



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

Unaudited Third Quarter ("Q3") Financial Statements For the Period Ended 31 October 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY RESULTS

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

	Note	3 months ended		Increase /	9 months ended		Increase /
		31/10/2014	31/10/2013	(Decrease)	31/10/2014	31/10/2013	(Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1	408,514	22,242	n.m.	459,345	57,693	n.m.
Cost of sales	2	<u>(323,144)</u>	<u>(17,802)</u>	n.m.	<u>(360,109)</u>	<u>(36,873)</u>	n.m.
Gross profit		85,370	4,440	n.m.	99,236	20,820	n.m.
Other income/(loss)	3	979	6,110	(84)	5,757	10,313	(44)
Rental income		392	218	80	1,525	519	194
Distribution costs	4	(152)	(474)	(68)	(488)	(1,833)	(73)
Administrative costs	5	(9,358)	(3,606)	160	(17,226)	(11,685)	47
Changes in fair value of derivative financial instrument		328	187	75	948	815	16
Other operating expenses	6	(794)	(757)	5	(3,076)	(2,664)	15
Finance costs	7	<u>(939)</u>	<u>(388)</u>	142	<u>(2,591)</u>	<u>(1,047)</u>	147
Profit/(loss) from operations		75,826	5,730	n.m.	84,085	15,238	452
Share of results of associated companies and joint ventures	8	<u>(71)</u>	6,412	n.m.	<u>14,710</u>	<u>31,628</u>	(53)
Profit/(loss) before taxation		75,755	12,142	524	98,795	46,866	111
Taxation	9	(10,622)	(1,300)	n.m.	(14,884)	(4,407)	238
Profit/(loss) after taxation for the period		<u>65,133</u>	<u>10,842</u>	501	<u>83,911</u>	<u>42,459</u>	98
Attributable to:							
Owners of the parent	10	65,061	10,437	523	83,535	41,408	102
Non-controlling interests		<u>72</u>	<u>405</u>	(82)	<u>376</u>	<u>1,051</u>	(64)
		<u>65,133</u>	<u>10,842</u>	501	<u>83,911</u>	<u>42,459</u>	98
Earnings per share (cents)							
- basic		8.81	1.41		11.31	5.60	
- diluted		8.81	1.41		11.31	5.60	

n.m.: Not Meaningful

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

	3 months ended		Increase / (Decrease)	9 months ended		Increase / (Decrease)
	31/10/2014	31/10/2013		31/10/2014	31/10/2013	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	65,133	10,842	n.m.	83,911	42,459	98
Other comprehensive income						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	(1,010)	(2,211)	(57)	3,711	(851)	n.m.
Fair value (gain)/loss on available-for-sale financial assets recycled to income statement on derecognition	-	-	n.m.	(273)	(1,514)	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	(660)	1,070	n.m.	2,159	(3,655)	(159)
Other comprehensive income/(loss) for the period, net of tax	(1,670)	(1,141)	n.m.	5,597	(6,020)	n.m.
Total comprehensive income for the period	<u>63,463</u>	<u>9,701</u>	n.m.	<u>89,508</u>	<u>36,439</u>	n.m.
Total comprehensive income attributable to:						
Owners of the parent	63,571	9,106	n.m.	88,969	36,321	n.m.
Non-controlling interests	(107)	595	n.m.	539	118	n.m.
Total comprehensive income for the period	<u>63,464</u>	<u>9,701</u>	n.m.	<u>89,508</u>	<u>36,439</u>	n.m.

n.m.: Not Meaningful

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

- Group revenue increased by \$401.6M to \$459.3M during 9 months current year from \$57.7M during 9 months previous year. It increased by \$386.3M to \$408.5M in Q3 current year from \$22.2M in Q3 previous year. The increase was due to the recognition of revenue from Parkland Residences, a DBSS development which obtained it's TOP on 29 October 2014 and increase in construction activity at Genting Hotel at Jurong Town Hall Road. The Company was awarded a \$114.3 million construction contract by Genting Group in June 2013 for the design and build of one block of hotel development with landscape deck, basement carpark, swimming pool and other ancillary facilities at Jurong Town Hall Road and it is expected to be completed in the first half of 2015.

