



Unaudited Second Quarter ("Q2") Financial Statements For the Period Ended 31 July 2016

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) %	6 months ended		Increase / (Decrease) %
		31/07/2016 \$'000	31/07/2015 \$'000		31/07/2016 \$'000	31/07/2015 \$'000	
Revenue	1	8,563	20,321	(58)	24,406	47,071	(48)
Cost of sales	2	(6,666)	(3,988)	67	(13,113)	(17,815)	(26)
Gross profit		1,897	16,333	(88)	11,293	29,256	(61)
Other income	3	53,852	2,429	n.m.	56,501	4,609	n.m.
Rental income		218	811	(73)	505	1,378	(63)
Distribution costs		(23)	(319)	(93)	(367)	(872)	(58)
Administrative costs	4	(5,096)	(3,358)	52	(7,999)	(6,492)	23
Changes in fair value of derivative financial instrument		-	-	n.m.	-	304	n.m.
Other operating expenses	5	(5,445)	(598)	811	(6,865)	(4,368)	57
Finance costs	6	(1,503)	(1,665)	(10)	(3,090)	(2,932)	5
Profit/(loss) from operations		43,900	13,633	n.m.	49,978	20,883	n.m.
Share of losses of associated companies and joint ventures	7	(850)	(3,088)	(72)	(2,387)	(5,195)	(54)
Profit/(loss) before taxation		43,050	10,545	n.m.	47,591	15,688	n.m.
Taxation	8	54	(2,434)	n.m.	(855)	(3,013)	(72)
Profit/(loss) after taxation for the period		43,104	8,111	n.m.	46,736	12,675	n.m.
Attributable to:							
Owners of the parent	9	43,096	8,046	n.m.	46,370	11,829	n.m.
Non-controlling interests		8	65	n.m.	366	846	(57)
		43,104	8,111	n.m.	46,736	12,675	n.m.
Earnings per share (cents)							
- basic		5.83	1.09		6.28	1.60	
- diluted		5.83	1.09		6.28	1.60	
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 /	6 months ended		Increase /
	31/07/2016	31/07/2015	(Decrease)	31/07/2016	31/07/2015	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	43,104	8,111	n.m.	46,736	12,675	n.m.
Other comprehensive income/(expense) after tax						
Items that may be reclassified subsequently to profit and loss:						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	(1,409)	(4,143)	(66)	2,455	(2,066)	n.m.
Realisation of reserve upon disposal of subsidiary	3,310	-	100	3,310	-	100
Exchange differences on translation of the financial statements of foreign entities (net)	(1,083)	(2,208)	(51)	(948)	(2,320)	(59)
Other comprehensive income/(expense) for the period, net of tax	818	(6,351)	n.m.	4,817	(4,386)	n.m.
Total comprehensive income/(expense) for the period	43,922	1,760	n.m.	51,553	8,289	n.m.
Total comprehensive income/(expense) attributable to:						
Owners of the parent	44,095	1,695	n.m.	51,356	7,443	n.m.
Non-controlling interests	(173)	65	n.m.	197	846	(77)
Total comprehensive income/(expense) for the period	43,922	1,760	n.m.	51,553	8,289	n.m.

n.m.: Not Meaningful

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

- Group revenue decreased by \$22.7M to \$24.4M in 1H current year from \$47.1M in 1H previous year. It decreased by \$11.7M to \$8.6M in Q2 current year from \$20.3M in Q2 previous year. The decrease was mainly due to decrease in construction activity as Genting Hotel at Jurong obtained TOP on 31 March 2015 and lower room rates and occupancy in Duxton Perth in 1H current year. In addition the revenue of Duxton Hotel Saigon was reclassified to Other income upon its sale.
- Cost of sales decreased by \$4.7M to \$13.1M in 1H current year from \$17.8M in 1H previous year. It increased by \$2.7M to \$6.7M in Q2 current year from \$4.0M in Q2 previous year. The decrease in cost of sales was mainly due to the recognition of cost of sales during previous year for Genting Hotel upon their TOP on 31 March 2015 and the write back of project cost for completed projects upon finalisation of accounts in construction segment. In addition the cost of sales of Duxton Hotel Saigon was reclassified to Other income upon its sale.
- Other income increased by \$51.9M to \$56.5M in 1H current year from \$4.6M in 1H previous year. It increased by \$51.5M to \$53.9M in Q2 current year from \$2.4M in Q2 previous year. The increase was mainly due to the sale of Duxton Hotel Saigon completed on 12 May 2016.

