

**LOW KENG HUAT (SINGAPORE) LIMITED** (Reg. No. 196900209G)**Unaudited Third Quarter ("Q3") Financial Statements For the Period Ended 31 October 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		Increase / (Decrease) %	9 months ended		Increase / (Decrease) %
		31/10/2019 \$'000	31/10/2018 \$'000		31/10/2019 \$'000	31/10/2018 \$'000	
Revenue	1	12,388	9,240	34	29,634	162,499	(82)
Cost of sales	2	(8,035)	(3,973)	102	(18,558)	(135,543)	(86)
Gross profit		4,353	5,267	(17)	11,076	26,956	(59)
Other income	3	2,222	4,047	(45)	7,953	9,930	(20)
Rental income		145	145	-	436	457	(5)
Distribution costs	4	(416)	(1,090)	(62)	(1,036)	(6,508)	(84)
Administrative costs	5	(2,838)	(1,374)	107	(7,070)	(6,528)	8
Other operating expenses	6	(339)	(648)	(48)	(1,179)	(2,462)	(52)
Finance costs	7	(2,810)	(2,030)	38	(6,653)	(5,297)	26
Profit from operations		317	4,317	(93)	3,527	16,548	(79)
Share of results of associated companies and joint ventures	8	(1,122)	(818)	37	(3,139)	(1,180)	166
Profit/(loss) before taxation		(805)	3,499	n.m.	388	15,368	(97)
Taxation	9	(383)	(142)	170	(1,190)	(2,507)	(53)
Profit/(loss) after taxation for the period		(1,188)	3,357	n.m.	(802)	12,861	n.m.
Attributable to:							
Owners of the parent	10	(774)	2,631	n.m.	34	11,949	(100)
Non-controlling interests		(414)	726	n.m.	(836)	912	n.m.
		(1,188)	3,357	n.m.	(802)	12,861	n.m.
Earnings per share (cents)							
- basic		(0.10)	0.36	n.m.	0.00	1.62	(100)
- diluted		(0.10)	0.36	n.m.	0.00	1.62	(100)

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) %
	31/10/2019 \$'000	31/10/2018 \$'000		31/10/2019 \$'000	31/10/2018 \$'000	
<b>Net profit/(loss) for the period</b>	(1,188)	3,357	n.m.	(802)	12,861	n.m.
<b>Other comprehensive income/(expense) after tax</b>						
<b>Items that will not be reclassified to profit and loss:</b>						
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income	1,192	(4,515)	n.m.	2,558	(9,818)	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	(87)	-	n.m.	(193)	-	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)	(385)	(1,297)	(70)	(1,466)	(2,432)	(40)
<b>Total other comprehensive income/(expense) for the period, net of tax</b>	720	(5,812)	n.m.	899	(12,250)	n.m.
<b>Total comprehensive income/(expense) for the period</b>	<u>(468)</u>	<u>(2,455)</u>	(81)	<u>97</u>	<u>611</u>	(84)
<b>Total comprehensive income/(expense) attributable to:</b>						
Owners of the parent	33	(3,070)	n.m.	1,126	82	n.m.
Non-controlling interests	(501)	615	n.m.	(1,029)	529	n.m.
<b>Total comprehensive income/(expense) for the period</b>	<u>(468)</u>	<u>(2,455)</u>	(81)	<u>97</u>	<u>611</u>	(84)

