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

Unaudited Full Year ("FY") Financial Statements For the Period Ended 31 January 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY RESULTS

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

	Note	3 months ended 31-01-2019	3 months ended 31-01-2018 (Restated)*	Increase / (Decrease)	12 months ended 31-01-2019	12 months ended 31-01-2018 (Restated)*	Increase / (Decrease)
		$'000	$'000	%	$'000	$'000	%
Revenue	1	8,897	28,612	(69)	171,396	72,669	136
Cost of sales	2	(2,750)	(19,799)	(86)	(138,293)	(42,869)	n.m.
Gross profit		6,147	8,813	(30)	33,103	29,800	11
Other income	3	1,030	9,260	(89)	10,960	20,202	(46)
Rental income		146	327	(55)	603	976	(38)
Distribution costs	4	(385)	(1,284)	(70)	(6,893)	(2,484)	177
Administrative costs	5	(2,588)	(1,481)	75	(9,116)	(7,482)	22
Other operating expenses	6	(105)	(3,969)	(97)	(2,567)	(8,263)	(69)
Finance costs	7	(1,349)	(2,296)	(41)	(6,646)	(7,078)	(6)
Profit from operations		2,896	9,370	(69)	19,444	25,671	(24)
Share of results of associated companies and joint ventures	8	3,247	(1,783)	n.m.	2,067	(2,766)	n.m.
Profit before taxation		6,143	7,587	(19)	21,511	22,905	(6)
Taxation	9	(258)	(2,086)	(88)	(2,765)	(3,947)	(30)
Profit after taxation for the period		5,885	5,501	7	18,746	18,958	(1)
Attributable to:							
Owners of the parent	10	3,498	5,273	(34)	15,447	17,763	(13)
Non-controlling interests		2,387	228	n.m.	3,299	1,195	176
		5,885	5,501	7	18,746	18,958	(1)
Earnings per share (cents)							
- basic		0.47	0.71	(34)	2.09	2.40	(13)
- diluted		0.47	0.71	(34)	2.09	2.40	(13)

n.m.: Not Meaningful

* The 2018 comparative figures have been restated to take into account the retrospective adjustments on adoption of Singapore Financial Reporting Standards (International) SFRS(I) 15 as detailed in paragraph 5(c) of this announcement.

1(a)(ii) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended		Increase /	12 months ended		Increase /
	31-01-2019	31-01-2018 (Restated)	(Decrease)	31-01-2019	31-01-2018 (Restated)	(Decrease)
	$'000	$'000	%	$'000	$'000	%
Net profit for the period	5,885	5,501	7	18,746	18,958	(1)
Other comprehensive income/(expense) after tax						
Items that will not be reclassified to profit and loss:						
Fair value gain/(loss) on equity investment measured at fair value through other comprehensive income	2,136	-	n.m.	(7,682)	-	n.m.
Items that are or may be reclassified subsequently to profit and loss:						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	-	1,028	(100)	-	10,344	(100)
Fair value gain/(loss) on available-for-sale financial assets recycled to income statement on derecognition	-	(60)	(100)	-	(3,290)	(100)
Reclassification of cumulative fair value loss to profit or loss account	-	2,025	(100)	-	2,025	(100)
Exchange differences on translation of the financial statements of foreign entities (net)	(200)	837	n.m.	(2,632)	(130)	n.m.
Total other comprehensive income/(expense) for the period, net of tax	1,936	3,830	(49)	(10,314)	8,949	n.m.
Total comprehensive income for the period	7,821	9,331	(16)	8,432	27,907	(70)
Total comprehensive income/(expense) attributable to:						
Owners of the parent	5,804	9,029	(36)	5,886	26,737	(78)
Non-controlling interests	2,017	302	n.m.	2,546	1,170	118
Total comprehensive income for the period	7,821	9,331	(16)	8,432	27,907	(70)

n.m.: Not Meaningful

Notes to the income statement

1 Revenue increased by $98.7M to $171.4M in current year from $72.7M in previous year. It decreased by $19.7M to $8.9M in Q4 current year from $28.6M in Q4 previous year. The increase was mainly due to increased sales in development segment offset by decreased revenue in hotel segment. The increased sales in development segment was due to Kismis Residences & Tranquilia @ Kismis ("Kismis") being fully sold during current year. Lower revenue at Duxton Hotel Perth was due to lower room and occupancy rates. Lower revenue from food and beverage business was due to closure of outlets.

