

**LOW KENG HUAT (SINGAPORE) LIMITED** (Reg. No. 196900209G)**Unaudited Full Year (“FY”) Financial Statements For the Period Ended 31 January 2020****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) %	12 months ended		Increase / (Decrease) %
		31/01/2020 \$'000	31/01/2019 \$'000		31/01/2020 \$'000	31/01/2019 \$'000	
Revenue	1	17,076	8,897	92	46,710	171,396	(73)
Cost of sales	2	(13,757)	(2,750)	n.m.	(32,315)	(138,293)	(77)
Gross profit		3,319	6,147	(46)	14,395	33,103	(57)
Other income	3	17,731	1,949	n.m.	25,684	11,879	116
Rental income		146	146	-	582	603	(3)
Distribution costs	4	(608)	(385)	58	(1,644)	(6,893)	(76)
Administrative costs	5	(1,406)	(2,588)	(46)	(8,476)	(9,116)	(7)
Other operating expenses	6	(986)	42	n.m.	(2,165)	(2,420)	(11)
Finance costs	7	(3,104)	(2,415)	29	(9,757)	(7,712)	27
Profit from operations		15,092	2,896	n.m.	18,619	19,444	(4)
Share of results of associated companies and joint ventures	8	(1,772)	3,247	n.m.	(4,911)	2,067	n.m.
Profit before taxation		13,320	6,143	117	13,708	21,511	(36)
Taxation	9	(320)	(258)	24	(1,510)	(2,765)	(45)
Profit after taxation for the period		<u>13,000</u>	<u>5,885</u>	121	<u>12,198</u>	<u>18,746</u>	(35)
Attributable to:							
Owners of the parent	10	12,734	3,498	n.m.	12,768	15,447	(17)
Non-controlling interests		<u>266</u>	<u>2,387</u>	(89)	<u>(570)</u>	<u>3,299</u>	n.m.
		<u>13,000</u>	<u>5,885</u>	121	<u>12,198</u>	<u>18,746</u>	(35)
Earnings per share (cents)							
- basic		1.72	0.47	n.m.	1.73	2.09	(17)
- diluted		1.72	0.47	n.m.	1.73	2.09	(17)
n.m.: Not Meaningful							

**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 / (Decrease) %	12 months ended		Increase / (Decrease) %
	31/01/2020 \$'000	31/01/2019 \$'000		31/01/2020 \$'000	31/01/2019 \$'000	
<b>Net profit for the period</b>	13,000	5,885	121	12,198	18,746	(35)
<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 financial assets at FVOCI (net of tax at Nil%)	(376)	2,136	n.m.	2,182	(7,682)	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	(30)	(753)	(96)	(223)	(753)	(70)
<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)	(605)	553	n.m.	(2,071)	(1,879)	10
<b>Total other comprehensive income/(expense) for the period, net of tax</b>	<u>(1,011)</u>	<u>1,936</u>	n.m.	<u>(112)</u>	<u>(10,314)</u>	(99)
<b>Total comprehensive income/(expense) for the period</b>	<u>11,989</u>	<u>7,821</u>	53	<u>12,086</u>	<u>8,432</u>	43
<b>Total comprehensive income/(expense) attributable to:</b>						
Owners of the parent	11,753	5,804	102	12,879	5,886	119
Non-controlling interests	236	2,017	(88)	(793)	2,546	n.m.
<b>Total comprehensive income/(expense) for the period</b>	<u>11,989</u>	<u>7,821</u>	53	<u>12,086</u>	<u>8,432</u>	43

