

Unaudited Financial Statement for the Period Ended 30 June 2019

PART I - Information required for announcements of quarterly (Q1, Q2 & Q3), half year and full year results

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

1(a)(i) Consolidated Income Statement for the Period Ended 30 June 2019:

	Note	Period Ended 30 June			Half Year Ended 30 June		
		2019 S\$'000	2018 S\$'000 Restated	% Change	2019 S\$'000	2018 S\$'000 Restated	% Change
Revenue							
Hotel operations and management	1	29,789	34,138	-13%	63,133	70,078	-10%
Rental income from investment properties		4,929	4,873	1%	9,776	9,774	0%
Total revenue		34,718	39,011	-11%	72,909	79,852	-9%
Other income		261	198	32%	300	269	12%
		34,979	39,209	-11%	73,209	80,121	-9%
Costs and expenses							
Staff costs		(10,903)	(11,482)	-5%	(21,876)	(22,789)	-4%
Depreciation and amortisation		(5,400)	(5,126)	5%	(10,789)	(10,294)	5%
Hotel operating expenses	1	(12,751)	(13,426)	-5%	(25,226)	(26,214)	-4%
Total costs and expenses		(29,054)	(30,034)	-3%	(57,891)	(59,297)	-2%
Profit from operating activities		5,925	9,175	-35%	15,318	20,824	-26%
Finance costs		(631)	(665)	-5%	(1,130)	(1,330)	-15%
Interest income from fixed deposits		1,023	1,047	-2%	2,086	2,154	-3%
Foreign exchange loss		(1,299)	(311)	318%	(1,412)	(2,657)	-47%
Share of results of associates		(264)	(115)	130%	(400)	(209)	91%
Profit before tax		4,754	9,131	-48%	14,462	18,782	-23%
Income tax expense		(1,723)	(2,366)	-27%	(4,529)	(5,306)	-15%
Net profit attributable to owners of the parent		3,031	6,765	-55%	9,933	13,476	-26%

1 (a)(ii) Notes to the Income Statement

Note 1 The hotel operations and management revenue and hotel operating expenses for the corresponding period last year was restated in accordance with SFRS(I) 15 for more meaningful comparison of the 2019 and 2018 results.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 30 June 2019

	Note	Period Ended 30 June			Half Year Ended 30 June		
		2019 S\$'000	2018 S\$'000	% Change	2019 S\$'000	2018 S\$'000	% Change
Profit net of tax		3,031	6,765	-55%	9,933	13,476	-26%
Other comprehensive income:							
Items that will not be reclassified to profit or loss							
Net gain on fair value changes of financial assets at fair value through other comprehensive income		478	(1,167)	n/m	422	(909)	n/m
		478	(1,167)	n/m	422	(909)	n/m
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation	1	(8,461)	(4,878)	73%	(8,049)	(16,133)	-50%
		(8,461)	(4,878)	73%	(8,049)	(16,133)	-50%
Other comprehensive income, net of tax		(7,983)	(6,045)	32%	(7,627)	(17,042)	-55%
Total comprehensive income		(4,952)	720	n/m	2,306	(3,566)	n/m
Total comprehensive income attributable to:							
Owners of the parent		(4,952)	720	n/m	2,306	(3,566)	n/m
		(4,952)	720	n/m	2,306	(3,566)	n/m

1 (a)(iv) Notes to the Consolidated Statement of Comprehensive Income

Note 1 The increase in the foreign currency translation loss in Q2 2019 was mainly due to the effects of depreciation of the Australia and New Zealand dollar against the Singapore dollar on the Australia and New Zealand subsidiaries' net assets respectively during the period.