On 23 March 2016 Dalton Investments Pte. Ltd. ("Dalton"), a wholly owned subsidiary of LKHS, entered into a capital assignment agreement ("CAA") to sell the entire charter capital of subsidiary Vinametric Limited ("Vinametric") to a third party New Life Real Estate Business Company Limited ("New Life") for an aggregate consideration of US\$49.0M. Vinametric owns and operate Duxton Hotel Saigon while New Life is a Vietnamese incorporated company and its principal activities are in real estate business. The aggregate consideration is made up of the initial consideration of US\$38.4M as adjusted for current assets and current liabilities of Vinametric on the closing date and the repayment of shareholder loan of US\$10.6M to Dalton. New Life will pay all Vietnamese specific taxes to the Vietnamese tax authorities in respect of the proposed disposal.

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

- 4 Administrative costs increased by \$1.5M to \$8.0M in 1H current year from \$6.5M in 1H previous year. It increased by \$1.7M to \$5.1M in Q2 current year from \$3.4M in Q2 previous year. The increase was mainly due to higher directors' profit sharing due to the sale of Duxton Hotel Saigon.
- 5 Other operating expenses increased by \$2.5M to \$6.9M in 1H current year from \$4.4M in 1H previous year. It increased by \$4.8M to \$5.4M in Q2 current year from \$0.6M in Q2 previous year. The increase was mainly due to additional provision for impairment loss on development project Balestier Tower offset by decrease in provision for doubtful debts on shareholder loan interest for Westgate Tower.
- 6 Finance costs increased by \$0.2M to \$3.1M in 1H current year from \$2.9M in 1H previous year. The increase was due to increased financing for Paya Lebar Square (Retail Mall) as it obtained Certificate of Completion ("CSC") on 24 December 2015. It decreased by \$0.2M to \$1.5M in Q2 current year from \$1.7M in Q2 previous year.
- 7 Share of losses of associated companies and joint ventures decreased by \$2.8M to \$2.4M in 1H current year from \$5.2M in 1H previous year. It decreased by \$2.2M to \$0.9M in Q2 current year from \$3.1M in Q2 previous year. The decrease in share of losses of associated companies and joint ventures was mainly due to improved profit performance of Westgate Tower as major tenants commenced operations from Q4 previous year. Westgate Tower achieved occupancy of 98% as at 6 September 2016.

8 The basis of tax computation is set out below:

	3 months ended		Increase (Decrease)	6 months ended		Increase (Decrease)
	31/07/2016	31/07/2015		31/07/2016	31/07/2015	
	\$'000	\$'000	%	\$'000	\$'000	%
Income tax expense:						
- current	125	(2,111)	n.m.	(350)	(2,111)	(83)
- foreign tax	(71)	(323)	(78)	(505)	(902)	(44)
	<u>54</u>	<u>(2,434)</u>	n.m.	<u>(855)</u>	<u>(3,013)</u>	(72)

n.m.: Not Meaningful

Income tax decreased by \$2.1M to \$0.9M in 1H current year from \$3.0M in 1H previous year. The decrease was mainly due to lower tax provision in construction segment. There is no tax payable in Q2 current year as compared to \$2.4M in Q2 previous year.