n.m.: Not Meaningful

**Notes to the income statement**

- Revenue decreased by \$124.7M to \$46.7M in current year from \$171.4M in previous year. It increased by \$8.2M to \$17.1M in Q4 current year from \$8.9M in Q4 previous year. The decrease was mainly due to the lower sales in development segment offset by increase in hotel revenue. Development revenue decreased by \$127.0M to \$8.0M in current year from \$135.0M in previous year due to lower sales at Uptown @ Farrer a 116-units condominium at Perumal Road launched in September 2019. 16 units were sold as at 31 January 2020 and another 6 units were sold as at 24 March 2020. Uptown @ Farrer is 46% completed as at 31 January 2020. Hotel revenue increased by \$2.1M to \$21.0M in current year from \$18.9M in previous year mainly due to the commencement of business at serviced apartment, Citadines Balestier Singapore ("Citadines Balestier") in September 2019. Lyf @ Farrer, serviced apartment at Perumal Road, is expected to obtain TOP by Q3 FY2021 and to commence business by Q1 FY2022. There was no significant change in revenue of investment segment.
- Cost of sales decreased by \$106.0M to \$32.3M in current year from \$138.3M in previous year. It increased by \$11.0M to \$13.8M in Q4 current year from \$2.8M in Q4 previous year. The decrease in cost of sales was mainly due to lower sales in development segment.
- Other income increased by \$13.8M to \$25.7M in current year from \$11.9M in previous year. It increased by \$15.8M to \$17.7M in Q4 current year from \$1.9M in Q4 previous year. The increase is mainly due to the write back of provision for impairment of \$14.9M no longer required at Citadines Balestier and higher imputed interest on shareholder loans extended to joint ventures offset by lower write off of fixed assets at Duxton Hotel Perth ("Duxton Perth") and lower unrealised exchange gain. The provisions for impairment were booked in FY2015 and FY2016 were due to its market value being less than net book value. It is no longer required as business commenced in September 2019.
- Distribution costs decreased by \$5.3M to \$1.6M in current year from \$6.9M in previous year. It increased by \$0.2M to \$0.6M in Q4 current year from \$0.4M in Q4 previous year. The decrease was mainly due to decrease in sales commission and showflat costs in development segment.
- Administrative costs decreased by \$0.6M to \$8.5M in current year from \$9.1M in previous year. It decreased by \$1.2M to \$1.4M in Q4 current year from \$2.6M in Q4 previous year. The decrease was mainly due to decrease in staff bonus offset by higher start-up costs at Citadines Balestier and BT Centre as business commenced in September 2019 and October 2019 respectively.

## Notes to the income statement

- 6 Other operating expenses decreased by \$0.2M to \$2.2M in current year from \$2.4M in previous year. It increased by \$1.0M in Q4 current year compared to Q4 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 and higher renovation costs incurred at Duxton Perth. Duxton Perth is undergoing major renovations to upgrade its rooms during the economic slowdown in Perth.
- 7 Finance costs increased by \$2.1M to \$9.8M in current year from \$7.7M in previous year. It increased by \$0.7M to \$3.1M in Q4 current year from \$2.4M in Q4 previous year. The increase was mainly due to higher interest incurred at PLS Retail Mall, Citadines Balestier, BT Centre and Uptown @ Farrer. In accordance with SFRS (I) 15 and SFRS (I) 1-23, interest expense were expensed to profit and loss upon sales launch at Uptown @ Farrer in September 2019 and upon commencement of business at Citadines Balestier and BT Centre.
- 8 Share of results of associated companies and joint ventures was a loss of \$4.9M in current year compared to a profit of \$2.1M in previous year. Share of results of associated companies and joint ventures was a loss of \$1.8M in Q4 current year compared to a profit of \$3.2M in Q4 previous year. The loss was mainly due to higher finance costs due to higher interest incurred at Westgate Tower and higher loss at Binakawa Sdn Bhd ("Binakawa"). Higher loss at Binakawa was due to interest expense of \$313K expensed to profit and loss due to Binakawa's land development being suspended for extended period, in accordance with SFRS (I) 1-23. The occupancy rates of AXA Tower and Westgate Tower are 94.4% and 94.8% respectively as at 24 March 2020.

