

Unaudited Financial Statement for the Period Ended 30 Sep 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 Sep 2019:

	Note	Period Ended 30 Sep			Nine Months Ended 30 Sep		
		2019 S\$'000	2018 S\$'000 Restated	% Change	2019 S\$'000	2018 S\$'000 Restated	% Change
Revenue							
Hotel operations and management	1	34,321	35,405	-3%	97,454	105,483	-8%
Rental income from investment properties		4,816	4,732	2%	14,592	14,506	1%
Total revenue		39,137	40,137	-2%	112,046	119,989	-7%
Other income		59	80	-26%	359	350	3%
Total revenue and other income		39,196	40,217	-3%	112,405	120,339	-7%
Costs and expenses							
Staff costs	2	(10,723)	(14,590)	-27%	(32,599)	(37,379)	-13%
Depreciation and amortisation		(5,322)	(5,129)	4%	(16,111)	(15,423)	4%
Hotel operating expenses	1	(14,335)	(13,933)	3%	(39,561)	(40,148)	-1%
Total costs and expenses		(30,380)	(33,652)	-10%	(88,271)	(92,950)	-5%
Profit from operating activities		8,816	6,565	34%	24,134	27,389	-12%
Finance costs		(559)	(662)	-16%	(1,689)	(1,992)	-15%
Interest income from fixed deposits		717	1,024	-30%	2,803	3,178	-12%
Foreign exchange loss		(1,452)	(1,703)	-15%	(2,864)	(4,360)	-34%
Share of results of associates		(67)	(56)	20%	(467)	(265)	76%
Profit before tax		7,455	5,168	44%	21,917	23,950	-8%
Income tax expense		(2,386)	(2,290)	4%	(6,915)	(7,596)	-9%
Net profit attributable to owners of the parent		5,069	2,878	76%	15,002	16,354	-8%

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.

Note 2 Staff costs decreased in Q3 2019 as compared to Q3 2018. In 2018, there was a payment of special remuneration of \$3 million to 3 directors in conjunction with the Company's 50th anniversary in 2018.

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

	Note	Period Ended 30 Sep			Nine Months Ended 30 Sep		
		2019 S\$'000	2018 S\$'000	% Change	2019 S\$'000	2018 S\$'000	% Change
Profit net of tax		5,069	2,878	76%	15,002	16,354	-8%
Other comprehensive income:							
Items that will not be reclassified to profit or loss							
Reduction of development cost accruals for completed hotels in Singapore		-	-	0%	-	6,905	-100%
Net loss on fair value changes of financial assets at fair value through other comprehensive income		(725)	(82)	784%	(303)	(991)	-69%
		(725)	(82)	784%	(303)	5,914	n/m
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation	1	(15,493)	(13,070)	19%	(23,542)	(29,203)	-19%
		(15,493)	(13,070)	19%	(23,542)	(29,203)	-19%
Other comprehensive income, net of tax		(16,218)	(13,152)	23%	(23,845)	(23,289)	2%
Total comprehensive income		(11,149)	(10,274)	9%	(8,843)	(6,935)	28%
Total comprehensive income attributable to:							
Owners of the parent		(11,149)	(10,274)	9%	(8,843)	(6,935)	28%
		(11,149)	(10,274)	9%	(8,843)	(6,935)	28%

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

Note 1 The increase in the foreign currency translation loss in Q3 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 Sep 2019

Statements of Financial Position as at 30 Sep 2019		Group		Company	
		30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
Note					
Non-current assets					
Property, plant and equipment	1	1,076,439	1,086,160	279,301	280,933
Investment properties		260,989	273,559	-	-
Land use rights		956	1,011	-	-
Investment in subsidiaries		-	-	339,705	337,069
Investment in associates		6,983	7,451	10,249	10,249
Investment securities		13,777	13,528	13,777	13,528
Deferred tax assets		2,437	2,518	-	-
Goodwill		1,275	1,334	-	-
Intangible assets		78	83	-	-
		1,362,934	1,385,644	643,032	641,779
Current assets					
Inventories		690	733	16	15
Trade and other receivables		5,225	6,733	584	876
Land use rights		43	44	-	-
Prepaid operating expenses	2	3,678	2,926	144	102
Due from subsidiaries		-	-	449	557
Short - term deposits	3	170,389	195,915	104,290	125,774
Cash and bank balances	3	28,965	29,823	2,298	3,479
		208,990	236,174	107,781	130,803
Current liabilities					
Trade and other payables		14,515	13,163	351	407
Accrued operating expenses	4	2,397	3,824	812	1,154
Deferred income		845	1,004	-	-
Due to subsidiaries		-	-	3,351	3,318
Due to associated companies		53	33	53	33
Income tax payable		3,157	6,045	-	-
Lease obligations	5	80	18	24	18
Loans and borrowings		30,739	33,918	-	-
		51,786	58,005	4,591	4,930
Net current assets		157,204	178,169	103,190	125,873
Non-current liabilities					
Lease obligations	5	156	29	41	29
Loans and borrowings		21,648	24,522	-	-
Deferred tax liabilities		156,305	159,330	7,445	7,238
Net assets		1,342,029	1,379,932	738,736	760,385
Equity attributable to owners of the parent					
Issued capital		502,537	502,537	502,537	502,537
Fair value reserve		1,865	2,168	1,865	2,168
Asset revaluation reserve		702,442	702,442	214,691	214,691
Translation reserve	6	(144,255)	(120,713)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		278,008	292,066	19,643	40,989
Total equity		1,342,029	1,379,932	738,736	760,385