n.m.: Not Meaningful

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

- Revenue decreased by \$132.9M to \$29.6M in 9 months current year from \$162.5M in 9 months previous year. It increased by \$3.2M to \$12.4M in Q3 current year from \$9.2M in Q3 previous year. The decrease was mainly due to the lower sales in development segment. Uptown @ Farrer was launched in September 2019 and Kismis Residences & Tranquilia @ Kismis ("Kismis") were fully sold last year. Citadines Balestier commenced business in September 2019. Uptown @ Farrer is 31.4% completed. 7 units were sold as at 31 October 2019 and another 8 units were sold as at 2 December 2019. Lyf @ Farrer, serviced apartments at Perumal Road, is expected to obtain TOP by Q4 FY2022 and to commence business by Q2 FY2023.
- Cost of sales decreased by \$116.9M to \$18.6M in 9 months current year from \$135.5M in 9 months previous year. It increased by \$4.0M to \$8.0M in Q3 current year from \$4.0M in Q3 previous year. The decrease in cost of sales was mainly due to lower sales in development segment.
- Other income decreased by \$1.9M to \$8.0M in 9 months current year from \$9.9M in 9 months previous year. It decreased by \$1.8M to \$2.2M in Q3 current year from \$4.0M in Q3 previous year. The decrease was mainly due to decrease in exchange gain from sale of USD offset with increase in imputed interest on shareholder loans to joint ventures.
- Distribution costs decreased by \$5.5M to \$1.0M in 9 months current year from \$6.5M in 9 months previous year. It decreased by \$0.7M to \$0.4M in Q3 current year from \$1.1M in Q3 previous year. The decrease was mainly due to decrease in sales commission and showflat cost.
- Administrative costs increased by \$0.6M to \$7.1M in 9 months current year from \$6.5M in 9 months previous year. It increased by \$1.4M to \$2.8M in Q3 current year from \$1.4M in Q3 previous year. The increase was mainly due to repair and maintenance expenses incurred at Paya Lebar Square Retail Podium ("PLS") which had been in operation since it obtained TOP in Nov 2014.

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

- 6 Other operating expenses decreased by \$1.3M to \$1.2M in 9 months current year from \$2.5M in 9 months previous year. It decreased by \$0.3M to \$0.3M in Q3 current year from \$0.6M in Q3 previous year. The decrease was mainly due to decrease in fair value loss of quoted equity investments measured at fair value through profit or loss.
- 7 Finance costs increased by \$1.4M to \$6.7M in 9 months current year from \$5.3M in 9 months previous year. It increased by \$0.8M to \$2.8M in Q3 current year from \$2.0M in Q3 previous year. The increase was mainly due to higher interest incurred at PLS, Citadines Balestier and Uptown @ Farrer. In accordance with SFRS (I) 15 and IAS 23, interest expenses were expensed upon sales launch of Uptown @ Farrer in September 2019. Citadines Balestier attained TOP on 26 June 2019.
- 8 Share of losses of associated companies and joint ventures increased by \$1.9M to \$3.1M in 9 months current year from \$1.2M in 9 months previous year. It increased by \$0.3M to \$1.1M in Q3 current year from \$0.8M in Q3 previous year. The increase in loss was mainly due to higher finance costs at AXA Tower and Westgate Tower. The occupancy rates of AXA Tower and Westgate Tower are 93.7% and 97.2% respectively as at 18 November 2019.
- 9 The basis of tax computation is set out below:

	3 months ended		Increase / (Decrease) %	9 months ended		Increase / (Decrease) %
	31/10/2019	31/10/2018		31/10/2019	31/10/2018	
	\$'000	\$'000		\$'000	\$'000	
- current	(361)	11	n.m.	(1,154)	(2,180)	(47)
- foreign tax	(22)	(153)	(86)	(36)	(327)	(89)
	<u>(383)</u>	<u>(142)</u>	170	<u>(1,190)</u>	<u>(2,507)</u>	(53)

n.m.: Not Meaningful

Taxation decreased by \$1.3M to \$1.2M in 9 months current year from \$2.5M in 9 months previous year. It increased by \$0.3M to \$0.4M in Q3 current year from \$0.1M in Q3 previous year. The decrease was due to lower profits from all segments.

- 10 Net profit attributable to shareholders decreased by \$11.9M to \$0.03M in 9 months current year from \$11.9M in 9 months previous year. Net profit attributable to shareholders was negative \$0.8M in Q3 current year compared to \$2.6M in Q3 previous year. The decrease was mainly due to lower profit from development and investment segments. Only one development project, Uptown @ Farrer, was launched in September 2019. Lower profit in investment segment was mainly due to higher finance and repair costs.