- 9 The basis of tax computation is set out below:

	3 months ended		Increase / (Decrease) %	12 months ended		Increase / (Decrease) %
	31/01/2020	31/01/2019		31/01/2020	31/01/2019	
	\$'000	\$'000		\$'000	\$'000	
- current	(343)	(118)	191	(1,497)	(2,298)	(35)
- foreign tax	23	(140)	n.m.	(13)	(467)	(97)
	<u>(320)</u>	<u>(258)</u>	24	<u>(1,510)</u>	<u>(2,765)</u>	(45)

n.m.: Not Meaningful

Taxation decreased by \$1.3M to \$1.5M in current year from \$2.8M in previous year. Taxation in Q4 current year was stable compared to Q4 previous year. The decrease was due to lower taxable profits from all segments.

- 10 Net profit attributable to shareholders decreased by \$2.6M to \$12.8M in current year from \$15.4M in previous year. It increased by \$9.2M to \$12.7M in Q4 current year from \$3.5M in Q4 previous year. The decrease was mainly due to lower profit from development and investment segments offset with higher profit from hotel segment. Only one development project, Uptown @ Farrer, was launched in September 2019. Lower profit in investment segment was mainly due to higher finance costs. Higher profit in hotel segment was mainly due to the write back of provision for impairment no longer required as business commenced at Citadines Balestier.

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	
	31/01/2020	31/01/2019		31/01/2020	31/01/2019
	\$'000	\$'000		\$'000	\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	318,798	271,188	1	18,016	18,215
Property, plant and equipment	295,037	255,972	1	5,139	5,392
Right-of-use assets	2,307	-	1	19	-
Subsidiaries	-	-		605,168	462,539
Joint ventures	89,794	90,209		96,910	93,163
Associated companies	68,148	66,136	2	-	56
Financial assets at FVOCI	12,685	35,258	3	971	1,661
Other investments at amortised cost	32,000	32,000	13	-	-
Other receivables	260	157	6	-	-
Deferred tax assets	719	370		-	-
	<u>819,748</u>	<u>751,290</u>		<u>726,223</u>	<u>581,026</u>
<b>Current assets</b>					
Cash and cash equivalents	59,477	116,259	4	17,168	74,944
Fixed deposits	9,116	9,051	4	-	-
Financial assets at FVPL	-	5,156	5	-	-
Amount owing by subsidiaries	-	-		2,524	9,260
Amount owing by non-controlling interests	957	-	9	-	-
Trade and other receivables	6,573	60,502	6	2,679	4,080
Inventories	378	352		-	-
Contract assets	2,497	3,133	14	2,202	2,676
Contract costs	298	-		-	-
Development properties	612,898	267,376	7	-	-
	<u>692,194</u>	<u>461,829</u>		<u>24,573</u>	<u>90,960</u>
<b>Total assets</b>	<u>1,511,942</u>	<u>1,213,119</u>		<u>750,796</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	1,083	7,287	8	216	906
Retained profits	500,125	490,053		512,125	423,748
Exchange fluctuation account	(4,053)	(1,982)		-	-
	<u>657,013</u>	<u>655,216</u>		<u>674,204</u>	<u>586,517</u>
Non-controlling interests	32,639	33,621	11	-	-
<b>Total equity</b>	<u>689,652</u>	<u>688,837</u>		<u>674,204</u>	<u>586,517</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	678,208	341,108	10	-	-
Trade and other payables	3,106	-	12	-	-
Provisions	27	-		-	-
Amount owing to non-controlling interests	45,147	43,129	9	-	-
Lease liabilities	1,930	-		12	-
Deferred tax liabilities	3,065	2,817		-	-
	<u>731,483</u>	<u>387,054</u>		<u>12</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	23,566	24,031	12	9,349	16,595
Contract liabilities	389	-		-	-
Amount owing to subsidiaries	-	-		11,508	67,945
Amount owing to joint ventures	254	446		-	197
Lease liabilities	436	-		7	-
Amount owing to non-controlling interests	375	1,413	9	-	-
Provisions	-	24		-	-
Provision for directors' fee	245	259		245	259
Provision for taxation	3,342	4,966		471	473
Bank borrowings	62,200	106,089	10	55,000	-
	<u>90,807</u>	<u>137,228</u>		<u>76,580</u>	<u>85,469</u>
<b>Total liabilities</b>	<u>822,290</u>	<u>524,282</u>		<u>76,592</u>	<u>85,469</u>
<b>Total equity and liabilities</b>	<u>1,511,942</u>	<u>1,213,119</u>		<u>750,796</u>	<u>671,986</u>