2 Cost of sales increased by $95.4M to $138.3M in current year from $42.9M in previous year. It decreased by $17.0M to $2.8M in Q4 current year from $19.8M in Q4 previous year. The increase in cost of sales was mainly due to increased sales in development segment. There was higher write back of construction project cost accrual upon finalisation of accounts in previous year.

Notes to the income statement

3 Other income decreased by $9.2M to $11.0M in current year from $20.2M in previous year. It decreased by $8.3M to $1.0M in Q4 current year from $9.3M in Q4 previous year. The decrease was mainly due to lower interest income, absence of write back of impairment on Citadines Balestier and absence of gain on disposals of quoted investment in current year. Other income also included exchange gain and gain on sale of office unit in Shanghai. Upon adoption of SFRS(I) 9, the gain on disposal of long term equity investment of $1.9M in current year was not recognized in profit and loss but was reclassed to retained earnings in balance sheet.

4 Distribution costs increased by $4.4M to $6.9M in current year from $2.5M in previous year. It decreased by $0.9M to $0.4M in Q4 current year from $1.3M in Q4 previous year. The increase was mainly due to sales commission at Kismis and showflat expense at residential development at Perumal Road in current year. Kismis obtained TOP in May 2018 and was 100% sold as at June 2018. The development at Perumal Road is a mixed development consisting of 116 residential units, 7 retail units and 240 service apartment units. The residential development is called Uptown @ Farrer while the service apartment development is called Lyf @ Farrer. Sales launch at Uptown @ Farrer is targeted in Q2 FY2020. Lyf @ Farrer will be operated by The Ascott group.

5 Administrative costs increased by $1.6M to $9.1M in current year from $7.5M in previous year. It increased by $1.1M to $2.6M in Q4 current year from $1.5M in Q4 previous year. The increase was mainly due to staff related expense and legal cost for sale of office at Shanghai Nova.

6 Other operating expenses decreased by $5.7M to $2.6M in current year from $8.3M in previous year. It decreased by $3.9M to $0.1M in Q4 current year from $4.0M in Q4 previous year. The decrease was mainly due to unrealised exchange loss and impairment loss on long term equity investment in previous year. Upon adoption of SFRS(I) 9, fair value reserves in equity for disposal of long term equity investments is now reclassified to retained earnings instead of profit and loss. Any changes in fair value is still recognised in equity.

7 Finance costs decreased by $0.5M to $6.6M in current year from $7.1M in previous year. There was no significant change in Finance cost between Q4 current year and Q4 previous year.

8 Share of results of associated companies and joint ventures was a profit of $2.1M in current year compared to a loss of $2.8M in previous year. Share of results of associated companies and joint ventures was a profit of $3.2M in Q4 current year compared to a loss of $1.8M in Q4 previous year. The profit was mainly due to write back of impairment loss on Westgate Tower as valuation improved in current year. The occupancy rate of AXA Tower and Westgate Tower are about 93.0% and 97.6% as at 22 March 2019.

9 The basis of tax computation is set out below:

	3 months ended		**Increase /**	**12 months ended**		**Increase /**
	31-01-2019	**31-01-2018 (Restated)**	**(Decrease)**	**31-01-2019**	**31-01-2018 (Restated)**	**(Decrease)**
	$'000	**$'000**	**%**	**$'000**	**$'000**	**%**
Income tax expense:						
- current	(118)	(2,627)	(96)	(2,298)	(3,922)	(41)
- foreign tax	(140)	541	n.m	(467)	(25)	n.m.
	(258)	(2,086)	(88)	(2,765)	(3,947)	(30)

n.m.: Not Meaningful

Taxation decreased by $1.1M to $2.8M in current year from $3.9M in previous year. It decreased by $1.8M to $0.3M in Q4 current year from $2.1M in Q4 previous year. The decrease was due to reversal of provision for current and deferred tax in investment segment offset by increase in tax provision in development segment.