**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	
	31/10/2019	31/01/2019		31/10/2019	31/01/2019
	\$'000	\$'000		\$'000	\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	320,638	271,188	1	18,065	18,215
Property, plant and equipment	267,486	255,972	1	5,247	5,392
Subsidiaries	-	-		580,212	462,539
Joint ventures	89,804	90,209		95,622	93,163
Associated companies	67,828	66,136	2	-	56
Financial assets, at FVOCI	35,964	35,258	3	1,116	1,661
Other investments, at amortised cost	32,000	32,000	13	-	-
Other receivables	87	157	6	-	-
Deferred tax assets	356	370		-	-
	<u>814,163</u>	<u>751,290</u>		<u>700,262</u>	<u>581,026</u>
<b>Current assets</b>					
Cash and cash equivalents	53,385	116,259	4	11,237	74,944
Fixed deposits	9,002	9,051	4	-	-
Financial assets, at FVPL	-	5,156	5	-	-
Amount owing by subsidiaries	-	-		2,757	9,260
Amount owing by non-controlling interests	571	-	9	-	-
Trade and other receivables	7,592	60,502	6	10,771	4,080
Inventories	503	352		-	-
Contract assets	83	3,133		354	2,676
Development properties	614,189	267,376	7	-	-
	<u>685,325</u>	<u>461,829</u>		<u>25,119</u>	<u>90,960</u>
<b>Total assets</b>	<u>1,499,488</u>	<u>1,213,119</u>		<u>725,381</u>	<u>671,986</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	161,863	161,863		161,863	161,863
Capital reserves	(2,005)	(2,005)		-	-
Fair value reserves	9,308	7,287	8	361	906
Retained profits	479,542	490,053		423,927	423,748
Exchange fluctuation account	(3,448)	(1,982)		-	-
	<u>645,260</u>	<u>655,216</u>		<u>586,151</u>	<u>586,517</u>
Non-controlling interests	32,592	33,621	11	-	-
<b>Total equity</b>	<u>677,852</u>	<u>688,837</u>		<u>586,151</u>	<u>586,517</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	677,508	341,108	10	-	-
Trade and other payables	2,334	-	12	-	-
Amount owing to non-controlling interests	44,642	43,129	9	-	-
Deferred tax liabilities	2,817	2,817		-	-
	<u>727,301</u>	<u>387,054</u>		<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	28,063	24,031	12	10,513	16,595
Amount owing to subsidiaries	-	-		72,856	67,945
Amount owing to joint ventures	451	446		197	197
Amount owing to non-controlling interests	-	1,413	9	-	-
Provisions	24	24		-	-
Provision for directors' fee	191	259		191	259
Provision for taxation	3,406	4,966		473	473
Bank borrowings	62,200	106,089	10	55,000	-
	<u>94,335</u>	<u>137,228</u>		<u>139,230</u>	<u>85,469</u>
<b>Total liabilities</b>	<u>821,636</u>	<u>524,282</u>		<u>139,230</u>	<u>85,469</u>
<b>Total equity and liabilities</b>	<u>1,499,488</u>	<u>1,213,119</u>		<u>725,381</u>	<u>671,986</u>