## Notes to the balance sheets

- 1 The net book value of Investment properties increased by \$47.6M to \$318.8M as at 31 January 2020 from \$271.2M as at 31 January 2019. The increase was mainly due to reclassification of retail mall, BTC, to Investment properties from Development properties upon its TOP in June 2019. The net book value of Property, plant and equipment increased by \$39.0M to \$295.0M as at 31 January 2020 from \$256.0M as at 31 January 2019. The increase was mainly due to higher development cost incurred at serviced apartments, Citadines Balestier and Lyf @ Farrer and room renovations at Duxton Perth. Lyf @ Farrer is 74% completed as at 31 January 2020 and it is expected to obtain TOP by Q3 FY2021 and to commence business by Q1 FY2022. The net book value of Right-of-use assets of \$2.3M is for leased premises at Duxton Perth, Chijmes and office equipment as at 31 January 2020 arising from the adoption of SFRS (I) 16 in current year.
- 2 Associated companies increased by \$2.0M to \$68.1M as at 31 January 2020 from \$66.1M as at 31 January 2019. The increase was mainly due to additional loans made to associated companies, Dalvey Breeze Development Pte Ltd ("Dalvey Breeze") and Binakawa.
- 3 Financial assets at fair value through other comprehensive income ("FVOCI") decreased by \$22.6M to \$12.7M as at 31 January 2020 from \$35.3M as at 31 January 2019. The decrease was mainly due to the decrease in fair value of quoted equity investments measured at FVOCI and the disposal of financial assets at FVOCI. The gain on disposal of financial assets at FVOCI was \$8.4M accounted for in retained profits.
- 4 Cash and cash equivalents and fixed deposits decreased by \$56.7M to \$68.6M as at 31 January 2020 from \$125.3M as at 31 January 2019 mainly due to cash used for development and construction activities at Klimt Cairnhill, Uptown @ Farrer, Lyf @ Farrer, Citadines Balestier and BT Centre and room renovations at Duxton Perth.
- 5 Financial assets at fair value through profit or loss ("FVPL") decreased by \$5.2M to Nil as at 31 January 2020 from \$5.2M as at 31 January 2019 due to disposal of all quoted equity investments measured at FVPL in Q3 current year. Gain on disposal of financial assets at FVPL was \$0.6M and was accounted for in profit and loss.
- 6 Trade and other receivables decreased by \$53.9M to \$6.8M as at 31 January 2020 from \$60.7M as at 31 January 2019 mainly due to reclassification of \$48.0M deposit to Development properties upon legal completion of 69 Cairnhill Road.
- 7 Development properties increased by \$345.5M to \$612.9M as at 31 January 2020 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 a 116-units condominium at Perumal Road and is 46% completed as at 31 January 2020. It was launched for sale in September 2019. 16 units were sold as at 31 January 2020 and another 6 units were sold as at 24 March 2020. It is expected to obtain TOP by Q3 FY2021.
- 8 Fair value reserves decreased by \$6.2M to \$1.1M as at 31 January 2020 from \$7.3M as at 31 January 2019 mainly due to decrease in fair value of quoted equity investments measured at FVOCI and the disposal of financial assets at FVOCI. The gain on disposal of financial assets at FVOCI was \$8.4M accounted for in retained profits.
- 9 Total amount owing to non-controlling interests offset with amount owing by non-controlling interests increased by \$0.1M to \$44.6M as at 31 January 2020 from \$44.5M as at 31 January 2019 mainly due to imputed interest on shareholder loans.
- 10 Bank borrowings increased by \$293.2M to \$740.4M as at 31 January 2020 from \$447.2M as at 31 January 2019 due to additional loans drawdown to fund legal completion of 69 Cairnhill Road. Gearing ratio was 1.03 as at 31 January 2020 compared to 0.49 as at 31 January 2019.
- 11 Non-controlling interests decreased by \$1.0M to \$32.6M as at 31 January 2020 from \$33.6M as at 31 January 2019 mainly due to decrease in share of profits and dividends paid.
- 12 Trade and other payables increased by \$2.7M to \$26.7M as at 31 January 2020 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 PLS Retail Mall offset by decrease in construction costs for completed projects.
- 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.