- 9 Net profit attributable to shareholders increased by \$34.6M to \$46.4M in 1H current year from \$11.8M in 1H previous year. It increased by \$35.1M to \$43.1M in Q2 current year from \$8.0M in Q2 previous year. The increase was mainly due to higher profit in hotel segment. If extraordinary income from sale of Duxton Hotel Saigon is excluded, net profit attributable to shareholders would decreased to a loss of \$3.6M in 1H current year from a profit \$11.8M 1H in previous year.

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	
	31/07/2016 \$'000	31/1/2016 \$'000		31/07/2016 \$'000	31/1/2016 \$'000
ASSETS					
Non-current assets					
Investment properties	313,630	315,915	1	18,713	18,812
Property, plant and equipment	142,898	162,463	1	5,199	5,155
Subsidiaries	-	-		251,839	280,257
Joint ventures	91,721	92,019	2	90,997	89,458
Associated companies	49,065	50,124	3	56	56
Long-term quoted equity investments	49,480	34,767	4	1,568	1,395
Other investment	32,000	32,000	16	-	-
Other receivables	68	72		-	-
Deferred tax assets	377	589		-	-
	<u>679,239</u>	<u>687,949</u>		<u>368,372</u>	<u>395,133</u>
Current assets					
Cash and cash equivalents	207,761	213,877	5	173,669	147,634
Fixed deposits	86,441	5,123	5	69,963	-
Short-term quoted equity investments	4,912	4,764	6	-	-
Amount owing by a non-controlling shareholder	329	350	11	-	-
Trade and other receivables	68,281	132,404	7	13,363	17,476
Inventories	392	487		-	-
Work in progress	-	-		527	114
Properties held for sale	8,576	8,791	15	-	-
Development properties	101,190	96,605	8	-	-
	<u>477,882</u>	<u>462,401</u>		<u>257,522</u>	<u>165,224</u>
Total assets	<u><u>1,157,121</u></u>	<u><u>1,150,350</u></u>		<u><u>625,894</u></u>	<u><u>560,357</u></u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Capital reserves	(2,005)	(2,005)		-	-
Fair value reserves	4,985	2,569	9	823	622
Retained profits	487,733	467,606		390,805	333,236
Exchange fluctuation account	(6,525)	(2,475)	10	-	-
	<u>646,051</u>	<u>627,558</u>		<u>553,491</u>	<u>495,721</u>
Non-controlling interests	26,630	47,366	13	-	-
Total equity	<u>672,681</u>	<u>674,924</u>		<u>553,491</u>	<u>495,721</u>
LIABILITIES					
Non-current liabilities					
Bank borrowings	356,459	331,715	12	-	-
Amount owing to non-controlling shareholders of subsidiaries	57,605	56,479	11	-	-
Provisions	-	256		-	-
Deferred tax liabilities	991	991		-	-
	<u>415,055</u>	<u>389,441</u>		<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	53,853	63,282	14	30,013	40,899
Amount owing to subsidiaries	-	-		37,548	14,478
Joint ventures	849	871	2	597	597
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	415	415	11	-	-
Provisions	690	193		-	-
Provision for directors' fee	123	245		123	245
Provision for taxation	6,255	11,619		4,122	8,417
Bank borrowings	7,200	9,360	12	-	-
	<u>69,385</u>	<u>85,985</u>		<u>72,403</u>	<u>64,636</u>
Total liabilities	<u>484,440</u>	<u>475,426</u>		<u>72,403</u>	<u>64,636</u>
Total equity and liabilities	<u><u>1,157,121</u></u>	<u><u>1,150,350</u></u>		<u><u>625,894</u></u>	<u><u>560,357</u></u>