In line with the adoption of accounting standard INT FRS 115, the Group can only recognise the revenue and related costs of development in Paya Lebar Square, a commercial development which has received TOP on 3 November 2014.
- Cost of sales increased by \$323.2M to \$360.1M during 9 months current year from \$36.9M during 9 months previous year. It increased by \$305.3M to \$323.1M in Q3 current year from \$17.8M in Q3 previous year. The increase in cost of sales was due to the recognition of cost from Parkland Residences, a DBSS development which obtained it's TOP on 29 October 2014 and increase in construction activity at Genting Hotel at Jurong Town Hall Road.
- Other income decreased by \$4.5M to \$5.8M during 9 months current year from \$10.3M during 9 months previous year. It decreased by \$5.1M to \$1.0M in Q3 current year from \$6.1M in Q3 previous year. The decrease was mainly due to gain on disposal of investment property during Q3 previous year at Section 49 Town District of Kuala Lumpur, Malaysia.

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

- 4 Distribution costs decreased by \$1.3M to \$0.5M during 9 months current year from \$1.8M during 9 months previous year. It decreased by \$0.3M to \$0.2M in Q3 current year from \$0.5M in Q3 previous year. The decrease was mainly due to higher marketing expenses incurred during Q3 last year for the two development projects, Paya Lebar Square and Parkland Residences.
- 5 Administrative costs increased by \$5.5M to \$17.2M during 9 months current year from \$11.7M during 9 months previous year. It increased by \$5.8M to \$9.4M in Q3 current year from \$3.6M in Q3 previous year. The increase in administrative costs was mainly due to higher profit share for Joint Managing directors. The provision for profit share was made in accordance with service contracts.
- 6 Other operating expenses increased by \$0.4M to \$3.1M during 9 months current year from \$2.7M during 9 months previous year. It remained unchanged at \$0.8M in Q3 current year compared to Q3 previous year.
- 7 Finance costs increased by \$1.6M to \$2.6M during 9 months current year from \$1.0M during 9 months previous year. It increased by \$0.5M to \$0.9M in Q3 current year from \$0.4M in Q3 previous year. This increase was due to the increased financing for Westgate Tower and Paya Lebar Square (Retail Mall).
- 8 Share of results of associated companies and joint ventures decreased by \$16.9M to \$14.7M during 9 months current year from \$31.6M during 9 months previous year. It decreased by \$6.3M to negative \$0.1M in Q3 current year from \$6.4M in Q3 previous year. The decrease was mainly due to lower contribution from development projects from joint venture companies.
- 9 The basis of tax computation is set out below:

	3 months ended		Increase / (Decrease) %	9 months ended		Increase / (Decrease) %
	31/10/2014	31/10/2013		31/10/2014	31/10/2013	
	\$'000	\$'000		\$'000	\$'000	
Income tax expense						
- tax credit/(charge)						
- current	(9,855)	(298)	n.m.	(12,897)	(1,883)	n.m.
- foreign tax	(767)	(1,002)	(23)	(1,987)	(2,524)	(21)
	<u>(10,622)</u>	<u>(1,300)</u>	n.m.	<u>(14,884)</u>	<u>(4,407)</u>	n.m.

n.m.: Not Meaningful

Income tax increased by \$10.5M to \$14.9M during 9 months current year from \$4.4M during 9 months previous year. It increased by \$9.3M to \$10.6M in Q3 current year from \$1.3M in Q3 previous year. The increase was mainly due to higher tax provision for development segment.

