounting to \$340,000 (31 January 2021 - \$6,000)

## 12. Investment properties

The Group's investment properties consist of commercial properties held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Cost</u>				
Balance at beginning of year	335,046	335,224	19,061	19,061
Additions	30	110	-	-
Written off/Disposal	(15,192)	(288)	(19,061)	-
Transferred to property, plant and equipment	(1,000)	-	-	-
Balance at end of year	318,884	335,046	-	19,061
<u>Accumulated depreciation</u>				
Balance at beginning of year	20,571	16,426	1,244	1,045
Depreciation for the period/year	4,153	4,145	66	199
Written off/Disposal	(1,046)	-	(1,310)	-
Transferred to property, plant and equipment	(412)	-	-	-
Balance at end of year	23,266	20,571	-	1,244
<u>Accumulated impairment</u>				
Balance at beginning of year	-	-	-	-
Impairment for the period/year	1,902	-	-	-
Balance at end of year	1,902	-	-	-
Net book value	293,716	314,475	-	17,817
<u>Fair value</u>				
Freehold properties	45,200	48,200	-	-
Leasehold properties	373,200	390,000	-	20,500
	418,400	438,200	-	20,500

### 12.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest-and-best use. As at 31 January 2021, the fair values of the properties have been determined by Savills Valuation & Professional Services (S) Pte Ltd.

The finance department of the Group reviews the valuations of assets required for financial reporting purposes, including Level 2 and Level 3 fair values. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO, the finance team and management's experts at least annually.

At each financial year end, the finance department perform the following:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the prior year valuation reports; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the annual valuation discussions between the CFO and the finance team.

**13 Bank borrowings**

<b>The Group</b>	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
Revolving credit loan – unsecured	<b>25,000</b>	9,700
Money market loan – secured	<b>29,610</b>	30,000
Temporary bridging loan – unsecured	<b>4,800</b>	5,000
Term loans – secured	<b>656,986</b>	690,186
	<b>716,396</b>	734,886
Amount repayable:		
Not later than one year	<b>63,027</b>	46,900
Later than one year and not later than five years	<b>653,369</b>	687,986
	<b>716,396</b>	734,886
<b>The Company</b>	<b>31 January 2022</b> <b>\$'000</b>	<b>31 January 2021</b> <b>\$'000</b>
Revolving credit loan – unsecured	<b>25,000</b>	9,700
Temporary bridging loan – unsecured	<b>4,800</b>	5,000
	<b>29,800</b>	14,700
Amount repayable:		
Not later than one year	<b>26,217</b>	9,700
Later than one year and not later than five years	<b>3,583</b>	5,000
	<b>29,800</b>	14,700

The Group's money market loan totalling \$29,610,000 (31 January 2021 - \$30,000,000) is secured by mortgages over the investment property and property, plant and equipment located at 207 Balestier Road, Singapore and charges on all new assignments of tenancy, sales agreements or contracts with the operator of the serviced apartment. The effective interest rate per annum for the money market loan is 1.30% (2021 – 1.00%).

Term loans of the Group totalling \$656,986,000 (31 January 2021 - \$690,186,000) are secured by mortgages over the development properties, certain investment properties and property, plant and equipment of certain subsidiaries and charges on all new assignments of tenancy, sales agreements and construction contracts and a fixed deposit of \$3,600,000 (31 January 2021 - \$3,600,000) of a subsidiary.

**14 Share capital**

The Group and The Company	<b>2022</b> No. of ordinary shares	2021	<b>2022</b> \$'000	2021 \$'000
<b>Issued and fully paid with no par value:</b>				
Balance at beginning and end of period/ year	<b>738,816,000</b>	738,816,000	<b>161,863</b>	161,863

The Company did not hold any treasury shares as at 31 January 2022 and 31 January 2021.

There were no outstanding executives' share options granted as at 31 January 2022 and 31 January 2021.

## 15 Significant Events

### 15.1 Acquisition of non-controlling interests in existing subsidiary

On 30 June 2021, the Company acquired an additional 45% interest in Paya Lebar Square Pte. Ltd. ("PLS"), increasing its ownership from 55% to 100%. The carrying amount of PLS's net assets on the date of acquisition was \$40,511,000.