## Notes to the balance sheets

- 1 The net book value of Investment properties increased by \$49.4M to \$320.6M as at 31 October 2019 from \$271.2M as at 31 January 2019. The increase was mainly due to reclassification of retail mall, BT Centre, to Investment properties from Development properties upon its TOP in June 2019. The net book value of Property, plant and equipment increased by \$11.5M to \$267.5M as at 31 October 2019 from \$256.0M as at 31 January 2019. The increase was mainly due to higher development cost for serviced apartments, Citadines Balestier and Lyf @ Farrer and room renovations at Duxton Perth. Citadines Balestier obtained TOP in June 2019 and commenced business in September 2019. Lyf @ Farrer is 58.1% completed as at 31 October 2019 and it is expected to obtain TOP by Q4 FY2022 and to commence business by Q2 FY2023.
- 2 Associated companies increased by \$1.7M to \$67.8M as at 31 October 2019 from \$66.1M as at 31 January 2019. The increase was mainly due to additional loans made to associated companies.
- 3 Financial assets, at fair value through other comprehensive income ("FVOCI") increased by \$0.7M to \$36.0M as at 31 October 2019 from \$35.3M as at 31 January 2019. The increase was mainly due to increase in fair value of quoted equity investments measured at FVOCI offset with the disposal of financial assets, at FVOCI. The gain on disposal of financial assets, at FVOCI was \$0.5M recorded in retained profits.
- 4 Cash and cash equivalents and fixed deposits decreased by \$62.9M to \$62.4M as at 31 October 2019 from \$125.3M as at 31 January 2019 mainly due to cash used for development activities at Citadines Balestier, Lyf @ Farrer, Uptown @ Farrer and Cairnhill project, and repayment of shareholder loans to non-controlling interests.
- 5 Financial assets, at fair value through profit or loss ("FVPL") decreased by \$5.2M to Nil as at 31 October 2019 from \$5.2M as at 31 January 2019 due to disposal of all quoted equity investments measured at FVPL in Q2 current year. Gain on disposal of financial assets, at FVPL was \$0.6M.
- 6 Trade and other receivables decreased by \$53.0M to \$7.7M as at 31 October 2019 from \$60.7M as at 31 January 2019 mainly due to reclassification of deposit to Development properties upon legal completion of 69 Cairnhill Road.
- 7 Development properties increased by \$346.8M to \$614.2M as at 31 October 2019 from \$267.4M as at 31 January 2019 mainly due to legal completion of 69 Cairnhill Road and progressive construction at Uptown @ Farrer. Uptown @ Farrer is 31.4% completed as at 31 October 2019 and is expected to obtain TOP in Q4 FY2022. It was launched for sale in September 2019, 7 units were sold as at 31 October 2019 and another 8 units were sold as at 2 December 2019.
- 8 Fair value reserves increased by \$2.0M to \$9.3M as at 31 October 2019 from \$7.3M as at 31 January 2019 mainly due to increase in fair value of quoted equity investments measured at fair value through other comprehensive income.
- 9 Total Amount owing to non-controlling interests decreased by \$0.4M to \$44.1M as at 31 October 2019 from \$44.5M as at 31 January 2019 mainly due to repayment of shareholder loans offset with additional imputed interest on shareholder loans and advances to non-controlling interests.
- 10 Bank borrowings increased by \$292.5M to \$739.7M as at 31 October 2019 from \$447.2M as at 31 January 2019 due to additional loans drawdown to fund legal completion of 69 Cairnhill Road.
- 11 Non-controlling interests decreased by \$1.0M to \$32.6M as at 31 October 2019 from \$33.6M as at 31 January 2019 mainly due to decrease in share of profits at PLS and Kismis.
- 12 Trade and other payables increased by \$6.4M to \$30.4M as at 31 October 2019 from \$24.0M as at 31 January 2019. The increase was mainly due to increase in progress claim of construction works at Lyf @ Farrer and Uptown @ Farrer and renovations at Duxton Perth.
- 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**

	31/10/2019		31/01/2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	7,200	55,000	106,089	-
Amount repayable after one year	677,508	-	341,108	-
	<u>684,708</u>	<u>55,000</u>	<u>447,197</u>	<u>-</u>

**Details of any collateral**

Borrowings are secured by the mortgages on the borrowing subsidiaries' property, plant and equipment, development and investment properties and assignment of all rights and benefits with respect to the property, plant and equipment, 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

	9 months ended	
	31/10/2019	31/10/2018
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Operating profit before taxation	388	15,368
Adjustments for:		
Share of results of associated companies and joint ventures	3,139	1,180
Depreciation of investment properties	2,225	2,275
Depreciation of property, plant and equipment	1,256	1,345
(Gain)/loss on disposal of property, plant and equipment	(15)	-
Impairment loss/(reversal) on property, plant and equipment	-	(213)
Impairment loss/(reversal) on receivables	(49)	91
Bad debts written off	1	-
Property, plant and equipment written off	-	218
Investment property written off	190	-
Gain on disposal of financial assets, at FVPL	(557)	-
Fair value loss on financial assets, at FVPL	1	1,086
Interest expense	6,653	5,297
Interest income	(2,551)	(4,346)
<b>Operating profit before working capital changes</b>	<b>10,681</b>	<b>22,301</b>
(Increase)/Decrease in inventories	(164)	(7)
(Increase)/Decrease in development properties	(346,813)	(2,249)
(Increase)/Decrease in operating receivables	53,068	(51,433)
Increase /(Decrease) in operating payables	6,543	(4,604)
(Increase)/Decrease in contract assets	3,050	-
<b>Cash (used in) / generated from from operations</b>	<b>(273,635)</b>	<b>(35,992)</b>
Interest paid	(6,791)	(5,232)
Income tax paid	(2,750)	(2,953)
<b>Net cash (used in) / generated from operating activities</b>	<b>(283,176)</b>	<b>(44,177)</b>
<b>Balance carried forward</b>	<b>(283,176)</b>	<b>(44,177)</b>

