GLOBAL PREMIUM HOTELS LIMITED
(Company registration no. 201128650E)

2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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INTRODUCTION

Global Premium Hotels Limited ("GPHL") was incorporated as a private limited liability company on 19 September 2011 and listed on the Singapore Exchange Securities Trading Limited ("**SGX**") on 26 April 2012.

GPHL and its subsidiaries (the "Group") operate one of Singapore's largest chains of hotels with 22 hotels, of which 21 hotels are operated under the "Fragrance" brand and one hotel under the "Parc Sovereign" brand. The Group provides economy-tier and mid-tier class of accommodation with 1,713 rooms in Singapore as at 31 March 2014.

The Group is principally engaged in the business of developing and operating economy-tier to mid-tier class hotels. Most of the Group's hotels are located in the city or city-fringe areas. The established track record and reputation of providing affordable accommodation has led to the "Fragrance" brand of hotels becoming well recognised in the local and regional hospitality industry.

GLOBAL PREMIUM HOTELS LIMITED
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DIVIDEND ANNOUNCEMENT

1(a)(i) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	1Q 2014 S$'000	**1Q 2013 S$'000**	**% Change**
Revenue	13,772	14,551	(5.4)
Cost of sales	(1,624)	(1,936)	(16.1)
Gross profit	**12,148**	**12,615**	(3.7)
Other operating income	439	181	142.5
Administrative expenses	(5,772)	(5,598)	3.1
Finance costs	(2,020)	(1,951)	3.5
Profit before income tax	**4,795**	**5,247**	**(8.6)**
Income tax expense	(845)	(922)	(8.4)
Profit for the period	**3,950**	**4,325**	**(8.7)**
Other comprehensive income:			
Transfer of depreciation on revaluation of leasehold land & hotel buildings to revaluation reserve	953	857	11.2
Net other comprehensive income for the period	**953**	**857**	**11.2**
Total comprehensive income for the period	**4,903**	**5,182**	**(5.4)**

1a (ii) Profit before income tax is arrived at after charging/(crediting):

	Group		
	1Q 2014 S$'000	**1Q 2013 S$'000**	**% Change**
Depreciation and amortisation	1,174	1,110	5.8
Finance costs	2,020	1,951	3.5
Interest income	(16)	(29)	(44.8)
Over provision of income tax in prior years	(32)	(1)	N.M.

N.M. – not meaningful

1(b)(i) Statements of Financial Position as at 31 Mar 2014 vs 31 Dec 2013

	Group			Company		
	31 Mar 2014 S$'000	31 Dec 2013 S$'000	% Change	31 Mar 2014 S$'000	31 Dec 2013 S$'000	% Change
ASSETS						
Current assets						
Cash and cash equivalents	16,491	11,578	42.4	9,584	5,333	79.7
Trade receivables	1,664	1,537	8.3	-	-	-
Other receivables[1]	1,595	5,831	(72.6)	15	9	66.7
Amount due from subsidiaries	-	-	-	32,290	36,490	(11.5)
Total current assets	**19,750**	**18,946**	**4.2**	**41,889**	**41,832**	**0.1**
Non-current assets						
Property, plant and equipment[2]	1,193,936	1,191,885	0.2	-	-	-
Investment in subsidiaries	-	-	-	595,564	595,530	N.M.
Total non-current assets	**1,193,936**	**1,191,885**	**0.2**	**595,564**	**595,530**	**N.M.**
Total assets	**1,213,686**	**1,210,831**	**0.2**	**637,453**	**637,362**	**N.M.**
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	1,860	1,800	3.3	-	-	-
Other payables[3]	9,358	7,727	21.1	3,762	1,065	253.2
Term loans	17,398	17,553	(0.9)	-	-	-
Income tax payable	8,135	8,576	(5.1)	2	3	(33.3)
Amount due to subsidiaries	-	-	-	19,300	19,000	1.6
Total current liabilities	**36,751**	**35,656**	**3.1**	**23,064**	**20,068**	**14.9**
Non-current liabilities						
Term loans	464,573	464,975	(0.1)	-	-	-
Deferred tax liabilities	37,009	37,015	N.M.	-	-	-
Other payables	-	-	-	1,616	1,734	(6.8)
Total non-current liabilities	**501,582**	**501,990**	**(0.1)**	**1,616**	**1,734**	**(6.8)**
Capital and reserves						
Share capital	263,692	263,692	-	263,692	263,692	-
Revaluation reserve	876,940	875,987	0.1	-	-	-
Merger reserve	(555,028)	(555,028)	-	-	-	-
Retained earnings	89,749	88,534	1.4	349,081	351,868	(0.8)
Total equity	**675,353**	**673,185**	**0.3**	**612,773**	**615,560**	**(0.5)**
Total liabilities and equity	**1,213,686**	**1,210,831**	**0.2**	**637,453**	**637,362**	**N.M.**