## Notes to the balance sheets

- 14 Contract assets decreased by \$0.6M to \$2.5M as at 31 January 2020 from \$3.1M as at 31 January 2019 mainly due to billing completed for Kismis during the year offset with the unbilled progress payment for Uptown @ Farrer.

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

	31/01/2020		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	678,208	-	341,108	-
	<u>685,408</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' properties under property, plant and equipment, development and investment properties and assignment of all rights and benefits with respect to the properties under 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

	12 months ended	
	31/01/2020	31/01/2019
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Operating profit before taxation	13,708	21,511
Adjustments for:		
Share of results of associated companies and joint ventures	4,911	(2,067)
Depreciation of investment properties	3,483	2,967
Depreciation of property, plant and equipment	2,857	1,786
Depreciation of right-of-use assets	410	-
Amortisation of contract costs	250	-
(Gain)/loss on disposal of property, plant and equipment	(21)	(2,669)
Impairment loss/(reversal) on property, plant and equipment	(14,931)	-
Impairment loss/(reversal) on joint ventures	(197)	-
Impairment loss/(reversal) on receivables	15	82
Bad debts written off/(no longer required)	(226)	3
Property, plant and equipment written off	415	4
Investment properties written off	190	-
Gain on disposal of financial assets at FVPL	(557)	-
Fair value (loss)/gain on financial assets at FVPL	(2)	793
Provision for the year/(no longer required)	-	(17)
Interest expense	9,757	7,712
Interest income	(7,124)	(5,075)
<b>Operating profit before working capital changes</b>	<b>12,938</b>	<b>25,030</b>
(Increase)/Decrease in inventories	(24)	(75)
Increase /(Decrease) in contract liabilities	389	-
(Increase)/Decrease in development properties	(397,324)	(10,454)
(Increase)/Decrease in operating receivables	53,852	(50,651)
Increase/(Decrease) in operating payables	2,767	(48)
(Increase)/Decrease in contract assets & contract costs	88	7,212
<b>Cash (used in) / generated from from operations</b>	<b>(327,314)</b>	<b>(28,986)</b>
Interest paid	(10,035)	(6,559)
Income tax paid	(3,158)	(3,276)
<b>Net cash (used in) / generated from operating activities</b>	<b>(340,507)</b>	<b>(38,821)</b>
<b>Balance carried forward</b>	<b>(340,507)</b>	<b>(38,821)</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

	12 months ended	
	31/01/2020	31/01/2019
	\$'000	\$'000
<b>Balance brought forward</b>	(340,507)	(38,821)
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(26,491)	(30,666)
Acquisition of investment properties	(2,148)	(190)
Interest received	7,133	5,075
Decrease/(increase) in fixed deposit with maturity more than three months	(28)	34
Capital contribution made to associated companies and joint ventures	-	(400)
Advances and loans made to associated companies and joint ventures	(7,241)	(12,545)
Capital return from joint ventures in liquidation	400	300
Dividends from joint ventures	518	1,779
Repayment of loan from joint ventures	112	2,254
Proceeds from disposal of quoted equity investments	30,469	7,870
Proceeds from disposal of property, plant and equipment	26	1,447
<b>Net cash (used in) / generated from investing activities</b>	<b>2,750</b>	<b>(25,042)</b>
<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	(189)	(998)
Proceeds from bank borrowings	404,300	223,448
Repayment of bank borrowings	(111,089)	(149,335)
Repayment to non-controlling interests	(1,935)	(9,766)
Loan from non-controlling interests	1,981	474
Fixed deposit pledged	(73)	(3,720)
Payment of principal portion of lease liabilities	(324)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>281,589</b>	<b>45,332</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(56,168)</b>	<b>(18,531)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>116,259</b>	<b>134,045</b>
<b>Exchange differences on translation of cash and cash equivalent at beginning of year</b>	<b>(614)</b>	<b>745</b>
<b>Cash and cash equivalents at end of year</b>	<b>59,477</b>	<b>116,259</b>

The Group has unused bank facilities of \$193.8M as of 31 January 2020.