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	
	31/10/2019 \$'000	31/10/2018 \$'000
<b>Balance brought forward</b>	(283,176)	(44,177)
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(13,741)	(20,472)
Acquisition of investment properties	(51,864)	(95)
Interest received	2,551	4,346
Decrease/(increase) in fixed deposit with maturity more than three months	(138)	64
Capital contribution made to associated companies and joint ventures	-	(400)
Advances and loans made to associated companies and joint ventures	(5,758)	(8,092)
Capital return from joint ventures in liquidation	400	300
Dividends from joint ventures	518	1,379
Repayment of loan from joint ventures	112	254
Proceeds from disposal of quoted equity investments	7,564	7,870
Proceeds from disposal of property, plant and equipment	20	538
<b>Net cash (used in) / generated from investing activities</b>	(60,336)	(14,308)
<b>Cash Flow from Financing Activities</b>		
Capital contribution from non-controlling interests	-	5
Dividends paid to shareholders of the Company	(11,082)	(14,776)
Dividends paid to non-controlling interests	-	(1,004)
Proceeds from bank borrowings	401,800	104,448
Repayment of bank borrowings	(109,289)	(73,535)
Repayment to non-controlling interests	(1,935)	(926)
Loan from non-controlling interests	1,477	-
<b>Net cash generated from/(used in) financing activities</b>	280,971	14,212
<b>Net (decrease)/increase in cash and cash equivalents</b>	(62,541)	(44,273)
<b>Cash and cash equivalents at beginning of year</b>	116,259	134,045
<b>Exchange differences on translation of cash and cash equivalent at beginning of year</b>	(333)	2,729
<b>Cash and cash equivalents at end of year</b>	53,385	92,501

The Group has unused bank facilities of \$196.2M as of 31 October 2019.

The Group generated a net decrease in cash flow of \$62.5M during 9 months current year compared to net decrease of \$44.3M during 9 months previous year. The net decrease in cash and cash equivalents was due to \$283.2M used in operating activities, \$60.3M used in investing activities offset with \$281.0M generated from financing activities.



**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 \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
<b>The Company</b>				
Balance at 1 February 2019	161,863	906	423,748	586,517
Total comprehensive income and loss for the period	-	(545)	11,261	10,716
Transaction with owners: -				-
Dividends paid in respect of financial year ended 31 January 2019	-	-	(11,082)	(11,082)
Balance at 31 Oct 2019	<u>161,863</u>	<u>361</u>	<u>423,927</u>	<u>586,151</u>
Balance at 1 February 2018	161,863	975	424,564	587,402
Total comprehensive income and loss for the period	-	(170)	12,365	12,195
Transaction with owners: -				-
Dividends paid in respect of financial year ended 31 January 2018	-	-	(14,776)	(14,776)
Balance at 31 Oct 2018	<u>161,863</u>	<u>805</u>	<u>422,153</u>	<u>584,821</u>