Notes to the balance sheets

- 1 The net book value of investment properties decreased by \$2.4M to \$313.6M as at 31 July 2016 from \$316.0M as at 31 January 2016. The net book value of property, plant and equipment decreased by \$19.6M to \$142.9M as at 31 July 2016 from \$162.5M as at 31 January 2016. The decrease in net book value of property, plant and equipment was mainly due to sale of Duxton Hotel Saigon.
- 2 Joint ventures decreased by \$0.3M to \$90.8M as at 31 July 2016 from \$91.1M as at 31 January 2016. The decrease was mainly due to increased financing of \$1.5M for Westgate Tower offset by the decrease in their share of losses by \$1.8M.
- 3 Associated companies decreased by \$1.0M to \$49.1M as at 31 July 2016 from \$50.1M as at 31 January 2016 due to share of losses of \$0.5M from AXA Tower and exchange loss of \$0.5M on amount due from Binakawa Sdn Bhd.
- 4 Long-term quoted equity investments increased by \$14.7M to \$49.5M as at 31 July 2016 from \$34.8M as at 31 January 2016. The increase was due to quoted shares purchase and increase in fair value of available-for-sale financial assets.
- 5 Cash and cash equivalents and fixed deposits increased by \$75.2M to \$294.2M as at 31 July 2016 from \$219.0M as at 31 January 2016 mainly due to proceeds from sale of Duxton Hotel Saigon.
- 6 Short-term quoted equity investments increased by \$0.1M to \$4.9M as at 31 July 2016 from \$4.8M as at 31 January 2016 due to increase in fair value of short-term quoted equity investments.
- 7 Trade and other receivables decreased by \$64.1M to \$68.3M as at 31 July 2016 from \$132.4M as at 31 January 2016 mainly due to collections received from buyers of office units at Paya Lebar Square ("PLS") upon PLS receiving CSC.
- 8 Development properties increased by \$4.6M to \$101.2M as at 31 July 2016 from \$96.6M as at 31 January 2016 mainly due to additional construction cost incurred for Kismis Residence.
- 9 Fair value reserves increased by \$2.4M to \$5.0M as at 31 July 2016 from \$2.6M as at 31 January 2016 due to increase in fair value for long-term quoted equity investments.
- 10 Exchange fluctuation account increased by \$4.0M to \$6.5M as at 31 July 2016 from \$2.5M as at 31 January 2016 mainly due to the sale of Duxton Hotel Saigon.
- 11 Total amount owing to non-controlling shareholders of subsidiaries increased by \$1.2M to \$57.7M as at 31 July 2016 from \$56.5M as at 31 January 2016. The increase was mainly due to notional interest on shareholders loans for Kismis Residence and PLS (Retail Mall) during the year.
- 12 Total bank borrowings increased by \$22.6M to \$363.7M as at 31 July 2016 from \$341.1M as at 31 January 2016 due to final drawdown of bank loan by PLS after obtaining CSC. Gearing was 0.11 as at 31 July 2016 compared to 0.19 as at 31 January 2016. The lower gearing was due to the increase in cash and cash equivalents and fixed deposits.
- 13 Non-controlling interests decreased by \$20.7M to \$26.7M as at 31 July 2016 from \$47.4M as at 31 January 2016. The decrease was due to dividend paid by Paya Lebar Development Pte Ltd.
- 14 Trade and other payables decreased by \$9.5M to \$53.8M as at 31 July 2016 from \$63.3M as at 31 January 2016 mainly due to lower construction activity.
- 15 Properties held for sale decreased by \$0.2M to \$8.6M as at 31 July 2016 from \$8.8M as at 31 January 2016 due to sale of office unit at PLS. As at 6 September 2016, there are four unsold office units and two unsold residential units at PLS and Parkland Residences respectively.
- 16 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 less than 10% per annum repayable semi-annually.