N.M. – not meaningful

Footnotes:

1. *Decrease in other receivables was mainly due to refund of deposit payment of $4.8 million received in 1Q 2014.*

2. *Increase in property, plant and equipment was mainly due to additional costs incurred towards the construction of the hotel development property located at 165 Tyrwhitt Road.*

3. *Increase in other payables was mainly due to accrued dividend of $2.7 million in 1Q 2014, and offset by payment made to other creditors in relation to the construction works of 165 Tyrwhitt Road.*

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

	Group		Company	
	31 Mar 2014 S$'000	**31 Dec 2013 S$'000**	**31 Mar 2014 S$'000**	**31 Dec 2013 S$'000**
Secured borrowings				
- Amount repayable within one year	17,398	17,553	-	-
- Amount repayable after one year	464,573	464,975	-	-
(1)	**481,971**	**482,528**	**-**	**-**

Footnote:

1. *The decrease in the Group's borrowings as at 31 March 2014 was mainly due to repayment of term loans, partially offset by additional loans drawn down in connection with the construction of the hotel development at 165 Tyrwhitt Road.*

Details of collaterals

The credit facilities for the Group are secured by the following:

i) the legal mortgage of our hotels and hotel development property;

ii) assignment of rental proceeds, construction contracts, performance bonds (if any), insurance policies and debentures; and

iii) corporate guarantee by GPHL.

1(c) Consolidated Statement of Cash Flows

	Group	
	1Q 2014 S$'000	**1Q 2013 S$'000**
Operating activities		
Profit before income tax	4,795	5,247
Adjustments for:		
Interest income	(16)	(29)
Finance costs	2,020	1,951
Depreciation and amortisation	1,174	1,110
Operating cash flows before movements in working capital	**7,973**	**8,279**
Trade receivables	(127)	(42)
Other receivables	4,239	(268)
Trade payables	60	(439)
Other payables	688	445
Cash generated from operating activities	**12,833**	**7,975**
Interest paid [1]	(2,102)	(2,235)
Income tax paid	(1,292)	(39)
Net cash from operating activities	**9,439**	**5,701**
Investing activities		
Interest received	16	29
Purchase of property, plant and equipment	(3,951)	(1,283)
Net cash used in investing activities	**(3,935)**	**(1,254)**
Financing activities		
Proceeds from term loans	3,481	-
Repayment of term loans	(4,072)	(3,440)
Dividend	-	(2,104)
Net cash used in financing activities	**(591)**	**(5,544)**
Increase/(decrease) in cash and cash equivalents	**4,913**	**(1,097)**
Cash and cash equivalents at beginning of period	**11,578**	**15,313**
Cash and cash equivalents at end of period	**16,491**	**14,216**

Footnote:

1. Interest paid includes interest capitalised under property, plant and equipment.

1(d)(i) Statements of Changes in Equity

Group	**Share capital** S$'000	**Revaluation reserve** S$'000	**Merger reserve** S$'000	**Retained earnings** S$'000	**Total** S$'000
Balance as at 1 January 2014	**263,692**	**875,987**	**(555,028)**	**88,534**	**673,185**
Transactions with owners, recognised directly in equity					
Dividend	-	-	-	(2,735)	(2,735)
Total	-	-	-	(2,735)	(2,735)
Total comprehensive income for the period					
Profit for the period	-	-	-	3,950	3,950
Other comprehensive income for the period	-	953	-	-	953
Total	-	953	-	3,950	4,903
Balance as at 31 March 2014	**263,692**	**876,940**	**(555,028)**	**89,749**	**675,353**
Balance as at 1 January 2013	**263,692**	**621,584**	**(555,028)**	**79,788**	**410,036**
Transactions with owners, recognised directly in equity					
Dividend	-	-	-	(10,625)	(10,625)
Total	-	-	-	(10,625)	(10,625)
Total comprehensive income for the period					
Profit for the period	-	-	-	4,325	4,325
Other comprehensive income for the period	-	857	-	-	857
Total	-	857	-	4,325	5,182
Balance as at 31 March 2013	**263,692**	**622,441**	**(555,028)**	**73,488**	**404,593**