- 10 Net profit attributable to shareholders increased by \$42.1M to \$83.5M during 9 months current year from \$41.4M during 9 months previous year. It increased by \$54.7M to \$65.1M in Q3 current year from \$10.4M in Q3 previous year. The increase was mainly due to higher profits from development segment.

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

	Group		Note	Company	
	31/10/2014	31/01/2014		31/10/2014	31/01/2014
	\$'000	\$'000		\$'000	\$'000
ASSETS					
Non-current assets					
Investment properties	15,770	14,366	1	14,403	2,320
Property, plant and equipment	58,452	59,814	1	5,243	13,349
Subsidiaries	-	-		6,791	6,791
Associated companies and joint ventures	227,047	169,756	2	93,428	37,686
Long-term equity investments	41,498	41,438	3	2,223	2,103
Other receivables	64	64		-	-
Deferred tax assets	3,369	3,369		-	-
	<u>346,200</u>	<u>288,807</u>		<u>122,088</u>	<u>62,249</u>
Current assets					
Cash and cash equivalents	100,312	195,782	4	6,787	53,187
Short-term quoted equity investments	4,967	4,342	5	-	-
Amount owing by subsidiaries	-	-		405,751	368,496
Trade and other receivables	209,789	43,842	6	27,021	30,731
Inventories	7,928	545	14	-	-
Development properties	1,082,874	1,191,528	7	-	-
	<u>1,405,870</u>	<u>1,436,039</u>		<u>439,559</u>	<u>452,414</u>
Total assets	<u>1,752,070</u>	<u>1,724,846</u>		<u>561,647</u>	<u>514,663</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Reserves	9,590	6,229	8	1,346	1,248
Retained profits	371,890	310,385		214,693	200,115
Exchange fluctuation account	2,248	309	9	-	-
	<u>545,591</u>	<u>478,786</u>		<u>377,902</u>	<u>363,226</u>
Non-controlling interests	11,153	13,296		-	-
Total equity	<u>556,744</u>	<u>492,082</u>		<u>377,902</u>	<u>363,226</u>
Non-current liabilities					
Bank borrowings	387,024	438,135	10	-	-
Other payables	237	232		-	-
Amount owing to non-controlling shareholders of subsidiaries	103,974	98,599	11	-	-
Joint ventures	37,235	27,234	2	36,704	27,104
Deferred tax liabilities	52	52		-	-
Derivative financial instrument	647	1,595	12	647	1,595
	<u>529,169</u>	<u>565,847</u>		<u>37,351</u>	<u>28,699</u>
Current liabilities					
Trade and other payables	621,193	600,483	13	115,088	96,764
Amount owing to subsidiaries	-	-		-	15,989
Advance received from a joint venture	2	2		2	2
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	1,731	473		-	-
Provision for directors' fee	184	245		184	245
Provision for taxation	15,047	6,560		3,119	4,738
Bank borrowings	28,000	59,154	10	28,000	5,000
	<u>666,157</u>	<u>666,917</u>		<u>146,393</u>	<u>122,738</u>
Total liabilities	<u>1,195,326</u>	<u>1,232,764</u>		<u>183,744</u>	<u>151,437</u>
Total equity and liabilities	<u>1,752,070</u>	<u>1,724,846</u>		<u>561,646</u>	<u>514,663</u>