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

	31/07/2016		31/1/2016	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	7,200	-	9,360	-
Amount repayable after one year	356,459	-	331,715	-
	<u>363,659</u>	<u>-</u>	<u>341,075</u>	<u>-</u>

Details of any collateral

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

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

	6 months ended	
	31/07/2016	31/07/2015
	\$'000	\$'000
Cash Flow from Operating Activities		
Profit before taxation	47,591	15,688
Adjustments for:		
Share of results of associated companies and joint ventures	2,387	5,195
Depreciation of:		
-investment properties	2,713	1,843
-property, plant and equipment	1,605	2,219
Gain on disposal of property, plant and equipment	-	(2)
Gain on disposal of a subsidiary	(49,875)	-
Fair value (gain)/loss on financial assets at fair value through profit or loss	(148)	417
Changes in fair value of derivative financial instrument	-	(304)
Provisions:		
-for the year	-	2,953
Interest expense	3,090	2,932
Interest income	(4,696)	(2,784)
Operating profit before working capital changes	2,667	28,157
Inventories	249	64
Development properties	(1,032)	(3,351)
Receivables	66,037	21,051
Payables	(6,772)	(43,847)
Cash generated from/(used in) operations	61,149	2,074
Interest paid	(3,226)	(3,002)
Income tax paid	(6,299)	(9,222)
Net cash generated from/(used in) operating activities	51,624	(10,150)

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

	6 months ended	
	31/07/2016	31/07/2015
	\$'000	\$'000
Amount brought forward	51,624	(10,150)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(1,431)	(1,849)
Acquisition of investment property	(428)	-
Acquisition of quoted investments	(12,346)	(199)
Acquisition of non-controlling interest	-	-
Interest received	4,696	2,784
Fixed deposit with maturity more than three months	(69,837)	-
Capital contribution made to associated companies and joint ventures	-	(72,960)
Advances and loans (made to)/from joint ventures and associated companies	(1,858)	58,881
Dividends from joint ventures	-	446
Repayment of loans (to)/from joint ventures	-	140
Net proceeds from sale of subsidiary (Note A)	49,875	-
Proceeds from disposal of property, plant and equipment	16,062	2
Net cash (used in)/generated from investing activities	(15,267)	(12,755)
Cash Flow from Financing Activities		
Capital contribution from non-controlling shareholders subsidiaries	-	1,461
Dividends paid to shareholders of the Company	(29,553)	(36,941)
Dividends paid to minority shareholder of a subsidiary	(20,933)	-
Proceeds from bank borrowings	26,724	-
Repayment of bank borrowings	(4,140)	(4,500)
Loans from non-controlling shareholders of a subsidiary	1,127	-
Fixed deposit pledged	(11,480)	(9)
Net cash (used in)/generated from financing activities	(38,255)	(39,989)
Net increase/(decrease) in cash and cash equivalents	(1,898)	(62,894)
Cash and cash equivalents at beginning of year	213,876	276,026
Exchange differences on translation of cash and cash equivalent at beginning of year	(4,218)	(400)
Cash and cash equivalents at end of year	207,760	212,732

The Group has unused bank facilities of \$191.2M as of 31 July 2016.

The Group generated a net decrease of \$1.9M cash flow during current year compared to net decrease of \$62.9M during previous year. The net decrease in cash and cash equivalents was due to net cash generated in operating activities of \$51.6M. Net cash used in investing and financing activities is \$15.3M and \$38.2M respectively.

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

Note A:

The Group disposed of its subsidiary on 12 May 2016. The carrying value of assets disposed off and liabilities discharged were as follows:

	31 July 2016	31 July 2015
	\$'000	\$'000
Property, plant and equipment	16,105	-
Deferred tax assets	198	-
Inventory	71	-
Trade receivables	1,132	-
Other receivables	657	-
Deferred expenses	147	-
Cash and bank balances	878	-
Trade payables	(733)	-
Other payables	(461)	-
Provision for taxation	(199)	-
Provision for severance pay	(245)	-
Net assets disposed off	<u>17,550</u>	-
Gain on disposal	49,875	-
Proceeds received	<u>67,425</u>	-
Less:		-
Cash balance in subsidiary disposed off	(878)	-
Cash outflow to settle amount owing by subsidiary	(14,608)	-
Cash outflow on expenses relating to disposal of subsidiary	(2,027)	-
Exchange difference on cash outflow	(37)	-
Net cash inflow on disposal	<u><u>49,875</u></u>	-