The Group generated a net decrease in cash flow of \$56.2M during 12 months current year compared to net decrease of \$18.5M during 12 months previous year. The net decrease in cash and cash equivalents was due to \$340.5M used in operating activities offset with \$2.7M generated from investing activities and \$281.6M 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	-	(690)	99,459	98,769
Transaction with owners: -				
Dividends paid in respect of financial year ended 31 January 2019	-	-	(11,082)	(11,082)
Balance at 31 January 2020	<u>161,863</u>	<u>216</u>	<u>512,125</u>	<u>674,204</u>
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
Transaction with owners: -				
Dividends paid in respect of financial year ended 31 January 2018	-	-	(14,776)	(14,776)
Balance at 31 January 2019	<u>161,863</u>	<u>906</u>	<u>423,748</u>	<u>586,517</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	-	2,182	12,768	(2,071)	12,879	(793)	12,086
Transfer upon disposal of financial assets at FVOCI	-	(8,386)	8,386	-	-	-	-
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2019	-	-	(11,082)	-	(11,082)	(189)	(11,271)
Balance at 31 January 2020	<u>161,863</u>	<u>(922)</u>	<u>500,125</u>	<u>(4,053)</u>	<u>657,013</u>	<u>32,639</u>	<u>689,652</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	-	(7,682)	15,447	(1,879)	5,886	2,546	8,432
Transfer upon disposal of financial assets at FVOCI	-	(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 interest	-	-	-	-	-	(124)	(124)
Transaction with non-controlling interests	-	-	24	-	24	(24)	-
Effect on issuance of shares to a non-controlling interests of subsidiaries	-	-	-	-	-	5	5
Balance at 31 January 2019	<u>161,863</u>	<u>5,282</u>	<u>490,053</u>	<u>(1,982)</u>	<u>655,216</u>	<u>33,621</u>	<u>688,837</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 January 2020 compared to 31 January 2019.

There were no outstanding executives' share options granted as at 31 January 2020 and 31 January 2019.

There was no treasury share held or issued as at 31 January 2020 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 31-01-2020</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 January 2020.

- 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.

- 3A. Where the latest financial statements subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

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**

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 2019, except for the adoption of the new/revised SFRS (I) applicable for the financial period beginning 1 February 2019 as follows:

- SFRS (I) 16 *Leases*

**SFRS (I) 16 Leases**

SFRS (I) 16 has resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised by lessees. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net gearing ratio.

Right-of-use assets and lease liabilities of approximately \$2.8M respectively have been recognised by the Group on 1 February 2019 in its statement of financial position while the impact to the consolidated income statement is not significant. There is also no significant impact on the financial statements from the Group's activities as a lessor.