	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 2019	161,863	5,282	490,053	(1,982)	655,216	33,621	688,837
Total comprehensive income and loss for the period	-	2,558	34	(1,466)	1,126	(1,029)	97
Transfer upon disposal of financial assets, at FVOCI	-	(537)	537	-	-	-	-
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2019	-	-	(11,082)	-	(11,082)	-	(11,082)
Balance at 31 Oct 2019	<u>161,863</u>	<u>7,303</u>	<u>479,542</u>	<u>(3,448)</u>	<u>645,260</u>	<u>32,592</u>	<u>677,852</u>
Balance at 1 February 2018, as previously reported	161,863	14,838	486,237	1,931	664,869	32,989	697,858
Effect of changes in accounting policies	-	-	1,247	(2,034)	(787)	(773)	(1,560)
Balance at 1 February 2018, as restated	161,863	14,838	487,484	(103)	664,082	32,216	696,298
Total comprehensive income and loss for the period	-	(9,818)	11,949	(2,049)	82	529	611
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2018	-	-	(14,776)	-	(14,776)	(1,004)	(15,780)
Reserves arising from non-interest bearing loans from non-controlling interest	-	-	-	-	-	(8)	(8)
Transaction with non-controlling interests	-	-	23	-	23	(23)	-
Effect on issuance of shares to a non-controlling interests of subsidiaries	-	-	-	-	-	5	5
Balance at 31 Oct 2018	<u>161,863</u>	<u>5,020</u>	<u>484,680</u>	<u>(2,152)</u>	<u>649,411</u>	<u>31,715</u>	<u>681,126</u>

- 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 2019 compared to 31 January 2019.

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

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

- 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**

	<b>As at 31-10-2019</b>	<b>As at 31-01-2019</b>
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 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 2019.

**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**

a) SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

The Group has applied the standard from its mandatory adoption date of 1 February 2019 and adopted the simplified transition approach which allows for no restatement of comparative amounts for the year prior to first adoption. The adoption of the new standards including SFRS(I) 16 Leases that are effective on 1 February 2019 have no material financial impact on the Group’s financial statements for the period ended 31 October 2019.

**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	
	31/10/2019	31/10/2018	31/10/2019	31/10/2018
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	(0.10) cents	0.36 cents	0.00 cents	1.62 cents
(ii) On a fully diluted basis	(0.10) cents	0.36 cents	0.00 cents	1.62 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	
	31/10/2019	31/1/2019	31/10/2019	31/1/2019
Net asset value per ordinary share	87 cents	89 cents	79 cents	79 cents
Net tangible assets backing per ordinary share	87 cents	89 cents	79 cents	79 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			9 months ended		
	31/10/2019 \$'M	31/10/2018 \$'M	Increase / (Decrease) %	31/10/2019 \$'M	31/10/2018 \$'M	Increase / (Decrease) %
<b>Revenue</b>						
Development	2.3	-	n.m.	2.3	135.0	(98)
Investment	4.5	4.2	7	13.0	13.3	(2)
Hotel	5.6	5.0	12	14.3	14.2	1
Total	<u>12.4</u>	<u>9.2</u>	35	<u>29.6</u>	<u>162.5</u>	(82)
<b>Profit/(loss) before tax and non-controlling interests</b>						
Development	(0.3)	0.8	n.m.	(0.8)	9.3	n.m.
Investment	(0.6)	2.2	n.m.	1.8	5.5	(67)
Hotel	0.1	0.5	(80)	(0.6)	0.5	n.m.
Total	<u>(0.8)</u>	<u>3.5</u>	n.m.	<u>0.4</u>	<u>15.3</u>	(97)
Non-controlling interests	0.4	(0.7)	n.m.	0.8	(0.9)	n.m.
Taxation	<u>(0.4)</u>	<u>(0.2)</u>	100	<u>(1.2)</u>	<u>(2.5)</u>	(52)
<b>Net profit/(loss) attributable to shareholders</b>	<u>(0.8)</u>	<u>2.6</u>	n.m.	<u>-</u>	<u>11.9</u>	(100)

n.m.: Not Meaningful

### Development

Development revenue decreased by \$132.7M to \$2.3M in 9 months current year from \$135.0M in 9 months previous year. It increased by \$2.3M to \$2.3M in Q3 current year from Nil in Q3 previous year. The decrease was due to Kismis being fully sold in June 2018. Uptown @ Farrer was recently launched in September 2019, 7 units were sold as at 31 October 2019 and another 8 units were sold as at 2 December 2019. Uptown @ Farrer, a 116 units residential condominium with facilities, is 31.4% completed as at 31 October 2019. Legal completion of 69 Cairnhill Road was completed in May 2019 and handover of units was completed on 25 November 2019. Construction for the amalgamated sites of 67 and 69 Cairnhill Road is targeted to commence by Q1 FY2021. Cairnhill project will be a freehold high end condominium development with approximately 138 units. It is expected to launch for sales by Q4 FY2021 and obtain TOP by Q3 FY2024. Dalvey Breeze Development Pte. Ltd. ("DBDPL"), our 40% owned associated company, is the developer for Dalvey Haus, a 27 units freehold condominium development with facilities at Dalvey Road. KOP Limited owns the remaining 60% shareholding in DBDPL. Dalvey Haus is expected to commence construction in Q4 FY2020 and expected to obtain TOP by Q2 FY2024. It is expected to launch for sales by Q4 FY2021.

