

Unaudited Financial Statement for the Period Ended 31 Mar 2017

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 31 Mar 2017:

	Note	Period Ended 31 Mar		
		2017 S\$'000	2016 S\$'000	% Change
Revenue				
Hotel operations and management		35,281	35,423	0%
Rental income from investment properties	1	3,468	2,327	49%
Total revenue		38,749	37,750	3%
Other income		47	93	-49%
		38,796	37,843	3%
Costs and expenses				
Staff costs		(11,165)	(11,834)	-6%
Depreciation and amortisation		(5,255)	(5,685)	-8%
Hotel operating expenses		(12,014)	(12,872)	-7%
Total costs and expenses		(28,434)	(30,391)	-6%
Profit from operating activities		10,351	7,452	39%
Interest expense		(1,191)	(1,077)	11%
Interest income		1,343	1,361	-1%
Foreign exchange gain/(loss)	2	517	(1,304)	n/m
Share of results of associates		(154)	5	n/m
Profit before tax		10,866	6,437	69%
Income tax expense		(2,863)	(2,649)	8%
Net profit attributable to owners of the parent		8,003	3,788	111%

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

Note 1 Rental income from investment properties increased in Q1 2017 mainly due to the revenue contribution from Grand Central Building, Christchurch which started recognising rental income from Jan 2017.

Note 2 The foreign exchange gain in Q1 2017 was due to the appreciation of the Australia dollar against the Singapore dollar during the period.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 31 Mar 2017

	Note	Period Ended 31 Mar		
		2017 S\$'000	2016 S\$'000	% Change
Profit net of tax		8,003	3,788	111%
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Net gain on fair value changes of available-for-sale financial assets		762	79	865%
Foreign currency translation	1	2,858	(4,773)	n/m
		3,620	(4,694)	n/m
Other comprehensive income, net of tax		3,620	(4,694)	n/m
Total comprehensive income		11,623	(906)	n/m
Total comprehensive income attributable to:				
Owners of the parent		11,623	(906)	n/m
		11,623	(906)	n/m

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

Note 1 The increase in the foreign currency translation in Q1 2017 was due to the appreciation of the Australia against the Singapore dollar during the period.

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 31 Mar 2017

Statements of Financial Position as at 31 Mar 2017		Group		Company	
	Note	31-Mar-17 S\$'000	31-Dec-16 S\$'000	31-Mar-17 S\$'000	31-Dec-16 S\$'000
Non-current assets					
Property, plant and equipment		1,049,694	1,049,214	269,519	270,038
Investment properties		206,610	208,852	-	-
Land use rights		1,157	1,199	-	-
Investment in subsidiaries		-	-	243,006	243,006
Investment in associates		9,659	10,413	11,574	11,574
Investment securities	1	11,142	10,358	11,142	10,358
Deferred tax assets		3,544	3,471	447	447
Goodwill		1,450	1,454	-	-
Intangible assets		88	90	-	-
		1,283,344	1,285,051	535,688	535,423
Current assets					
Inventories		793	832	19	32
Trade and other receivables		9,914	8,851	2,457	2,013
Prepaid operating expenses		2,436	2,453	99	109
Due from subsidiaries		-	-	1,488	753
Short - term deposits		301,723	297,364	194,562	193,604
Cash and bank balances		42,312	45,692	4,424	8,674
		357,178	355,192	203,049	205,185
Current liabilities					
Trade and other payables		23,728	26,706	956	539
Accrued operating expenses		10,428	10,581	6,494	8,762
Deferred income		544	756	-	-
Derivatives		430	509	-	-
Due to subsidiaries		-	-	3,506	2,880
Due to associated companies		83	63	62	63
Income tax payable		14,188	12,845	17	20
Finance lease obligations		18	18	18	18
Loans and borrowings		3,952	8,533	-	-
		53,371	60,011	11,053	12,282
Net current assets		303,807	295,181	191,996	192,903
Non-current liabilities					
Derivatives		279	318	279	318
Finance lease obligations		61	65	61	65
Loans and borrowings		131,088	136,594	35,300	38,700
Deferred tax liabilities		138,964	138,119	-	-
Net assets		1,316,759	1,305,136	692,044	689,243
Equity attributable to owners of the parent					
Issued capital		421,997	421,997	421,997	421,997
Fair value reserve		1,425	663	1,425	663
Asset revaluation reserve		626,679	626,679	198,590	198,590
Translation reserve	2	(70,001)	(72,859)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		335,227	327,224	70,032	67,993
Total equity		1,316,759	1,305,136	692,044	689,243

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

Note 1 The increase in investment securities was mainly due to gain on fair value changes and additional purchase of investment securities during the period.

Note 2 The decrease in the translation reserve loss was due to the appreciation of the Australia dollar exchange rate against the Singapore dollar during the period.