	<u>\$'000</u>
Carrying amount of NCI acquired (\$40,511,000 x 45%)	18,230
Balance of notional interest owing to NCI on non-interest bearing loans	<u>(1,814)</u>
	16,416
Consideration payable to NCI	<u>(44,625)</u>
Decrease in equity attributable to owners of the Company	<u>(28,209)</u>

The decrease in equity attributable to owners of the Company comprised a decrease in capital reserve of \$28,209,000.

### 15.2 Disposal of investment in joint ventures

On 30 June 2021, the Company disposed 400,000 ordinary shares, representing 40% in each of the entire issued and paid-up share capital in Westgate Tower Pte. Ltd. ("Westgate Tower") and Westgate Commercial Pte. Ltd. ("Westgate Commercial"). Westgate Commercial and Westgate Tower owned Westgate Tower which was leased to third parties. Following the completion of the disposal, Westgate Commercial and Westgate Tower ceased to be joint ventures of the Group. Consequently, an amount of \$1,665,000 was transferred out from investment in joint ventures and a gain on disposal of \$19,685,000 was recognised in profit or loss on 30 June 2021.

## 16 Subsequent events

There is no known subsequent event which has led to adjustments to this set of condensed interim financial statements.

## Other Information Required by Listing Rule Appendix 7.2

### OTHER INFORMATION

#### 1. Review

The consolidated statement of financial position of the Company and its subsidiaries as at 31 January 2022 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

#### 2. Review of performance of the Group

	2H 2022			FY 2022		
	31/1/2022 \$'M	31/1/2021 \$'M	Increase / (Decrease) %	31/1/2022 \$'M	31/1/2021 \$'M	Increase / (Decrease) %
<b>Revenue</b>						
Development	49.4	30.7	61	116.6	40.6	187
Investment	12.8	10.4	23	24.6	16.8	46
Hotel	10.5	9.4	12	20.4	16.0	28
Total	<u>72.7</u>	<u>50.5</u>	44	<u>161.6</u>	<u>73.4</u>	120
<b>Profit/(loss) before tax and non-controlling interests</b>						
Development	(0.1)	(2.0)	(95)	(0.1)	(1.5)	(93)
Investment	(4.1)	0.7	n.m.	24.8	56.9	(56)
Hotel	1.0	(1.8)	n.m.	(1.7)	(6.7)	(75)
Total	<u>(3.2)</u>	<u>(3.1)</u>	3	<u>23.0</u>	<u>48.7</u>	(53)
Non-controlling interests	0.4	0.2	100	0.4	0.9	(56)
Taxation	(1.4)	(0.2)	n.m.	(2.6)	(0.9)	189
<b>Net profit/(loss) attributable to shareholders</b>	<u>(4.2)</u>	<u>(3.1)</u>	35	<u>20.8</u>	<u>48.7</u>	(57)

n.m.: Not Meaningful

#### Development

Development revenue increased by \$76.0M to \$116.6M in current year from \$40.6M in previous year. The increase in revenue was mainly from Uptown @ Farrer which was launched for sale in Q3 previous year. Uptown @ Farrer sold 112 units out of total 116 units as at 31 January 2022 at average selling price of about \$1,859 per square feet. It sold 48 units as at 31 January 2021. Klimt Cairnhill was launched for sales in August 2021 and 3 units were sold as of 31 January 2022. Uptown @ Farrer obtained TOP on 7 September 2021 while Klimt Cairnhill is 16% completed as at 31 January 2022.

Net loss before tax and non-controlling interests for development segment was \$0.1M in current year compared to \$1.5M in previous year mainly due to higher sales at Uptown@Farrer offset by higher showflat cost at Klimt Cairnhill.

#### Investment

Investment revenue increased by \$7.8M to \$24.6M in current year from \$16.8M in previous year. The increase in revenue was mainly from increased construction revenue at Dalvey Haus project and decreased rental relief granted to tenants at retail mall of Paya Lebar Square in current year. Dalvey Haus project is 43% completed as at 31 January 2022.