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	Reserves	Retained profits	Total			
	\$'000	\$'000	\$'000	\$'000			
The Company							
Balance at 1/2/2016	161,863	622	333,236	495,721			
Total comprehensive income /(expense) for the year	-	201	57,569	57,770			
Balance at 31/7/2016	161,863	823	390,805	553,491			
Balance at 1/2/2015	161,863	1,272	233,186	396,321			
Total comprehensive income /(expense) for the year	-	(266)	10,537	10,271			
Dividends paid in respect of financial year ended 31 January 2014	-	-	(36,941)	(36,941)			
Balance at 31/7/2015	161,863	1,006	206,782	369,651			
The Group							
	Share capital	Reserves	Retained profits	Exchange fluctuation account	Sub-total	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1/2/2016	161,863	564	467,606	(2,475)	627,558	47,366	674,924
Profit for the year	-	-	46,370	-	46,370	366	46,736
Other comprehensive income/(expense) for the year	-	2,416	3,310	(740)	4,986	(169)	4,817
Total comprehensive income /(expense) for the year	-	2,416	49,680	(740)	51,356	197	51,553
Realisation of reserve upon disposal of a subsidiary	-	-	-	(3,310)	(3,310)	-	(3,310)
Dividends paid in respect of financial year ended 31 January 2015	-	-	(29,553)	-	(29,553)	(20,933)	(50,486)
Balance at 31/7/2016	161,863	2,980	487,733	(6,525)	646,051	26,630	672,681
Balance at 1/2/2015	161,863	9,343	448,802	(68)	619,940	39,539	659,479
Notional interest on interest free shareholder loan	-	9,988	-	-	9,988	-	9,988
Profit for the year	-	-	11,829	-	11,829	846	12,675
Other comprehensive income/(expense) for the year	-	(2,126)	-	(1,961)	(4,087)	(299)	(4,386)
Total comprehensive income /(expense) for the year	-	(2,126)	11,829	(1,961)	7,742	547	8,289
Dividends paid in respect of financial year ended 31 January 2014	-	-	(36,941)	-	(36,941)	-	(36,941)
Balance at 31/7/2015	161,863	17,205	423,690	(2,029)	600,729	40,086	640,815

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 July 2016 compared to 31 January 2016.

There were no outstanding executives' share options granted as at 31 July 2016 and 31 January 2016.

There was no treasury share held or issued as at 31 July 2016 and 31 January 2016.

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 31-7-2016	As at 31-01-2016
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 July 2016.

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 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 2016.

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 adopted all the new and revised Financial Reporting Standards ("FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 February 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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		6 months ended	
	31-07-2016	31-07-2015	31-07-2016	31-07-2015
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	6.28 cents	1.09 cents	5.83 cents	1.60 cents
(ii) On a fully diluted basis	6.28 cents	1.09 cents	5.83cents	1.60 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	
	31-07-2016	31-01-2016	31-07-2016	31-01-2016
Net asset value per ordinary share	87 cents	85 cents	75 cents	67 cents
Net tangible assets backing per ordinary share	87 cents	85 cents	75 cents	67 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

Revenue for construction segment decreased by \$18.4M to \$0.2M in 1H current year from \$18.6M in 1H previous year. It decreased by \$5.5M to \$0.2M in Q2 current year from \$5.7M in Q2 previous year. The decrease was due to absence of construction activity for third party projects in 1H current year.

Net profit before tax and non-controlling interests for construction segment decreased to a loss of \$0.6M in 1H current year compared to a profit of \$13.9M in 1H previous year. Net profit before tax and non-controlling interests for construction segment decrease to a loss of \$3.0M in Q2 current year compared to a profit of \$10.4M in Q2 previous year. The decrease was mainly due to absence of revenue from third party construction projects and increase in directors' profit sharing offset by decrease in provision for doubtful debts.