Notes to the balance sheets

- 1 The net book value of investment properties increased by \$1.4M to \$15.8M as at 31 October 2014 from \$14.4M as at 31 January 2014. The net book value of property, plant and equipment decreased by \$1.3M to \$58.5M as at 31 October 2014 from \$59.8M as at 31 January 2014.
- 2 Associated companies and joint ventures increased by \$47.2M to \$189.8M as at 31 October 2014 from \$142.6M as at 31 January 2014. The increase was mainly due to shareholder loans granted to associate companies Westgate Commercial Pte Ltd ("WGC") and Westgate Tower Pte Ltd ("WGT") for the purchase of Westgate Tower during current year.
- 3 Long-term quoted equity investments increased by \$0.1M to \$41.5M as at 31 October 2014 from \$41.4M as at 31 January 2014. The increase was due to the increase in fair value of available-for-sale financial asset. These quoted equity investments were made with the objective of optimising cash holdings and earning higher returns compared to the current near zero interest rate offered by banks.
- 4 Cash and cash equivalents decreased by \$95.5M to \$100.3M as at 31 October 2014 from \$195.8M as at 31 January 2014. The decrease was mainly due to shareholder loan granted to the Group's associate companies WGC and WGT for the purchase of Westgate Tower during current year. Working capital was \$739.7M as at 31 October 2014 compared to \$769.1M as at 31 January 2014.
- 5 Short-term quoted equity investments increased by \$0.7M to \$5.0M as at 31 October 2014 from \$4.3M as at 31 January 2014. The increase was due to increase in fair value of short-term quoted equity investments.
- 6 Trade and other receivables increased by \$166.0M to \$209.8M as at 31 October 2014 from \$43.8M as at 31 January 2014 due to billing of progress payment for development projects.
- 7 Development properties decreased by \$108.6M to \$1,082.9M as at 31 October 2014 from \$1,191.5M as at 31 January 2014. The decrease was mainly due to the reclassification from development properties to cost of sales of Parkland Residences, a DBSS development when it obtained TOP on 29 October 2014. Paya Lebar Square (Retail Mall) received TOP on 3 November 2014 while Balestier Towers and Kismis Lodge are still in planning and design stage. As of 1 December 2014, 8 office units at Paya Lebar Square remained unsold and 2 residential units at Parkland Residences are available for booking.
- 8 Reserves increased by \$3.4M to \$9.6M as at 31 October 2014 from \$6.2M as at 31 January 2014 due to increase in fair value reserves for long-term quoted equity investments.
- 9 Exchange fluctuation account increased by \$1.9M to \$2.2M as at 31 October 2014 from \$0.3M as at 31 January 2014 mainly due to strengthening of the Australian dollar against the Singapore dollar.
- 10 The total bank borrowings decreased by \$82.3M to \$415.0M as at 31 October 2014 from \$497.3M as at 31 January 2014. The decrease was mainly due to repayments in bank borrowings of \$216.0M during the year. Gearing was 0.58 as at 31 October 2014 compared to 0.63 as at 31 January 2014. Subsequent to Q3 current year, \$180.0M was repaid.
- 11 Total amount owing to non-controlling shareholders of subsidiaries increased by \$5.4M to \$104.0M as at 31 October 2014 from \$98.6M as at 31 January 2014. The increase was mainly due to increase in shareholders' loan for Paya Lebar Square (Retail Mall) and Kismis Lodge.
- 12 The Group uses interest rate swap to manage its exposure to interest rate movements by swapping the borrowings from floating rates to fixed rates. The interest rate swap settles on a quarterly basis. The fair value of the swap entered into as at 31 October 2014 was based on quoted market prices for equivalent instruments at the balance sheet date. The Group does not designate this interest rate swap as a hedging instrument and the movements in fair value gain of \$0.9M has been recognised in the income statement during 9 months current year.
- 13 Trade and other payables increased by \$20.7M to \$621.2M as at 31 October 2014 from \$600.5M as at 31 January 2014 mainly due to progress billings received in advance for Paya Lebar Square. Subsequent to 31 October 2014, \$10.9M was paid to vendors.
- 14 Inventories increased by \$7.4M to \$7.9M as at 31 October 2014 from \$0.5M as at 31 January 2014. The increase was mainly due to units at Parkland Residences reclassified from development properties to inventory upon TOP. The owners of these units have yet to be approved by HDB as eligible to purchase them.