10 Net profit attributable to shareholders decreased by $2.4M to $15.4M in current year from $17.8M in previous year. It decreased by $1.8M to $3.5M in Q4 current year from $5.3M in Q4 previous year. The decrease was mainly due to lower profit from development and investment segments.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group			Company	
	31-01-2019	31-01-2018 (Restated)	Note	31-01-2019	31-01-2018
	$'000	$'000		$'000	$'000
ASSETS					
Non-current assets					
Investment properties	271,188	274,331	1	18,215	18,414
Property, plant and equipment	255,972	228,074	1	5,392	5,176
Subsidiaries	-	-		471,789	476,652
Joint ventures	90,209	91,745		93,163	95,804
Associated companies	66,136	53,203	2	56	56
Long-term quoted equity investments	35,258	50,810	3	1,661	1,730
Other investment	32,000	32,000	13	-	-
Other receivables	157	235	6	-	-
Deferred tax assets	370	402		-	-
	751,290	730,800		590,276	597,832
Current assets					
Cash and cash equivalents	116,259	134,045	4	74,944	80,482
Fixed deposits	5,331	5,365	4	-	-
Short-term quoted equity investments	5,156	5,949	5	-	-
Trade and other receivables	66,222	23,499	6	5,565	22,287
Inventories	352	379		-	-
Contract assets	-	-		7	-
Development properties	267,376	256,921	7	-	-
	460,696	426,158		80,516	102,769
Total assets	1,211,986	1,156,958		670,792	700,601
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Capital reserves	(2,005)	(2,005)		-	-
Fair value reserves	7,287	16,843	8	906	975
Retained profits	489,950	485,450		423,748	424,564
Exchange fluctuation account	(1,879)	1,931		-	-
	655,216	664,082		586,517	587,402
Non-controlling interests	33,621	32,216	11	-	-
Total equity	688,837	696,298		586,517	587,402
LIABILITIES					
Non-current liabilities					
Bank borrowings	341,108	246,995	10	-	-
Amount owing to non-controlling shareholders of subsidiaries	44,142	53,310	9	-	-
Deferred tax liabilities	2,817	2,860		-	-
	388,067	303,165		-	-
Current liabilities					
Trade and other payables	22,898	24,743	12	15,411	16,380
Amount owing to subsidiaries	-	-		67,935	74,787
Amount owing to Joint ventures	446	434		197	197
Amount owing to non-controlling shareholders of subsidiaries	400	434	9	-	-
Provisions	24	46		-	-
Provision for directors' fee	259	245		259	245
Provision for taxation	4,966	5,504		473	1,590
Bank borrowings	106,089	126,089	10	-	20,000
	135,082	157,495		84,275	113,199
Total liabilities	523,149	460,660		84,275	113,199
Total equity and liabilities	1,211,986	1,156,958		670,792	700,601

Notes to the balance sheets

1 The net book value of Investment Properties decreased by $3.1M to $271.2M as at 31 January 2019 from $274.3M as at 31 January 2018. The decrease was mainly due to depreciation. The net book value of Property, Plant and Equipment increased by $27.9M to $256.0M as at 31 January 2019 from $228.1M as at 31 January 2018. The increase was mainly due to higher development cost for service apartments Citadines Balestier and Lyf @ Farrer.

2 Associated companies increased by $12.9M to $66.1M as at 31 January 2019 from $53.2M as at 31 January 2018. The increase was mainly due to shareholder loans made to new associate company, Dalvey Breeze Development Pte Ltd ("DBDPL") and additional advances made to associated companies in Malaysia. DBDPL acquired Villa D'Este ("Dalvey") on an enbloc basis to redevelop it into high end condominium. DBDPL is 60% owned by KOP Limited and 40% owned by the Group.

3 Long-term quoted equity investments decreased by $15.5M to $35.3M as at 31 January 2019 from $50.8M as at 31 January 2018. The decrease was mainly due to decrease in fair value of long-term equity investment and disposal of shares in current year.

4 Cash and cash equivalents and fixed deposits decreased by $17.8M to $121.6M as at 31 January 2019 from $139.4M as at 31 January 2018 mainly due to cash used for completion of acquisition of 67 Cairnhill Road, dividend payment to shareholders of the Company and shareholder loan repayment.

5 Short-term quoted equity investments decreased by $0.7M to $5.2M as at 31 January 2019 from $5.9M as at 31 January 2018 due to decrease in fair value of short-term quoted equity investments.

6 Trade and other receivables increased by $42.7M to $66.4M as at 31 January 2019 from $23.7M as at 31 January 2018 mainly due to the deposits paid for enbloc acquisition of 69 Cairnhill Road.