Hotel and F&B business

Revenue for hotel & F&B businesses decreased by \$5.8M to \$13.3M in 1H current year from \$19.1M in 1H previous year. It decreased by \$5.4M to \$3.9M in Q2 current year from \$9.3M in Q2 previous year. The decrease was mainly due to sale of Duxton Hotel Saigon in May 2016 and lower room rates and lower occupancy in Duxton Hotel Perth.

Net profit before tax and non-controlling interests for hotel segment increased by \$43.4M to \$46.2M in 1H current year from \$2.8M in 1H previous year. Net profit before tax and non-controlling interests for hotel segment increased by \$44.4M to \$46.0M in Q2 current year from \$1.6M in Q2 previous year. The increase was mainly due to extraordinary gain on sale of Duxton Hotel Saigon completed on 12 May 2016 offset by additional provision for impairment loss on development project Balestier Tower, provision for reinstatement of F&B premises and reduced profitability at Duxton Hotel Perth. If extraordinary income from sale of Duxton Hotel Saigon is excluded, net profit before tax and non-controlling interests for hotel segment would decrease to a loss of \$3.8M in 1H current year from a profit of \$2.8M in 1H previous year.

Development

Development revenue increased by \$1.4M to \$1.8M in 1H current year from \$0.4M in 1H previous year. There is no revenue recognised in Q2 current year compared to \$0.8M in Q2 previous year. The increase was due to sale of office unit at PLS during Q1 current year.

Net profit before tax and non-controlling interests for development segment decreased by \$0.1M to \$0.3M in 1H current year compared to \$0.4M in 1H previous year. Net loss before tax and non-controlling interest increased by \$1.0M to \$1.1M in Q2 current year from \$0.1M in Q2 previous year. PLS obtained TOP on 3 November 2014 while Kismis Residence is in planning stage and has yet to be launched.

Investments

Investment revenue increased by \$0.1M to \$9.1M in 1H current year from \$9.0M in 1H previous year. It remained at \$4.5M in Q2 current year compared to Q2 previous year. Paya Lebar Square (Retail Mall) obtained TOP on 3 November 2014 and commenced operations on 16 December 2014. It has achieved committed rental occupancy of 100% as at 6 September 2016.

Net profit before tax and non-controlling interests for investment segment increased to a profit of \$1.6M during 1H current year from a loss of \$1.4M in 1H previous year. Net profit before tax and non-controlling interests for investment segment increased to a profit of \$1.2M during Q2 current year from a loss of \$1.3M in Q2 previous year. The increase was mainly due to the decrease in share of losses from Westgate Tower. Major tenants at Westgate Tower commenced operations from Q4 previous year and the occupancy at Westgate Tower is 98% as at 6 September 2016.

Net profit attributable to shareholders

Net profit attributable to shareholders increased by \$34.6M to \$46.4M in 1H current year from \$11.8M in 1H previous year. It increased by \$35.1M to \$43.1M in Q2 current year from \$8.0M in Q2 previous year. The increase was mainly due to higher profit in hotel segment. If extraordinary income from sale of Duxton Hotel Saigon is excluded, net profit attributable to shareholders would decreased to a loss of \$3.6M in 1H current year from a profit \$11.8M 1H in previous year.

Balance Sheet

Group shareholders' funds increased by \$18.5M to \$646.1M as at 31 July 2016 from \$627.6M as at 31 January 2016. Cash and cash equivalents and fixed deposits increased by \$75.2M to \$294.2M as at 31 July 2016 from \$219.0M as at 31 January 2016. The Group's bank borrowings increased by \$22.6M to \$363.7M as at 31 July 2016 from \$341.1M as at 31 January 2016 due to final drawdown of bank loan by after obtaining CSC. Gearing was 0.11 as at 31 July 2016 compared to 0.19 as at 31 January 2016. The lower gearing was due to the increase in cash and cash equivalents and fixed deposits.

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 continue to slow down the already sluggish property market. The Group will continue to be selective in land bidding and investments projects.

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/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 6 months ended 31 July 2016 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

15 September 2016