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

	31/10/2014		31/01/2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	-	28,000	54,154	5,000
Amount repayable after one year	387,024	-	438,135	-
	<u>387,024</u>	<u>28,000</u>	<u>492,289</u>	<u>5,000</u>

Details of any collateral

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

	9 months ended	
	31/10/2014	31/10/2013
	\$'000	\$'000
Cash Flow from Operating Activities		
Profit before taxation	98,795	46,866
Adjustments for:		
Changes in fair value of derivative financial instrument	(948)	(815)
Depreciation of property, plant and equipment	3,540	3,716
Depreciation of investment properties	547	544
Fair value (gain)/loss recycled from fair value reserve to profit or loss on derecognition of available-for-sale financial assets	(273)	(1,514)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(625)	1,299
(Gain)/loss on disposal of		
- property, plant and equipment	-	(21)
- investment properties	-	(3,560)
Interest expense	2,591	1,047
Interest income	2,409	(350)
(Gain) on liquidation of joint ventures	(6)	-
Share of results of associated and joint ventures companies	(14,710)	(31,628)
Write off of property, plant and equipment	45	28
Operating profit before working capital changes	91,365	15,612
Inventories	(7,291)	62
Receivables	(166,114)	1,520
Payables	20,692	174,472
Development properties	108,654	(282,579)
Cash generated from/(used in) operations	47,306	(90,913)
Interest paid	(2,609)	(1,675)
Income tax paid	(5,737)	(8,570)
Net cash generated from/(used in) operating activities	38,960	(101,158)
Amount carried forward	38,960	(101,158)

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

	9 months ended	
	31/10/2014	31/10/2013
	\$'000	\$'000
Amount brought forward	38,960	(101,158)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(1,687)	(6,132)
Acquisition of investment property	(1,951)	(12)
Advances received (made to)/from associated and joint venture companies	(62,044)	18,690
Dividends from associated and joint venture companies	14,586	2,400
Capital contribution made (towards)/from associated and joint venture companies	(800)	-
Capital return from a joint venture company	320	1,500
Interest received	(2,409)	350
Proceeds from disposal of quoted equity investments	3,748	3,045
Proceeds from disposal of property, plant and equipment	10	259
Proceeds from disposal of investment properties	-	7,000
Proceeds from return on loan of associated and joint venture companies	8,357	3,951
Returns on liquidation of associated and joint ventures companies	-	-
Redemption of redeemable preference shares in joint venture	7,519	-
Net cash (used in)/generated from investing activities	<u>(34,351)</u>	<u>31,051</u>
Cash Flow from Financing Activities		
Advance from non-controlling shareholders of subsidiaries	6,635	41,067
Capital contribution from non-controlling shareholders of subsidiaries (Note A)	-	750
Dividends paid to shareholders of the Company	(22,164)	(33,247)
Dividends paid to minority shareholder of a subsidiary	(2,682)	-
Proceeds from bank borrowings	133,735	267,289
Repayment of bank borrowings	(216,000)	(243,750)
Net cash (used in)/generated from financing activities	<u>(100,476)</u>	<u>32,109</u>
Net (decrease) in cash and cash equivalents	(95,867)	(37,998)
Cash and cash equivalents at beginning of the period	195,782	205,517
Exchange differences on translation of cash and cash equivalents	397	24
Cash and cash equivalents at end of the period	<u><u>100,312</u></u>	<u><u>167,543</u></u>

The Group has unused bank facilities of \$650.2M as of 31 October 2014. Subsequent to Q3 current year, \$180.0M was repaid.

The Group generated a net decrease of \$95.9M cash flow in 9 months current year compared to net decrease of \$38.0M cash flow in 9 months previous year. The net decrease in cash and cash equivalents was due to net cash generated from operating activities of \$39.0M offsetted by net cash used in investing activities and financing activities of \$34.4M and \$100.5M respectively.

Note A The Group acquired 70% equity interest in a subsidiary, Newfort Alliance (Kismis) Pte Ltd, during the financial period ended 30 April 2013. The fair value acquired represented the share capital of the subsidiary.