**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	
	31/01/2020	31/01/2019	31/01/2020	31/01/2019
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	1.72 cents	0.47 cents	1.73 cents	2.09 cents
(ii) On a fully diluted basis	1.72 cents	0.47 cents	1.73 cents	2.09 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	
	31/01/2020	31/01/2019	31/01/2020	31/01/2019
Net asset value per ordinary share	89 cents	89 cents	91 cents	79 cents
Net tangible assets backing per ordinary share	89 cents	89 cents	91 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		Increase / (Decrease)	12 months ended		Increase / (Decrease)
	31/01/2020	31/01/2019		31/01/2020	31/01/2019	
	\$'M	\$'M	%	\$'M	\$'M	%
<b>Revenue</b>						
Development	5.7	-	n.m.	8.0	135.0	(94)
Investment	4.7	4.2	12	17.7	17.5	1
Hotel	6.7	4.7	43	21.0	18.9	11
Total	<u>17.1</u>	<u>8.9</u>	92	<u>46.7</u>	<u>171.4</u>	(73)
<b>Profit/(loss) before tax and non-controlling interests</b>						
Development	(0.9)	1.3	n.m.	(1.7)	10.6	n.m.
Investment	1.0	3.7	(73)	2.8	9.2	(70)
Hotel	13.2	1.2	n.m.	12.6	1.7	n.m.
Total	<u>13.3</u>	<u>6.2</u>	n.m.	<u>13.7</u>	<u>21.5</u>	(36)
Non-controlling interests	(0.3)	(2.4)	(88)	0.6	(3.3)	n.m.
Taxation	<u>(0.3)</u>	<u>(0.3)</u>	0	<u>(1.5)</u>	<u>(2.8)</u>	(46)
<b>Net profit attributable to shareholders</b>	<u>12.7</u>	<u>3.5</u>	n.m.	<u>12.8</u>	<u>15.4</u>	(17)

n.m.: Not Meaningful

### Development

Development revenue decreased by \$127.0M to \$8.0M in current year from \$135.0M in previous year. It increased by \$5.7M to \$5.7M in Q4 current year from Nil in Q4 previous year. The decrease was due to lower sales at Uptown @ Farrer launched in September 2019. 16 units were sold as at 31 January 2020 and another 6 units were sold as at 24 March 2020. Uptown @ Farrer, a 116-units residential condominium, is 46% completed as at 31 January 2020. Legal completion of 69 Cairnhill Road was completed in May 2019 and handover of units was completed in November 2019. Construction for the amalgamated sites of 67 and 69 Cairnhill Road has commenced in February 2020. Klimt Cairnhill, a freehold high end condominium development with approximately 138 units, is expected to launch for sales by Q4 FY2021 and obtain TOP by Q3 FY2024. Dalvey Breeze, our 40% owned associated company, is the developer of Dalvey Haus, a 27-units freehold condominium development at Dalvey Road. KOP Limited owns the remaining 60% shareholding in Dalvey Breeze and 1 unit was sold as at 24 March 2020. Dalvey Haus is expected to commence construction in Q1 FY2021 and expected to obtain TOP by Q2 FY2024.

Net profit before tax and non-controlling interests for development segment was negative \$1.7M in current year and \$10.6M in previous year. Net profit before tax and non-controlling interests for development segment was negative \$0.9M in Q4 current year and \$1.3M in Q4 previous year.

### Investment

Investment revenue increased by \$0.2M to \$17.7M in current year from \$17.5M in previous year. It increased by \$0.5M to \$4.7M in Q4 current year from \$4.2M in Q4 previous year. The increase was mainly due to new revenue from BT Centre which commenced business in October 2019 and management service fee earned by Hthree Capital Pte Ltd.

Net profit before tax and non-controlling interests for investment segment decreased by \$6.4M to \$2.8M in current year from \$9.2M in previous year. Net profit before tax and non-controlling interests for investment segment decreased by \$2.7M to \$1.0M in current year from \$3.7M in previous year. The decrease was mainly due to increase in finance costs due to higher interest incurred and administrative costs as BT Centre commenced business in October 2019.

## Hotel and F&B

Revenue from hotel segment increased by \$2.1M to \$21.0M in current year from \$18.9M in previous year. It increased by \$2.0M to \$6.7M in Q4 current year from \$4.7M in Q4 previous year. The increase was mainly due to new revenue from Citadines Balestier serviced apartments. Citadines Balestier, operated by Ascott International Management Pte Ltd commenced business in September 2019.

Net profit before tax and non-controlling interests for hotel segment increased by \$10.9M to \$12.6M in current year from \$1.7M in previous year. Net profit before tax and non-controlling interests for hotel segment increased by \$12.0M to \$13.2M in current year from \$1.2M in previous year. The increase was mainly due to the write back of provision for impairment no longer required as business commenced at Citadines Balestier.