Net profit before tax and non-controlling interests for development segment was negative \$0.8M in 9 months current year and \$9.3M in 9 months previous year. Net profit before tax and non-controlling interests for development segment was negative \$0.3M in Q3 current year and \$0.8M in Q3 previous year.

### Investment

Investment revenue decreased by \$0.3M to \$13.0M in 9 months current year from \$13.3M in 9 months previous year. It increased by \$0.3M to \$4.5M in Q3 current year from \$4.2M in Q3 previous year. The decrease was mainly due to the absence of revenue from 3rd party construction projects.

Net profit before tax and non-controlling interests for investment segment decreased by \$3.7M to \$1.8M in 9 months current year from \$5.5M in 9 months previous year. The decrease was mainly due to increase in finance cost, administrative cost, decrease in exchange gain from the sale of USD offset with increase in imputed interest income from joint ventures and gain on disposal of quoted equity investments measured at fair value through profit or loss. Net profit before tax and non-controlling interests for investment segment was negative \$0.6M in Q3 current year and \$2.2M in Q3 previous year.

## Hotel and F&B

Revenue from hotel segment increased by \$0.1M to \$14.3M in 9 months current year from \$14.2M in 9 months previous year. It increased by \$0.6M to \$5.6M in Q3 current year from \$5.0M in Q3 previous year. The increase was mainly due new revenue from Citadines Balestier serviced apartments offset with decrease in revenue from Duxton Perth Hotel and Carnivore restaurant. Citadines Balestier is operated by Ascott International Management Pte Ltd, which commenced business in September 2019. Lower revenue at Duxton Perth Hotel was due to lower room rate due to the challenging commodities market in Perth. Lower revenue at Carnivore was due to the decrease in number of diners due to the increasing challenging F&B market in Singapore.

Net profit before tax and non-controlling interests for hotel segment was negative \$0.6M in 9 months current year and \$0.5M in 9 months previous year. Net profit before tax and non-controlling interests for hotel segment decreased by \$0.4M to \$0.1M in Q3 current year from \$0.5M in Q3 previous year mainly due to higher finance cost.

## Net profit attributable to shareholders

Net profit attributable to shareholders decreased by \$11.9M to \$0.03M in 9 months current year from \$11.9M in 9 months previous year. Net profit attributable to shareholders was negative \$0.8M in Q3 current year compared to \$2.6M in Q3 previous year. The decrease was mainly due to lower profit from development and investment segments. Only one development project, Uptown @ Farrer, was launched in September 2019. Lower profit in investment segment was mainly due to higher finance and repair costs.

## Balance Sheet

Cash and cash equivalents and fixed deposits decreased by \$62.9M to \$62.4M as at 31 October 2019 from \$125.3M as at 31 January 2019 mainly due to cash used for development activities at Citadines Balestier, Lyf @ Farrer, Uptown @ Farrer and Cairnhill project, and repayment of shareholder loans to non-controlling interests. Bank borrowings increased by \$292.5M to \$739.7M as at 31 October 2019 from \$447.2M as at 31 January 2019 due to additional loans drawdown to fund legal completion of 69 Cairnhill Road.

**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 continue to dampen the buying sentiment in the residential property market. 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/recommended for the current financial period reported on? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**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 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 2019 to be false or misleading in any material aspect.

**15. 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.

**BY ORDER OF THE BOARD**

Low Keng Boon @ Lau Boon Sen  
Executive Chairman

Dato' Marco Low Peng Kiat  
Managing Director

6 December 2019