7 Development properties increased by $10.5M to $267.4M as at 31 January 2019 from $256.9M as at 31 January 2018 mainly due to completion of acquisition of 67 Cairnhill Mansion and construction progress at Citadines Balestier and development property at Perumal Road. Kismis obtained TOP in May 2018 and was fully sold in 2018. Citadines Balestier is 87.8% completed as at 31 January 2019 and is expected to obtain TOP in Q2 FY2020. Perumal is 13.1% completed as at 31 January 2019 and is expected to obtain TOP in Q4 FY2022.

8 Fair value reserves decreased by $9.5M to $7.3M as at 31 January 2019 from $16.8M as at 31 January 2018 due to decrease in fair value of long-term quoted equity investments and disposal of long-term quoted equity investments in current year.

9 Total amount owing to non-controlling shareholders of subsidiaries decreased by $9.2M to $44.5M as at 31 January 2019 from $53.7M as at 31 January 2018 mainly due to partial repayment of shareholder loan offset with additional imputed interest on shareholder loan.

10 Bank borrowings increased by $74.1M to $447.2M as at 31 January 2019 from $373.1M as at 31 January 2018 due to drawdown of bank loan for Perumal and Glopeak offset with repayment of bank loan for Kismis. Gearing was 0.50 as at 31 January 2019 compared to 0.35 as at 31 January 2018.

11 Non-controlling interests increased by $1.4M to $33.6M as at 31 January 2019 from $32.2M as at 31 January 2018 mainly due to reduction in shareholder loan interest expense offset by dividend paid to non-controlling shareholder.

12 Trade and other payables decreased by $1.8M to $22.9M as at 31 January 2019 from $24.7M as at 31 January 2018. The decrease was mainly due to write back of construction project cost accrual upon finalisation of accounts.

13 The amount of $32.0M is part of the 20% equity investment in AXA Tower. It is invested in the form of junior bonds which are expected to mature in year 2025 with a coupon rate of not more than 10% per annum repayable semi-annually.

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

	31-01-2019		31-01-2018 (Restated)	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	106,089	-	106,089	20,000
Amount repayable after one year	341,108	-	246,995	-
	447,197	-	353,084	20,000

Details of any collateral

Borrowings are secured by the mortgages on the borrowing subsidiaries' development and investment properties and assignment of all rights and benefits with respect to the development and investment properties mortgaged.

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

	12 months ended	
	31-01-2019	31-01-2018
		(Restated)
	$'000	$'000
Cash Flows from Operating Activities		
Operating profit before taxation	21,511	22,905
Adjustments for:		
Share of results of associated companies and joint ventures	(2,067)	2,766
Depreciation of investment properties	2,752	2,973
Depreciation of property, plant and equipment	2,000	2,060
Gain on disposal of property, plant and equipment	(3,020)	(19)
Gain on disposal of joint venture	(1,379)	(11)
Impairment loss provision/(reversal) on property, plant and equipment	11	15
Impairment loss no longer required on investment property	-	(6,913)
Impairment loss no longer required on receivables	-	(151)
Bad debts written off	85	98
Property, plant and equipment written off	(218)	10
Available-for-sale financial assets reclassified to profit or loss	-	2,025
Fair value loss/(gain) recycled from fair value reserve to consolidated income statement on derecognition of available-for-sale financial assets	-	(3,290)
Fair value loss/(gain) on financial assets at fair value through profit or loss	793	(852)
Provisions no longer required	-	(4)
Interest expense	6,646	7,078
Interest income	(4,009)	(6,977)
Operating profit before working capital changes	23,105	21,713
Decrease/(increase) in inventories and construction work-in-progress	27	42,290
Decrease/(increase) in development properties	(10,455)	(143,454)
Decrease/(increase) in operating receivables	(45,005)	72,291
(Decrease)/increase in operating payables	(1,959)	(2,724)
Cash used in operations	(34,287)	(9,884)
Interest paid	(6,559)	(8,461)
Income tax paid	(2,987)	(1,178)
Net cash used in operating activities	(43,833)	(19,523)
Balance carried forward	(43,833)	(19,523)