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

Note 1 With the adoption of the new SFRS(I) 16 Leases, property, plant and equipment as at 30 Sep 2019 includes right-of-use assets.

Note 2 Prepaid operating expenses increased due to prepaid insurance premiums as at 30 Sep 2019.

Note 3 Short term deposits and cash and bank balances reduced mainly due to dividends paid in Q2 2019.

Note 4 Accrued operating expenses reduced after the payment to a building contractor and directors' fees.

Note 5 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 6 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 Sep 2019		As at 31 Dec 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
30,756	-	33,936	-

Amount repayable after one year

As at 30 Sep 2019		As at 31 Dec 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
21,668	-	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 Sep 2019:

Notes	Period Ended 30 Sep		Nine Months Ended 30 Sep	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Operating activities				
Profit before tax	7,455	5,168	21,917	23,950
Adjustments for :-				
Depreciation of property, plant and equipment	5,311	5,118	16,078	15,389
Amortisation of land use rights	11	11	33	34
Net gain on disposal of investment securities	-	-	-	(19)
Fair value gain on derivatives	-	-	-	(83)
Loss on disposal of fixed asset	162	-	162	-
Finance costs	559	662	1,689	1,992
Interest income	(717)	(1,024)	(2,803)	(3,178)
Share of results of associates	67	56	467	265
Operating cash flows before changes in working capital	12,848	9,991	37,543	38,350
(Increase)/decrease in inventories	(42)	(20)	17	42
Decrease in trade and other receivables	695	1,356	1,356	3,524
Decrease/(increase) in prepaid operating expenses	421	(1,857)	(853)	(2,431)
Increase/(decrease) in trade and other payables	1,616	(5,567)	310	(8,303)
Cash flows generated from operations	15,538	3,903	38,373	31,182
Interest received	717	1,024	2,803	3,178
Finance costs	(552)	(662)	(1,682)	(1,992)
Tax paid	(2,763)	(2,061)	(9,361)	(8,309)
Net cash flows generated from operating activities	12,940	2,204	30,133	24,059
Investing activities				
Dividend income from associated companies	-	-	-	317
Proceeds from disposal of property, plant and equipment	5	-	5	-
Proceeds from disposal of investment securities	-	1,000	-	1,207
Purchase of property, plant and equipment	(5,879)	(3,375)	(20,155)	(14,416)
Purchase of investment securities	(344)	(394)	(552)	(1,929)
Additions to investment properties	(23)	(46)	(795)	(98)
Net cash flows used in investing activities	(6,241)	(2,815)	(21,497)	(14,919)
Financing activities				
Cash dividends paid on ordinary shares	-	(8,610)	(29,061)	(8,610)
Repayments of loans and borrowings	(545)	(629)	(2,814)	(38,236)
Repayment of lease obligations	(25)	(4)	(68)	(13)
Net cash flows used in financing activities	(570)	(9,243)	(31,943)	(46,859)
Increase/(decrease) in cash and cash equivalents	6,129	(9,854)	(23,307)	(37,719)
Effect of exchange rate changes on cash and cash equivalents	(1,874)	(2,452)	(3,077)	(4,408)
Cash and cash equivalents at beginning of period	195,099	231,182	225,738	261,002
Cash and cash equivalents at end of period	199,354	218,875	199,354	218,875