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

	Share capital	Fair value reserve	Retained profits	Exchange fluctuation account	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
The Company					
Balance at 01/02/2014	161,863	1,248	200,115	-	363,226
Total comprehensive income and loss for the period	-	98	36,742	-	36,840
Dividends paid in respect of financial year ended 31 Jan 2014	-	-	(22,164)	-	(22,164)
Balance at 31/10/14	161,863	1,346	214,693	-	377,902
Balance at 01/02/2013	161,863	1,133	163,074	-	326,070
Total comprehensive income and loss for the period	-	438	15,049	-	15,487
Dividends paid	-	-	(33,247)	-	(33,247)
Balance at 31/10/2013	161,863	1,571	144,876	-	308,310

	Share capital	Fair value reserve	Retained profits	Exchange fluctuation account	Sub-total	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group							
Balance at 01/02/2014	161,863	6,229	310,385	309	478,786	13,296	492,082
Total comprehensive income and loss for the period	-	3,361	83,669	1,939	88,969	539	89,508
Dividends paid in respect of financial year ended 31 Jan 2014	-	-	(22,164)	-	(22,164)	(2,682)	(24,846)
Balance at 31/10/14	161,863	9,590	371,890	2,248	545,591	11,153	556,744
Balance at 01/02/2013	161,863	12,454	295,517	6,297	476,131	13,265	489,396
Total comprehensive income and loss for the period	-	(2,365)	41,408	(2,722)	36,321	118	36,439
Dividends paid	-	-	(33,247)	-	(33,247)	-	(33,247)
Acquisition of subsidiaries	-	-	-	-	-	750	750
Balance at 31/10/2013	161,863	10,089	303,678	3,575	479,205	14,133	493,338

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

There was no change in the company's share capital as at 31 October 2014 compared to 31 January 2014.

There were no outstanding executives' share options granted as at 31 October 2014 and 31 January 2014.

There was no treasury share held or issued as at 31 October 2014 and 31 January 2014.

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 31-10-2014	As at 31-01-2014
Number of issued shares excluding treasury shares	738,816,000	738,816,000

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

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 31 October 2014.

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

The figures have not been audited or reviewed.

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

Not applicable

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

The Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements.

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

Not applicable

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

	3 months ended		9 months ended	
	31-10-2014	31-10-2013	31-10-2014	31-10-2013
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	8.81 cents	1.41 cents	11.31 cents	5.60 cents
(ii) On a fully diluted basis	8.81 cents	1.41 cents	11.31 cents	5.60 cents

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

	Group		Company	
	31-10-2014	31-01-2014	31-10-2014	31-01-2014
Net asset value per ordinary share	74 cents	65 cents	51 cents	49 cents
Net tangible assets backing per ordinary share	74 cents	65 cents	51 cents	49 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**

Construction

Construction revenue increased by \$33.4M to \$52.7M during 9 months current year from \$19.3M during 9 months previous year. It increased by \$15.3M to \$24.7M in Q3 current year from \$9.4M in Q3 previous year. Net profit before tax and non-controlling interests for construction segment increased by \$2.3M to \$10.1M during 9 months current year from \$7.8M during 9 months previous year. Net profit before tax and non-controlling interests increased by \$2.0M to \$4.9M Q3 current year compared to a net profit before tax and non-controlling interests of \$2.9M in Q3 previous year.

The increase in revenue was due to the increase in construction activity at Genting Hotel at Jurong Town Hall Road. The Company was awarded a \$114.3M construction contract in June 2013 for the design and build of one block of hotel development with landscape deck, basement carpark, swimming pool & other ancillary facilities at Jurong Town Hall Road. The project was awarded by Tamerton Pte Ltd, a wholly-owned subsidiary of Genting Singapore PLC, and it is expected to be completed in the first half of 2015.