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

	12 months ended 31-01-2019 $'000	31-01-2018 (Restated) $'000
Balance brought forward	(43,833)	(19,523)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(30,600)	(93,520)
Acquisition of investment properties	(190)	(2,630)
Acquisition of quoted equity investments	-	(844)
Interest received	4,009	4,570
Decrease/(increase) in fixed deposit with maturity more than three months	34	(44)
Capital contribution made to associated companies and joint ventures	(400)	-
Net proceeds from sale of joint venture	300	-
Advances and loans made to joint ventures and associated companies	(11,063)	(3,566)
Dividends from joint ventures	1,779	-
Proceeds from disposal of quoted equity investments	7,870	12,042
Proceeds from disposal of property, plant and equipment	4,510	152
Net cash used in investing activities	(23,751)	(83,840)
Cash Flow from Financing Activities		
Capital contribution from non-controlling shareholders subsidiaries	5	-
Dividends paid to shareholders of the Company	(14,776)	(29,552)
Dividends paid to non-controlling shareholder of a subsidiary	(998)	(1,960)
Proceeds from bank borrowings	223,448	71,500
Repayment of bank borrowings	(149,335)	(58,700)
Repayment of loan to non-controlling shareholders of a subsidiary	(9,938)	-
Loans from non-controlling shareholders of a subsidiary	647	-
Fixed deposit pledged	-	10,900
Net cash generated from/(used in) financing activities	49,053	(7,812)
Net decrease in cash and cash equivalents	(18,531)	(111,175)
Cash and cash equivalents at beginning of year	134,045	250,574
Exchange differences on translation of cash and cash equivalent at beginning of year	745	(5,354)
Cash and cash equivalents at end of year	116,259	134,045

The Group has unused bank facilities of $530.4M as of 31 January 2019.

The Group generated a net decrease of $18.5M cash flow during current year compared to net decrease of $111.2M during previous year. The net decrease in cash and cash equivalents was due to net cash used in operating and investing activities of $43.8M and $23.8M respectively offset with net cash generated from financing activities of $49.1M.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year

Statement of Changes in Equity

	Share capital	Reserves	Retained profits	Total
	$'000	$'000	$'000	$'000
The Company				
Balance at 1 February 2018	161,863	975	424,564	587,402
Total comprehensive income and loss for the period	-	(69)	13,960	13,891
Dividends paid in respect of financial year ended 31 January 2018	-	-	(14,776)	(14,776)
Balance at 31 January 2019	161,863	906	423,748	586,517
Balance at 1 February 2017	161,863	713	396,190	558,766
Total comprehensive income and loss for the period	-	262	57,926	58,188
Transaction with owners -				
Dividends paid in respect of financial year ended 31 January 2017	-	-	(29,552)	(29,552)
Balance at 31 January 2018	161,863	975	424,564	587,402

	Share capital	Reserves	Retained profits	Exchange fluctuation account	Sub-total	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 31 January 2018	161,863	14,838	486,237	1,931	664,869	32,989	697,858
Effect of changes in accounting policies	-	-	(787)	-	(787)	(773)	(1,560)
Balance at 1 February 2018, as restated	161,863	14,838	485,450	1,931	664,082	32,216	696,298
Effect of adopting SFRS(I) 1	-	-	1,931	(1,931)	-	-	-
Balance at 1 February 2018, as restated	161,863	14,838	487,381	-	664,082	32,216	696,298
Total comprehensive income and loss for the period	-	(7,682)	15,447	(1,879)	5,886	2,546	8,432
Transfer upon disposal of investments	-	(1,874)	1,874	-	-	-	-
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2018	-	-	(14,776)	-	(14,776)	(998)	(15,774)
Reserves arising from non-interest bearing loans from non-controlling shareholders	-	-	-	-	-	(124)	(124)
Transactions with non-controlling interests	-	-	24	-	24	(24)	-
Effect on issuance of shares to a non-controlling interest of a subsidiary	-	-	-	-	-	5	5
Balance at 31 January 2019	161,863	5,282	489,950	(1,879)	655,216	33,621	688,837
Balance at 1 February 2017	161,863	5,759	497,239	2,034	666,895	27,363	694,258
Total comprehensive income and loss for the period	-	9,079	17,763	(105)	26,737	1,170	27,907
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2017	-	-	(29,552)	-	(29,552)	(1,960)	(31,512)
Reserves arising from non-interest bearing loans from non-controlling interest	-	-	-	2	2	5,643	5,645
Balance at 31 January 2018	161,863	14,838	485,450	1,931	664,082	32,216	696,298

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's share capital as at 31 January 2019 compared to 31 January 2018.

There were no outstanding executives' share options granted as at 31 January 2019 and 31 January 2018.

There was no treasury share held or issued as at 31 January 2019 and 31 January 2018.