n/m = Not meaningful

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

Statements of Financial Position as at 30 June 2019

Statements of Financial Position as at 30 June 2019		Group		Company	
	Note	30-Jun-19 S\$'000	31-Dec-18 S\$'000	30-Jun-19 S\$'000	31-Dec-18 S\$'000
Non-current assets					
Property, plant and equipment		1,084,551	1,086,160	279,872	280,933
Investment properties		271,120	273,559	-	-
Land use rights		982	1,011	-	-
Investment in subsidiaries		-	-	337,069	337,069
Investment in associates		6,878	7,451	10,249	10,249
Investment securities		14,158	13,528	14,158	13,528
Deferred tax assets		2,477	2,518	-	-
Goodwill		1,316	1,334	-	-
Intangible assets		82	83	-	-
		1,381,564	1,385,644	641,348	641,779
Current assets					
Inventories		664	733	16	15
Trade and other receivables		6,004	6,733	660	876
Land use rights		45	44	-	-
Prepaid operating expenses	1	4,159	2,926	82	102
Due from subsidiaries		-	-	441	557
Short - term deposits	2	169,863	195,915	106,609	125,774
Cash and bank balances	2	25,236	29,823	2,150	3,479
		205,971	236,174	109,958	130,803
Current liabilities					
Trade and other payables		13,436	13,163	364	407
Accrued operating expenses	3	2,035	3,824	810	1,154
Deferred income		1,006	1,004	-	-
Due to subsidiaries		-	-	3,324	3,318
Due to associated companies		33	33	33	33
Income tax payable		3,765	6,045	-	-
Finance lease obligations	4	58	18	22	18
Loans and borrowings		31,309	33,918	-	-
		51,642	58,005	4,553	4,930
Net current assets		154,329	178,169	105,405	125,873
Non-current liabilities					
Finance lease obligations	4	206	29	50	29
Loans and borrowings		24,276	24,522	-	-
Deferred tax liabilities		158,233	159,330	7,392	7,238
Net assets		1,353,178	1,379,932	739,311	760,385
Equity attributable to owners of the parent					
Issued capital		502,537	502,537	502,537	502,537
Fair value reserve		2,590	2,168	2,590	2,168
Asset revaluation reserve		702,442	702,442	214,691	214,691
Translation reserve	5	(128,762)	(120,713)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		272,939	292,066	19,493	40,989
Total equity		1,353,178	1,379,932	739,311	760,385

1 (b)(ii) Notes to the Statements of Financial Position

Note 1 Prepaid operating expenses increased due to prepaid insurance premiums as at 30 June 2019.

Note 2 Short term deposits and cash and bank balances reduced mainly due to dividends paid the Q2 2019.

Note 3 Accrued operating expenses reduced mainly due to payment to a building contractor and directors' fees in Q2 2019.

Note 4 Finance lease obligations increased due to the adoption of the new SFRS(I) 16 Leases. The lease liabilities relate to the present value of future lease payments due to the lessors.

Note 5 Please refer to Note 1 of Item (a)(iv) above.

1(b)(iii) Aggregate amount of group's borrowings and debts securities

Amount repayable in one year or less, or on demand

As at 30 June 2019		As at 31 Dec 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
31,367	-	33,936	-

Amount repayable after one year

As at 30 June 2019		As at 31 Dec 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
24,482	-	24,551	-

Details of any collateral

The Group's borrowings are principally secured by land, hotel buildings and investment properties owned by the Company and various subsidiaries.

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

Statement of Cash Flow for the Period Ended 30 June 2019:

	Notes	Period Ended 30 June		Half Year Ended 30 June	
		2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Operating activities					
Profit before tax		4,754	9,131	14,462	18,782
Adjustments for :-					
Depreciation of property, plant and equipment		5,389	5,114	10,767	10,271
Amortisation of land use rights		11	12	22	23
Net gain on disposal of investment securities		-	-	-	(19)
Fair value gain on derivatives		-	-	-	(83)
Finance costs		631	665	1,130	1,330
Interest income		(1,023)	(1,047)	(2,086)	(2,154)
Share of results of associates		264	115	400	209
Operating cash flows before changes in working capital		10,026	13,990	24,695	28,359
(Increase)/decrease in inventories		(6)	30	59	62
Decrease in trade and other receivables		2,225	1,619	661	2,168
Increase in prepaid operating expenses		(1,453)	(930)	(1,274)	(574)
Increase/(decrease) in trade and other payables		6	(249)	(1,306)	(2,736)
Cash flows generated from operations		10,798	14,460	22,835	27,279
Interest received		1,023	1,047	2,086	2,154
Finance costs		(631)	(665)	(1,130)	(1,330)
Tax paid		(3,834)	(4,238)	(6,598)	(6,248)
Net cash flows generated from operating activities		7,356	10,604	17,193	21,855
Investing activities					
Dividend income from associated companies		-	317	-	317
Proceeds from disposal of investment securities		-	8	-	207
Purchase of property, plant and equipment		(8,860)	(9,963)	(14,276)	(11,041)
Purchase of investment securities		(208)	(1,438)	(208)	(1,535)
Additions to investment properties		(123)	(52)	(772)	(52)
Net cash flows used in investing activities		(9,191)	(11,128)	(15,256)	(12,104)
Financing activities					
Cash dividends paid on ordinary shares		(29,061)	-	(29,061)	-
Repayments of loans and borrowings		(1,578)	(1,598)	(2,269)	(37,607)
Repayment of obligations under finance lease		(38)	(5)	(43)	(9)
Net cash flows used in financing activities		(30,677)	(1,603)	(31,373)	(37,616)
Decrease in cash and cash equivalents		(32,512)	(2,127)	(29,436)	(27,865)
Effect of exchange rate changes on cash and cash equivalents		(1,224)	(538)	(1,203)	(1,955)
Cash and cash equivalents at beginning of period		228,835	233,847	225,738	261,002
Cash and cash equivalents at end of period		195,099	231,182	195,099	231,182

1(d)(i) A statement for the issuer and the 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 financial year.

Statements of Changes in Equity for the Period Ended 30 June 2019

Group	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 April 2019	502,537	2,112	702,442	(120,301)	1,432	298,969	1,387,191
Profit net of tax	-	-	-	-	-	3,031	3,031
<u>Other comprehensive income for the period:</u>							
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	478	-	-	-	-	478
Foreign currency translation	-	-	-	(8,461)	-	-	(8,461)
Total comprehensive income for the period	-	478	-	(8,461)	-	3,031	(4,952)
<u>Distributions to owners:</u>							
Cash dividends	-	-	-	-	-	(29,061)	(29,061)
Closing balance at 30 June 2019	502,537	2,590	702,442	(128,762)	1,432	272,939	1,353,178
Opening balance at 1 April 2018	455,922	3,817	626,383	(97,823)	1,432	332,530	1,322,261
Effects of adopting SFRS (I)1	-	-	-	-	-	(4,597)	(4,597)
Opening balance at 1 April 2018 (Restated)	455,922	3,817	626,383	(97,823)	1,432	327,933	1,317,664
Profit net of tax	-	-	-	-	-	6,765	6,765
<u>Other comprehensive income for the period:</u>							
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	(1,167)	-	-	-	-	(1,167)
Reduction of development cost accruals for completed hotels in Singapore	-	-	6,905	-	-	-	6,905
Foreign currency translation	-	-	-	(4,878)	-	-	(4,878)
Total comprehensive income for the period	-	(1,167)	6,905	(4,878)	-	6,765	7,625
Closing balance at 30 June 2018 (Restated)	455,922	2,650	633,288	(102,701)	1,432	334,698	1,325,289

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 April 2019	502,537	2,112	214,691	42,311	761,651
Profit net of tax	-	-	-	6,243	6,243
<u>Other comprehensive income for the period:</u>					
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	478	-	-	478
Total comprehensive income for the period	-	478	-	6,243	6,721
<u>Distributions to owners:</u>					
Cash dividends	-	-	-	(29,061)	(29,061)
Closing balance at 30 June 2019	502,537	2,590	214,691	19,493	739,311
Opening balance at 1 April 2018	455,922	3,817	198,824	85,629	744,192
Effects of adopting SFRS (I)1 *	-	-	-	(4,597)	(4,597)
Opening balance at 1 April 2018 (Restated)	455,922	3,817	198,824	81,032	739,595
Profit net of tax	-	-	-	1,582	1,582
<u>Other comprehensive income for the period:</u>					
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	(1,167)	-	-	(1,167)
Reduction of development cost accruals for completed hotel	-	-	2,743	-	2,743
Total comprehensive income for the period	-	(1,167)	2,743	1,582	3,158
Closing balance at 30 June 2018 (Restated)	455,922	2,650	201,567	82,614	742,753