Hotel and F&B business

Revenue for hotel & F&B businesses decreased by \$4.2M to \$33.8M during 9 months current year from \$38.0M during 9 months previous year. It decreased by \$1.7M to \$11.1M in Q3 current year from \$12.8M in Q3 previous year. Net profit before tax and non-controlling interests for hotel segment decreased by \$0.3M to \$5.1M during 9 months current year from \$5.4M during 9 months previous year mainly due to lower hotel occupancy in Duxton Perth and lower rates in Duxton Saigon. Lower revenue from F&B business was due to closure of outlet for renovation and lower business activity.

Development

Development revenue was \$372.6M during 9 months current year. There was no revenue recognized in previous year.

Contributions from associated companies and joint ventures decreased by \$17.0M to \$14.7M during 9 months current year from \$31.7M during 9 months previous year. It decreased by \$5.9M compared to Q3 previous year due to lower contributions in current year.

The Group would retain the retail mall at Paya Lebar Square for investment holding purpose for generation of consistent cash income stream. A new subsidiary, Paya Lebar Square Pte Ltd (PLSPL), was incorporated to purchase the retail mall from Paya Lebar Development Pte. Ltd (PLDPL) for \$300.0M. LKHS has 55% equity interest and Sun Venture Realty Pte Ltd (part of the Sun Venture group) has 45% equity interest in PLSPL. LKHS (through its subsidiary, Siong Feng Development Pte Ltd) owned 80% of PLDPL while Guthrie (PLC) Pte. Ltd. and Sun Venture Commercial Pte. Ltd. each owned 10%.

Investments

The Group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equity investments. Net profit before tax and non-controlling interest in investment segment decreased by \$1.2M to \$1.2M during 9 months current year from net profit before tax and non-controlling interest \$2.4M during 9 months previous year due to fair value gain on quoted investments during the year.

Westgate Tower and Paya Lebar Square (Retail Mall) obtained TOP on 9 October 2014 and 3 November 2014 respectively. Westgate Tower and Paya Lebar Square (Retail Mall) achieved leasing commitment of 55% and 95% respectively as at 31 October 2014.

Net profit attributable to shareholders

Net profit attributable to shareholders increased by \$42.1M to \$83.5M during 9 months current year from \$41.4M during 9 months previous year. It increased by \$54.6M to \$65.0M in Q3 current year from \$10.4M in Q3 previous year. The increase was mainly due to higher profits from development segment.

Balance Sheet

Group shareholders' funds increased by \$66.8M to \$545.6M as at 31 October 2014 from \$478.8M as at 31 January 2014. Cash and cash equivalents decreased by \$95.5M to \$100.3M as at 31 October 2014 from \$195.8M as at 31 January 2014. The Group's bank borrowings decreased by \$82.3M to \$415.0M as at 31 October 2014 from \$497.3M as at 31 January 2014. The decrease was due to repayments in bank borrowings of \$216.0M during the year. Gearing was 0.58 as at 31 October 2014 compared to 0.63 as at 31 January 2014. Subsequent to Q3 current year, \$180.0M was repaid.

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 cooling measures introduced by the Singapore government and the release of more land for development to cool the residential market continues to slow down the sluggish property market.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? No

Name of Dividend : NIL
Dividend Type : NIL
Dividend Amount : NIL
Tax Rate : NIL

Name of Dividend : NIL
Dividend Type : NIL
Dividend Amount : NIL
Tax Rate : NIL

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend : NIL
Dividend Type : NIL
Dividend Amount : NIL
Tax Rate : NIL

Name of Dividend : NIL
Dividend Type : NIL
Dividend Amount : NIL
Tax Rate : NIL

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

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

Not applicable

14. Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors, which may render the unaudited consolidated financial results for the 9 months ended 31 October 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Low Keng Boon
Joint Managing Director

Dato' Marco Low Peng Kiat
Joint Managing Director

11 December 2014