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

	As at 31-01-2019	As at 31-01-2018
Number of issued shares excluding treasury shares	738,816,000	738,816,000

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

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 31 January 2019.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 January 2018.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)s), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) issued by the International Accounting Statutory Board (IASB). The Group's financial statements for the financial year ending 31 January 2019 will be prepared in accordance with SFRS(I) issued by the ASC and IFRS issued by the IASB.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 January 2018, except for the adoption of the new/revised SFRS(I) applicable for the financial period beginning 1 February 2018 as follows:

- SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

a) SFRS(I) 1

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements except as disclosed below.

Group	2018 Increase / (Decrease) S$'000
Balance sheet as at 1 February 2018	
Retained earnings	(1,931)
Foreign currency translation reserve	1,931
Total impact on equity	-

b) SFRS(I) 9

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, there is no significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

c) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

Based on the existing contractual arrangement for revenue, management has assessed that the implementation of SFRS(I) 15 does not result in a change in the amounts and timing of revenue recognition by the company in respect of properties under development as at 31 January 2019.

The group pays sales commission to external property sales agents for securing property sales contracts for the group on a success basis. The group has identified that it is affected by the accounting for sales commission incurred in fulfilling a contract where such costs which has previously been expensed are now required to be recognised as an asset under SFRS(I) 15. The group has considered but noted that the implementation is immaterial.

Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group ceased capitalisation of borrowing costs at the point of revenue recognition.

The following reconciliations summarise the impacts on initial application of SFRS(I) 15 on the Group's financial statements.

Consolidated Statement of Comprehensive Income

	Reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
For the financial year ended 31 January 2018			
Cost of sales	(43,224)	355	(42,869)
Gross profit	29,445	355	29,800
Other income	20,209	(7)	20,202
Finance costs	(5,170)	(1,908)	(7,078)
Profit/(loss) from operations	27,231	(1,560)	25,671
Profit/(loss) before taxation	24,465	(1,560)	22,905
Profit/(loss) after taxation for the period	20,518	(1,560)	18,958
Total profit attributable to owners of the parent	18,550	(787)	17,763
Total profit attributable to non-controlling interests	1,968	(773)	1,195

Consolidated Balance Sheet

	Reported under SFRS	Effects of applying SFRS(I) 15	Reported under SFRS(I)
	$'000	$'000	$'000
For the financial year ended 31 January 2018			
Development properties	258,481	(1,560)	256,921
Total current assets	427,718	(1,560)	426,158
Total assets	1,158,518	(1,560)	1,156,958
Retained profits	486,237	(787)	485,450
Capital and reserves attributable to equity holders of the Company	664,869	(787)	664,082
Non-controlling interests	32,989	(773)	32,216
Total equity	697,858	(1,560)	696,298
Total equity and liabilities	1,158,518	(1,560)	1,156,958

For the financial year ended 31 January 2017

There was no restatement required to the Consolidated Balance Sheet.

Consolidated Cash Flow

	Reported under SFRS	Effects of applying SFRS(I) 15	Reported under SFRS(I)
	$'000	$'000	$'000
For the financial year ended 31 January 2018			
Operating profit before taxation	24,465	(1,560)	22,905
Interest expense	5,170	1,908	7,078
Operating profit before working capital changes	21,365	348	21,713
Decrease/(increase) in development properties	(143,106)	(348)	(143,454)

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

	3 months ended		12 months ended	
	31-01-19	31-01-18 (Restated)	31-01-19	31-01-18 (Restated)
Earnings per ordinary share for the period based on net profit attributable to shareholders of the Company:				
(i) Based on weighted average number of ordinary shares in issue	0.47 cents	0.71 cents	2.09 cents	2.40 cents
(ii) On a fully diluted basis	0.47 cents	0.71 cents	2.09 cents	2.40 cents

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31-01-19	31-01-18 (Restated)	31-01-19	31-01-18
Net asset value per ordinary share	89 cents	90 cents	79 cents	80 cents
Net tangible assets backing per ordinary share	89 cents	90 cents	79 cents	80 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