Net profit before tax and non-controlling interests for investment segment decreased by \$32.1M to \$24.8M in current year from \$56.9M in previous year. The decrease was mainly due to gain on sale of equity stake in PSH of \$50.0M in previous year compared to gain on disposal of Westgate Tower Pte Ltd and Westgate Commercial Pte Ltd. and office units at Paya Lebar Square of \$19.8M and \$8.6M respectively in current year. Profit before tax at Paya Lebar Square increased by \$4.2M to \$8.0M in current year from \$3.8M in previous year mainly due to reduced rental reliefs granted to tenants, decrease in provision for doubtful debts and bank interest and shareholder loan interest. Loss before tax at BT Centre increased by \$3.2M to \$3.8M from \$0.6M in previous year mainly due to impairment loss on investment properties, decrease in government grant and property tax rebate. Occupancy at Paya Lebar Square retail mall and BT Centre is 100% and 92% respectively.



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

Revenue from Hotel segment increased by \$4.4M to \$20.4M in current year from \$16.0 in previous year. Revenue increase was mainly from Citadines Balestier and Duxton Hotel Perth. Increase in revenue for Citadines Balestier was mainly from higher average room rates. The increased revenue at Duxton Hotel Perth was mainly due to higher average room rates and higher restaurant takings.

Net loss before tax and non-controlling interests for Hotel segment was \$1.7M in current year compared to \$6.7M in previous year. The lower loss was due to write back of provision for impairment loss at Citadines Balestier of \$3.4M and lower operational loss at Citadines Balestier of \$1.5M offset by higher loss of \$3.1M at Duxton Perth. The higher loss at Duxton Perth was due to higher operational cost and low occupancy due to lockdown in Perth. Lyf @ Farrer commenced business in February 2022 and it incurred pre-operating expenses of \$0.4M in FY2022.

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

Net profit attributable to shareholders decreased by \$27.9M to \$20.8M in current year from \$48.7M in previous year. Net loss attributable to shareholders increased by \$1.1M to \$4.2M in 2H current year from \$3.1M in 2H previous year. The decrease was mainly due to lower profit in Investment segment offset by increase in profits in Hotel and Development segments. The decrease in Investment segment is mainly due to gain on sale of equity stake in PSH of \$50.0M in previous year compared to gain on disposal of Westgate Tower Pte Ltd and Westgate Commercial Pte Ltd and office units at Paya Lebar Square of \$19.7M and \$8.6M respectively in current year. The increase in profits in Hotel segment was mainly due to impairment loss no longer required at Citadines Balestier by \$3.4M. Development segment loss decreased by \$1.4M to \$0.1M in current year from \$1.5M in previous year, due to profit at Uptown @ Farrer offset by higher show flat costs at Klimt Cairnhill.

### **Balance Sheet**

Cash and cash equivalents and fixed deposits increased by \$43.5M to \$127.4M as at 31 January 2022 from \$83.9M as at 31 January 2021 mainly due to increase in sales proceeds from Uptown @ Farrer. Bank borrowings decreased by \$18.5M to \$716.4M as at 31 January 2022 from \$734.9M as at 31 January 2021 mainly due to repayment of bank loan. Gearing ratio was 0.88 as at 31 January 2022 compared to 0.94 as at 31 January 2021.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable

### **4. 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 operating period and the next 12 months**

New COVID-19 variants continue to spread globally with several Southeast Asian countries reporting record high infection rates in recent weeks, further disrupting economic activities in the region. Even with the roll out of vaccination across the world, its impact on the global economy has been devastating and economic recovery is expected to be gradual. The Group will continue to be selective in land bidding and investment projects. The Group will strive to maintain rental rates for renewals. The Management remains focused on maintaining stable and sustainable distributions to shareholders while achieving long-term growth.

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

Not applicable.

**6. 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

Dividend Type: Cash

Dividend Amount: 2.0 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

Dividend Type: Cash

Dividend Amount: 2.5 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 31 May 2022, the proposed first and final dividend will be paid on 24 June 2022.

***(d) Books closure date***

The Share Transfer Books and the Register of Members of the Company will be closed on 13 June 2022 after 5.00pm for the purpose of determining shareholders' entitlement to the first and final dividend. Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 24 Raffles Place, #07-07 Clifford Centre, Singapore 048621 up to 5.00pm on 13 June 2022 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 5.00pm on 13 June 2022 will be entitled to the abovementioned proposed first and final dividend.