## Net profit attributable to shareholders

Net profit attributable to shareholders decreased by \$2.6M to \$12.8M in current year from \$15.4M in previous year. It increased by \$9.2M to \$12.7M in Q4 current year from \$3.5M in Q4 previous year. The decrease was mainly due to lower profit from development and investment segments offset with higher profit from hotel segment. Only one development project, Uptown @ Farrer, was launched in September 2019. Lower profit in investment segment was mainly due to higher finance costs. Higher profit in hotel segment was mainly due to the write back of provision for impairment no longer required as business commenced at Citadines Balestier.

## Balance Sheet

Cash and cash equivalents and fixed deposits decreased by \$56.7M to \$68.6M as at 31 January 2020 from \$125.3M as at 31 January 2019 mainly due to cash used for development and construction activities at Klimt Cairnhill, Uptown @ Farrer, Lyf @ Farrer, Citadines Balestier and BT Centre and room renovations at Duxton Perth. Bank borrowings increased by \$293.2M to \$740.4M as at 31 January 2020 from \$447.2M as at 31 January 2019 due to additional loans drawdown to fund legal completion of 69 Cairnhill Road. Gearing ratio was 1.03 as at 31 January 2020 compared to 0.49 as at 31 January 2019.

**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 global economy, including Singapore, is severely affected by the precautionary measures undertaken to prevent and contain the spread of COVID-19. The property and hotel businesses are expected to slow down due to labour shortage and disruption in supply chain caused by quarantines and lockdowns in many countries. The Group will focus on the successful completion and sales of our development projects and optimising operational requirements in investment and hotel segments. 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	:	1.5 cents per ordinary share
Tax Rate	:	Tax exempt (One-Tier tax)

**(c) Date payable**

Subject to shareholders' approval at the Annual General meeting to be held on 29 May 2020, the proposed first and final dividend will be paid on 30 June 2020.

**(d) Books closure date**

The Share Transfer Books and the Register of Members of the Company will be closed on 12 June 2020 after 5.00pm for the purpose of determining shareholders' entitlement to the first and final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00pm on 12 June 2020 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 12 June 2020 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 focus of the Group's construction business has been on non-third party development projects since 2015.

The Group's development projects Citadines Balestier and BT Centre obtained TOP in June 2019. Uptown @ Farrer is 46% completed as at 31 January 2020 and is targeted to obtain TOP by Q3 FY2021. It was launched for sale in September 2019. Klimt Cairnhill, a freehold high end condominium development has commenced construction in February 2020 and is expected to be launched for sale in Q4 FY2021 and obtain TOP by Q3 FY2024.

The Group's hotel business consists of Duxton Hotel at Perth, Citadines Balestier and Lyf @ Farrer. The Group has appointed The Ascott group to manage the serviced apartments Citadines Balestier at Balestier Road and Lyf @ Farrer at Perumal Road. Citadines Balestier is a 166-units serviced apartment which commenced business in September 2019 while Lyf @ Farrer is a 240-units serviced apartment scheduled to commence business in Q1 FY2022.

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 100% and 94.8% respectively as at 24 March 2020.

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

**17. A breakdown of sales**

	12 months ended		Increase / (Decrease)
	31/01/2020	31/01/2019	
	\$'000	\$'000	%
Sales reported for first half year	17,246	153,259	(89)
Operating profit after tax before deducting non-controlling interests reported for first half year	386	9,504	(96)
Sales reported for second half year	29,464	18,137	62
Operating profit after tax before deducting non-controlling interests reported for second half year	11,812	9,242	28

**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	11,082

**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	Loan to Bina Meganmas Sdn Bhd : S\$624,657 Loan to Binakawa Sdn Bhd: S\$1,512,309	Nil
Low Keng Boon @ Lau Boon Sen	Security services awarded to Hawkeye Security Solutions Pte Ltd: S\$187,100	Nil

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

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	48	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	39	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

30 March 2020