	3 months ended		Increase /	12 months ended		Increase /
	31-01-2019	31-01-2018 (Restated)	(Decrease)	31-01-2019	31-01-2018 (Restated)	(Decrease)
	$'M	$'M	%	$'M	$'M	%
Revenue						
Development	-	19.2	(100)	135.0	32.1	n.m.
Investment	4.2	4.3	(2)	17.5	17.4	1
Hotel	4.7	5.1	(8)	18.9	23.2	(19)
Total	8.9	28.6	(69)	171.4	72.7	136
Profit before tax and non-controlling interests						
Development	1.3	6.8	(81)	10.6	8.5	25
Investment	3.6	0.6	n.m.	9.2	13.0	(29)
Hotel	1.2	0.1	n.m.	1.7	1.4	21
Total	6.1	7.5	(19)	21.5	22.9	(6)
Non-controlling interests	(2.4)	(0.2)	n.m.	(3.3)	(1.2)	175
Taxation	(0.2)	(2.0)	(90)	(2.8)	(3.9)	(28)
Net profit attributable to shareholder	3.5	5.3	(34)	15.4	17.8	(13)

n.m.: Not Meaningful

Development

Development revenue increased by $102.9M to $135.0M in 12 months current year from $32.1M in 12 months previous year. There was no sales in Q4 current year compared to $19.2M in Q4 previous year. The increase was mainly due to sales from Kismis in current year. Kismis obtained TOP in May 2018 and was fully sold in June 2018.

Net profit before tax and non-controlling interests for development segment increased by $2.1M to $10.6M in 12 months current year from $8.5M in 12 months previous year. Net profit before tax and non-controlling interests for development segment decreased by $5.5M to $1.3M in Q4 current year from $6.8M in Q4 previous year. The higher net profit before tax and non-controlling interest in 12 months previous year was mainly due to the write back of impairment loss of $6.9M at Citadines Balestier in previous year. In Q3 current year, the Group sold an office in Shanghai with a net gain of approximately $0.6M.

As announced on 4 June 2018, LKHS Property Investment Pte Ltd, a subsidiary of the Company invested 40% equity in Dalvey Breeze Development Pte Ltd ("DBDPL") which acquired freehold Villa D'Este ("Dalvey") on an enbloc basis. KOP Limited holds 60% of DBDPL. The purchase consideration was $93 million with a gross floor area of approximately 55,000 square feet. DBDPL intends to redevelop the property into a high-end condominium. The acquisition was completed on 7 January 2019. Dalvey is expected to obtain TOP by Q2 FY2024.

Glopeak Development Pte. Ltd. ("Glopeak"), wholly owned subsidiary of the Company entered into a Sale & Purchase Agreement ("SPA") on 7 June 2018 to purchase 67 Cairnhill Road ("67 Cairnhill"), which sits on freehold land with land area of approximately 19,800 square feet and a plot ratio of 2.8. The acquisition of 67 Cairnhill was completed on 30 August 2018. Glopeak also entered into a SPA with owners of 69 Cairnhill Road for the enbloc acquisition of 69 Cairnhill Road ("69 Cairnhill"). The acquisition is scheduled to complete on 23 May 2019 as all relevant government approvals including Sale Order from High Court had been obtained. Subject to the successful completion of 69 Cairnhill, the Group intends to amalgamate 67 Cairnhill with 69 Cairnhill and redevelop the combined site into a high-rise residential condominium with condominium facilities that is expected to yield approximately 200 residential units.

Investment

Investment revenue increased by $0.1M to $17.5M in 12 months current year from $17.4M in 12 months previous year. It decreased by $0.1M to $4.2M in Q4 current year from $4.3M in Q4 previous year.

Net profit before tax and non-controlling interests for investment segment decreased by $3.8M to $9.2M in 12 months current year from $13.0M in 12 months previous year. Net profit before tax and non-controlling interests for investment segment increased by $3.0M to $3.6M in Q4 current year from $0.6M in Q4 previous year. The decrease was mainly due to lower write back of accrual of construction project cost and absence of gain on disposals of quoted investment in current year. Upon adoption of FRS109, gain on disposal of long term equity investment of $1.9M in current year was not recognised in profit and loss but was reclassed to retained earnings in balance sheet.

Hotel and F&B

Revenue from hotel segment decreased by $4.3M to $18.9M in 12 months current year from $23.2M in 12 months previous year. It decreased by $0.4M to $4.7M in Q4 current year from $5.1M in Q4 previous year. The decrease was mainly due to lower room rates and lower occupancy in Duxton Hotel Perth and closure of F&B outlets.

Net profit before tax and non-controlling interests for hotel segment increased by $0.3M to $1.7M in 12 months current year from $1.4M in 12 months previous year. Net profit before tax and non-controlling interests for hotel segment increased by $1.1M to $1.2M in Q4 current year from $0.1M in Q4 previous year. The lower profit was due to lower revenue from both hotel and F&B operations.