**7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable

**8. 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.**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

**9. 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.

**10. 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**

Please refer to paragraph 2 above.

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

The focus of the Group's construction business has been on non-third party development projects since 2015.

Uptown @ Farrer obtained TOP on 7 September 2021. It was launched for sale in September 2019 and has sold 112 units out of total 116 units as at 31 January 2022. Klimt Cairnhill, a freehold high-end condominium development launched for sale in August 2021 and is expected to obtain TOP by Q3 FY2024.

The Group's hotel business consists of Duxton Hotel at Perth, Citadines Balestier and Lyf @ Farrer. The Group has appointed The Ascott group to manage the serviced apartments Citadines Balestier at Balestier Road and Lyf @ Farrer at Perumal Road. Citadines Balestier is a 166-units serviced apartment while Lyf @ Farrer is a 240-units serviced apartment which commenced business in February 2022.

The Group's main investments are investment properties and some quoted equity investments in Singapore. Key investment properties include Paya Lebar Square and BT Centre retail malls.

Please refer to paragraph 2 above on changes in turnover and profit.

**12. A breakdown of sales**

	12 Months Ended		Increase /
	31/01/2022	31/01/2021	(Decrease)
	\$'000	\$'000	%
Sales reported for first half year	88,941	22,860	289
Operating profit after tax before deducting non-controlling interests reported for first half year	25,012	51,169	(51)
Sales reported for second half year	72,697	50,491	44
Operating loss after tax before deducting non-controlling interests reported for second half year	(4,605)	(3,297)	40

**13. 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 \$'000	Previous Full Year \$'000
Ordinary one-tier dividend	14,776	18,470

**14. Interested parties transactions**

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 Record Sdn Bhd	Loan to Binakawa Sdn Bhd : S\$920,181	Nil
Low Keng Boon @ Lau Boon Sen	Security services awarded to Hawkeye Security Solutions Pte Ltd: S\$253,971	Nil

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.

On 1 June 2021, Dalvey Breeze Development Pte Ltd ("DBDPL"), an associate company which is 40% owned by LKHS Property Investment Pte Ltd, a wholly owned subsidiary of the Company, and 60% owned by Dalvey Breeze Pte Ltd, a wholly owned subsidiary of KOP Limited has issued an Option to Purchase to sell an apartment unit in the development known as "Dalvey Haus" ("the Sale Transaction") to the following person regarded as an interested person ("Interested Person") under Chapter 910(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Details of the Sale Transaction and the Interested Person are as follows

Name of Purchaser	Ms Lee Yin Chuan, daughter-in-law of Mr Low Keng Boon, Director and Executive Chairman of the Company
Unit No	#03-07 Dalvey Haus, 101 Dalvey Road, Singapore 259514
Sale Price	\$16,280,000.00
Discount	NIL

Pursuant to Chapter 912 of the Listing Manual, the Audit Committee has reviewed the terms and conditions of the Sale Transaction and has approved the Sale Transaction. The Audit Committee and the Board of Directors are of the view that the terms of the Sale Transaction are fair and reasonable and not prejudicial to the interest of the Company and its minority shareholders. Mr Low Keng Boon has abstained from the review and the approval process for the Sale Transaction.

With the exception of Mr Low Keng Boon, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Sale Transaction save for their shareholdings (if any) in the Company.

15. **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.**

	<b>Name</b>	<b>Age</b>	<b>Family Relationship with any Director, CEO and/or Substantial Shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
1.	Low Poh Kok	50	Brother of Low Poh Kuan.  Nephew of Low Keng Boon @ Lau Boon Sen.  Cousin of Dato' Marco Low Peng Kiat.	Director - Business Development with effect from 1 <sup>st</sup> February 2021.	Nil
2.	Low Chin Han	41	Son of Low Keng Boon @ Lau Boon Sen.  Cousin of Dato' Marco Low Peng Kiat and Low Poh Kuan.	Director of Duxton Hotel Perth with effect from 1 <sup>st</sup> November 2011.  Appointed as Director – Hospitality with effect from 1 <sup>st</sup> March 2014	Nil

**BY ORDER OF THE BOARD**

Low Keng Boon @ Lau Boon Sen  
Executive Chairman

Dato' Marco Low Peng Kiat  
Managing Director

31 March 2022