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

Amount repayable in one year or less, or on demand

As at 31 Mar 2017		As at 31 December 2016	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
3,970	-	8,551	-

Amount repayable after one year

As at 31 Mar 2017		As at 31 December 2016	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
131,149	-	136,659	-

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

Statements of Cash Flows for the Period Ended 31 Mar 2017:

	Period Ended 31 Mar	
	2017	2016
	S\$'000	S\$'000
Operating activities		
Profit before tax	10,866	6,437
Adjustments for :-		
Depreciation of property, plant and equipment	5,255	5,673
Amortisation of land use rights	11	12
Fair value (gain)/loss on derivatives	(118)	913
Finance costs	1,191	1,077
Interest income	(1,343)	(1,361)
Share of results of associates	154	(5)
Operating cash flows before changes in working capital	16,016	12,746
Decrease in inventories	48	63
(Increase)/decrease in trade and other receivables	(1,032)	172
Increase in prepaid operating expenses	52	260
Decrease in trade and other payables	(3,324)	(4,550)
Cash flows generated from operations	11,760	8,691
Interest received	1,343	1,361
Finance costs	(1,191)	(1,077)
Tax paid	(1,752)	(3,292)
Net cash flows generated from operating activities	10,160	5,683
Investing activities		
Additions to investment property	-	(7,313)
Purchase of investment securities	(22)	(301)
Purchase of property, plant and equipment	(1,396)	(1,523)
Net cash flows used in investing activities	(1,418)	(9,137)
Financing activities		
Increase in short-term deposits pledged	-	139
Proceeds from loans and borrowings	-	2,700
Repayments of loans and borrowings	(8,792)	(21,219)
Repayment of obligations under finance lease	(4)	-
Net cash flows used in financing activities	(8,796)	(18,380)
Decrease in cash and cash equivalents	(54)	(21,834)
Effect of exchange rate changes on cash and cash equivalents	1,033	(1,260)
Cash and cash equivalents at beginning of year	343,056	298,645
Cash and cash equivalents at end of period	344,035	275,551

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 Year Ended 31 Mar 2017

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 Jan 2017	421,997	663	626,679	(72,859)	1,432	327,224	1,305,136
Profit net of tax	-	-	-	-	-	8,003	8,003
<u>Other comprehensive income for the year:</u>							
Net gain on fair value changes of available-for-sale financial assets	-	762	-	-	-	-	762
Foreign currency translation	-	-	-	2,858	-	-	2,858
Total comprehensive income for the year	-	762	-	2,858	-	8,003	11,623
Closing balance at 31 Mar 2017	421,997	1,425	626,679	(70,001)	1,432	335,227	1,316,759
Opening balance at 1 Jan 2016	421,997	326	634,735	(80,970)	1,432	299,072	1,276,592
Profit net of tax	-	-	-	-	-	3,789	3,789
<u>Other comprehensive income for the year:</u>							
Net gain on fair value changes of available-for-sale financial assets	-	79	-	-	-	-	79
Foreign currency translation	-	-	-	(4,773)	-	-	(4,773)
Total comprehensive income for the year	-	79	-	(4,773)	-	3,789	(905)
Closing balance at 31 Mar 2016	421,997	405	634,735	(85,743)	1,432	302,861	1,275,687

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 Jan 2017	421,997	663	198,590	67,993	689,243
Profit net of tax	-	-	-	2,039	2,039
<u>Other comprehensive income for the year:</u>					
Net gain on fair value changes of available-for-sale financial assets	-	762	-	-	762
Total comprehensive income for the year	-	762	-	2,039	2,801
Closing balance at 31 Mar 2017	<u>421,997</u>	<u>1,425</u>	<u>198,590</u>	<u>70,032</u>	<u>692,044</u>
Opening balance at 1 Jan 2016	421,997	326	199,103	91,785	713,211
Profit net of tax	-	-	-	(991)	(991)
<u>Other comprehensive income for the year:</u>					
Net loss on fair value changes of available for sale financial assets	-	79	-	-	79
Total comprehensive income for the year	-	79	-	(991)	(912)
Closing balance at 31 Mar 2016	<u>421,997</u>	<u>405</u>	<u>199,103</u>	<u>90,794</u>	<u>712,299</u>

- 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 663,033,129 shares since the end of the last financial year.

The Company does not have any treasury shares as at 31 Mar 2017. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 31 Mar 2017.

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 year compared with those of the audited financial statements as at 31 December 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

N.A.

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

Period Ended 31 Mar	
2017	2016
1.20 cents	0.57 cents
1.20 cents	0.57 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	
31-Mar-17	31-Dec-16
S\$1.99	S\$ 1.97

Company	
31-Mar-17	31-Dec-16
S\$ 1.04	S\$ 1.04

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 increase in the Group's revenue in Q1 2017 was mainly due to the maiden contribution of revenue by Grand Central Building, Christchurch which started recognising rental income in Jan 2017. In addition, there was a contribution to revenue by Hotel Grand Chancellor Townsville which was acquired in the 2nd quarter of 2016. The increase was offset by the loss in contribution to revenue from Hotel Grand Chancellor Surfers Paradise which was sold in the 3rd quarter of 2016.

B) Group Profit Commentary

i) General

The increase in the Group's net profit was mainly due to the additional rental income from investment properties and a foreign exchange gain of \$0.5 million in Q1 2017. There was a foreign exchange loss of \$1.3 million in the corresponding period last year.

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 hotel markets where the Group primarily operates in are expected to be affected by the continuing uncertainty in the regional economy.

Whilst the trading performance in the Australia and New Zealand hotels are expected to be resilient in 2017, the Singapore hotels are expected to operate in an increasingly competitive market due to an expected further increase in hotel room supply.

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/recommendeded, a statement to that effect**

No dividend has been declared or recommended for the quarter ended 31 Mar 2017.

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
Ordinary - Scrip	0	0
Ordinary - Cash	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 31 March 2017 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
15 May 2017