Net profit attributable to shareholders

Net profit attributable to shareholders decreased by $2.4M to $15.4M in current year from $17.8M in previous year. It decreased by $1.8M to $3.5M in Q4 current year from $5.3M in Q4 previous year. The decrease was mainly due to lower profit from development and investment segments.

Balance Sheet

Group shareholders' funds decreased by $8.9M to $655.2M as at 31 January 2019 from $664.1M as at 31 January 2018. Cash and cash equivalents and fixed deposits decreased by $17.8M to $121.6M as at 31 January 2019 from $139.4M as at 31 January 2018 mainly due to cash used for completion of acquisition of 67 Cairnhill Road, dividend payment to shareholders of the Company and shareholder loan repayment. Bank borrowings increased by $74.1M to $447.2M as at 31 January 2019 from $373.1M as at 31 January 2018 due to drawdown of bank loan for Perumal and Glopeak offset with repayment of bank loan for Kismis. Gearing was 0.50 as at 31 January 2019 compared to 0.35 as at 31 January 2018.

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

Not applicable

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The residential property market is more subdued since the recent tightening of property cooling measures. The Group will continue to be selective in land bidding and investment projects. The Group will strive to maintain rental rates for renewals.

11. Dividend

(a) Current Financial Period Reported On

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	:	1.5 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	:	2.0 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 29 May 2019, the proposed first and final dividend will be paid on 20 June 2019.

(d) Books closure date

The Share Transfer Books and the Register of Members of the Company will be closed on 11 June 2019 after 5.00pm for the purpose of determining shareholders' entitlement to the first and final dividend and the special dividend.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00pm on 11 June 2019 will be registered to determine shareholders' entitlements to the said proposed first and final dividend and the special dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00pm on 11 June 2019 will be entitled to the abovementioned proposed first and final dividend and the special dividend.

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

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable

14. Confirmation 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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 8 above.

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

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

The Group's development projects Kismis Residences, a freehold landed development at Upper Bukit Timah consisting of 31 units conventional landed and 7 units cluster landed obtained TOP on 28 May 2018 and was fully sold as at 30 June 2018. Citadines Balestier is 87.8% completed as at 31 January 2019 and is targeted to obtain TOP by Q3 2020. Perumal is 13.1% completed as at 31 January 2019 and is targeted to obtain TOP by Q2 2023.

The Group has one hotel, viz. Duxton Hotel Perth in Australia. The Group has appointed The Ascott group to manage the serviced residences Citadines Balestier at Balestier Road and Lyf @ Farrer at Perumal Road. Citadines Balestier is a 166 unit serviced residence scheduled to open by Q4 FY2020 while Lyf @ Farrer is a 240 unit serviced residence scheduled to open in Q4 FY2023.

The Group's main investments are investment properties in Singapore as well as some quoted equity investments. Key investment properties include PLS Retail Mall and Westgate Tower. They achieved occupancy of 99.4% and 97.6% respectively as at 22 March 2019.

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

17. A breakdown of sales

	12 months ended		Increase /
	31-01-2019	**31-01-2018 (Restated)**	**(Decrease)**
	$'000	**$'000**	%
Sales reported for first half year	153,259	30,576	401
Operating profit after tax before deducting non-controlling interests reported for first half year	9,505	6,483	47
Sales reported for second half year	18,137	42,093	(57)
Operating profit after tax before deducting non-controlling interests reported for second half year	9,240	12,475	(26)

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

	Latest Full Year	Previous Full Year
	$'000	**$'000**
Ordinary one-tier dividend	11,082	14,776

19. 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 Records Sdn Bhd	Bina Meganmas Sdn Bhd : S$579,850.24 Loan Binakawa Sdn Bhd: S$1,948,713.63 Loan	N/A

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

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

	Name	Age	Family Relationship with any Director, CEO and/or Substantial Shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
1.	Low Poh Kok	46	Brother of Low Poh Kuan. Nephew of Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat.	Senior Manager, Property Development with effect from 3/1/2005.	Nil
2.	Low Chin Han	38	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 1/11/2011. Appointed as Director – Hospitality with effect from March 2014	Nil

BY ORDER OF THE BOARD

Low Keng Boon @ Lau Boon Sen
Executive Chairman

Dato' Marco Low Peng Kiat
Managing Director

1 April 2019