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 Sep 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 July 2019	502,537	2,590	702,442	(128,762)	1,432	272,939	1,353,178
Profit net of tax	-	-	-	-	-	5,069	5,069
Other comprehensive income for the period:							
Net loss on fair value changes of financial assets at fair value through other comprehensive income	-	(725)	-	-	-	-	(725)
Foreign currency translation	-	-	-	(15,493)	-	-	(15,493)
Total comprehensive income for the period	-	(725)	-	(15,493)	-	5,069	(11,149)
Closing balance at 30 Sep 2019	<u>502,537</u>	<u>1,865</u>	<u>702,442</u>	<u>(144,255)</u>	<u>1,432</u>	<u>278,008</u>	<u>1,342,029</u>
Opening balance at 1 July 2018	455,922	2,650	633,288	(102,701)	1,432	339,295	1,329,886
Effects of adopting SFRS (I)1*	-	-	-	-	-	(4,597)	(4,597)
Opening balance at 1 July 2018 (Restated)	455,922	2,650	633,288	(102,701)	1,432	334,698	1,325,289
Profit net of tax	-	-	-	-	-	2,878	2,878
Other comprehensive income for the period:							
Net loss on fair value changes of financial assets at fair value through other comprehensive income	-	(82)	-	-	-	-	(82)
Foreign currency translation	-	-	-	(13,070)	-	-	(13,070)
Total comprehensive income for the period	-	(82)	-	(13,070)	-	2,878	(10,274)
Distributions to owners:							
Scrip dividends	46,615	-	-	-	-	(46,615)	-
Cash dividends	-	-	-	-	-	(8,610)	(8,610)
Total distributions to owners:	46,615	-	-	-	-	(55,225)	(8,610)
Closing balance at 30 Sep 2018 (Restated)	<u>502,537</u>	<u>2,568</u>	<u>633,288</u>	<u>(115,771)</u>	<u>1,432</u>	<u>282,351</u>	<u>1,306,405</u>

* The effect of adopting SFRS (I)1 was the recognition of deferred tax liability of \$4,597,000 arising from unremitted foreign-sourced interest income with the corresponding entry recognised in opening retained earnings as at 1 January 2018.

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 July 2019	502,537	2,590	214,691	19,493	739,311
Profit net of tax	-	-	-	150	150

**Other comprehensive
income for the period:**

Net gain on fair value changes
of financial assets at fair
value through other
comprehensive income

-	(725)	-	-	(725)
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Total comprehensive
income for the period

-	(725)	-	150	(575)
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**Closing balance
at 30 Sep 2019**

502,537	1,865	214,691	19,643	738,736
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**Opening balance
at 1 July 2018**
Effects of adopting
SFRS (I)1 *
**Opening balance
at 1 July 2018 (Restated)**

455,922	2,650	201,567	87,211	747,350
-	-	-	(4,597)	(4,597)
455,922	2,650	201,567	82,614	742,753

Loss net of tax

-	-	-	(3,153)	(3,153)
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**Other comprehensive
income for the period:**

Net gain on fair value changes
of financial assets at fair
value through other
comprehensive income

-	(82)	-	-	(82)
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Total comprehensive
income for the period

-	(82)	-	(3,153)	(3,235)
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Distributions to owners:

Scrip dividends

46,615	-	-	(46,615)	-
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Cash dividends

-	-	-	(8,610)	(8,610)
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Total distributions to owners:

46,615	-	-	(55,225)	(8,610)
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Closing balance
at 30 Sep 2018 (Restated)

502,537	2,568	201,567	24,236	730,908
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* The effect of adopting SFRS (I)1 was the recognition of deferred tax liability of \$4,597,000 arising from unremitted foreign-sourced interest income with the corresponding entry recognised in opening retained earnings as at 1 January 2018.

- 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 Sep 2019. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 Sep 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 Sep	
2019	2018
0.70 cents	0.41 cents
0.70 cents	0.41 cents

Nine Months Ended 30 Sep	
2019	2018
2.06 cents	2.34 cents
2.06 cents	2.34 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-Sep-19	31-Dec-18
S\$ 1.85	S\$ 1.90

Company	
30-Sep-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 Q3 2019 mainly due to lower sales at the Australia, New Zealand, China 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 these hotels. The Singapore hotels operated in a weaker market during the third quarter of 2019.

B) Group Profit Commentary

Despite lower revenue in Q3 2019, the Group's operating profit increased mainly due to lower staff costs mentioned in Note 2 of Item 1(a)(ii) above.

The increase in the Group's profit net of tax was due to higher Group operating profit coupled with lower foreign exchange loss during Q3 2019 compared to Q3 2018.

C) Group Cashflow Commentary

The Group's cash and cash equivalents decreased during nine months ended Sep 2019 mainly due to payment of the 2018 final dividends in Q2 2019.

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 regional economies due to the protracted uncertainty in the trade negotiations between the US and China.
- The Group's hotels in Australia and New Zealand are expected to perform weaker this year due to the refurbishment works at the hotels in Adelaide Hindley and Wellington. The hotel markets in Australia and New Zealand are also affected by a general slowdown in business and the encroachment by short term rental units into the lodging industry.
- Weaker performance of the Singapore hotels due to intense competition and weakness in the hotel market.
- Risk of the Australia and New Zealand currencies further 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 Sep 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	46,615
Cash dividend	29,061	8,610
Total	29,061	55,225

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 Sep 2019 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 Nov 2019