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 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 number of issued shares in the capital of the Company which stood at 726,535,377 shares since the end of the last financial year.

The Company does not have any treasury shares as at 30 June 2019. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 June 2019.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

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)

N.A.

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 reporting period as that of the audited financial statements for the year ended 31 December 2018 except SFRS(I) 16 Leases which was applicable for the financial period beginning 1 January 2019.

The Group does not expect the adoption of SFRS(I) 16 to have a significant impact on its financial position or performance.

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

Please refer to item 4 above.

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

Earnings per ordinary share of the Group based on net profit attributable to owners of the parent:
(a) based on the weighted average number of shares
(b) on a fully diluted basis

Quarter Ended 30 June	
2019	2018
0.42 cents	0.98 cents
0.42 cents	0.98 cents

Half Year Ended 30 June	
2019	2018
1.37 cents	1.95 cents
1.37 cents	1.95 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

Net asset value backing per ordinary share based on issued share capital at the end of the period reported on:

Group	
30-Jun-19	31-Dec-18
S\$ 1.86	S\$ 1.90

Company	
30-Jun-19	31-Dec-18
S\$ 1.02	S\$ 1.05

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, costs, 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 cashflow, working capital, assets or liabilities of the Group during the current financial period reported on

A) Group Revenue Commentary

The Group's revenue decreased in Q2 2019 mainly due to lower sales at the Australia, New Zealand and Singapore hotels.

Group revenue was also impacted by the effects of translating Australia and New Zealand revenue at lower average exchange rates compared to last year.

The Australia and New Zealand segments were mainly affected by lower sales at the Adelaide Hindley and Wellington hotels respectively due to ongoing refurbishment works at the hotels. The Singapore hotels operated in a subdued market during the second quarter of 2019.

B) Group Profit Commentary

The Group's operating profit decreased in Q2 2019 mainly due to lower revenue mentioned above. The Group's net profit after tax was also affected by higher foreign exchange loss during Q2 2019 compared to Q2 2018.

C) Group Cashflow Commentary

The Group's cash and cash equivalents decreased during Q2 2019 mainly due to lower cash generated from operation activities and payment of the 2018 final dividends during the quarter.

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

Nil

10. A commentary at the date of the announcement of the significant trends and 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 Group expects 2019 to be challenging due to the following factors:-

- The slowdown in the general economy of the regional economies due to the protracted trade dispute between the US and China.
- In Australia and New Zealand, the Group's hotels are expected to perform weaker this year due to the ongoing refurbishment works at the two hotels in Wellington and Adelaide Hindley. The hotel market in Australia and New Zealand is also getting more competitive due to the encroachment by short term rental units into the lodging industry.
- Weaker performance of the Singapore hotels due to strong competition and a slowdown in the hotel market.
- Further risk of the Australia and New Zealand currencies weakening against the Singapore dollar.

11. (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? None

(c) Date payable

N.A

(d) Book closure date

N.A.

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

No dividend has been declared or recommended for the quarter ended 30 June 2019

Part II - Additional Information Required for the Full Year Announcement
(This part is not applicable to Q1, Q2, Q3 and Half Year Results)

13. 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

N.A.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

N.A.

15. A breakdown of revenue

N.A.

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

Total annual dividend, net of tax

	Latest Full Year	Previous Full Year
	S\$'000	S\$'000
Scrip dividend	0	0
Cash dividend	0	0
Total	0	0

17. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

18. 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 period ended 30 June 2019 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 Aug 2019