Company	**Share capital** S$'000	**Retained earnings** S$'000	**Total** S$'000
Balance as at 1 January 2014	**263,692**	**351,868**	**615,560**
Transactions with owners, recognised directly in equity			
Dividend	-	(2,735)	(2,735)
Total	-	(2,735)	(2,735)
Total comprehensive income for the period			
Loss for the period	-	(52)	(52)
Total	-	(52)	(52)
Balance as at 31 March 2014	**263,692**	**349,081**	**612,773**
Balance as at 1 January 2013	**263,692**	**1,966**	**265,658**
Transactions with owners, recognised directly in equity			
Dividend	-	(10,625)	(10,625)
Total	-	(10,625)	(10,625)
Total comprehensive income for the period			
Profit for the period	-	10,573	10,573
Total	-	10,573	10,573
Balance as at 31 March 2013	**263,692**	**1,914**	**265,606**

1(d)(ii) Details of any changes in the Company's issued Share Capital

	Company	
	No of shares	Capital S$'000
As at 1 January 2014 & as at 31 March 2014	**1,052,000,000**	**263,692**

There was no movement in the issued and paid-up capital of the Company since 31 December 2013.

1(d)(iii) Treasury Shares

The Company did not hold any treasury shares as at 31 March 2014 and 31 December 2013.

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, transfer, disposal, cancellation and/or use of treasury shares for the period ended 31 March 2014.

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

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's 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 recent audited annual financial statements have been applied

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2013, except for the adoption of new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6 Earnings per share ("EPS") based on profit after tax & non-controlling interest attributable to the equity holders of the Company

In computing the EPS, the weighted average number of shares as at the end of each period is used for the computation. The diluted EPS is the same as the basic EPS as there are no dilutive instruments in issue during the period.

	Group	
	1Q 2014	**1Q 2013**
Weighted average number of shares in issue	1,052,000,000	1,052,000,000
Earnings per share ("EPS")[1]		
Based on weighted average number of shares in issue	0.38¢	0.41¢
Based on fully diluted basis	0.38¢	0.41¢
Number of shares in issue at end of period	1,052,000,000	1,052,000,000

Footnote:

1. EPS for the period is calculated based on profit attributable to the equity holders of the Company.

7 Net asset value ("NAV") per share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
NAV per share	64.20¢	63.99¢	58.25¢	58.51¢

The NAV per share as at 31 March 2014 and 31 December 2013 were calculated based on the 1,052,000,000 shares in issue.

8 Review of the performance

Group	1Q 2014 S$'000	1Q 2013 S$'000	% Change
Hotel room revenue	13,551	14,300	(5.2)
Rental income	221	251	(12.0)
Total revenue	**13,772**	**14,551**	**(5.4)**
Cost of sales	(1,624)	(1,936)	(16.1)
Gross profit	**12,148**	**12,615**	**(3.7)**
Other operating income	439	181	142.5
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Profit before income tax	**4,795**	**5,247**	**(8.6)**
Income tax	(845)	(922)	(8.4)
Profit for the period	**3,950**	**4,325**	**(8.7)**

1Q 2014 vs 1Q 2013

Hotel room revenue for 1Q 2014 decreased by $0.7 million, or 5.2% over 1Q 2013. This was mainly due to i) lower contribution from Fragrance Hotel – Pearl of $0.3 million due to temporary closure to carry out Asset Enhancement Initiatives ("AEI") to achieve stronger positioning and better yield; ii) lower revenue of $0.2 million recognised from the remaining hotels; and iii) closure of Fragrance Hotel – Elegance in 4Q 2013 due to cessation of tenancy agreement.

The Group's average occupancy rate ("AOR") decreased from 89.6% in 1Q 2013 to 86.0% in 1Q 2014 and Revenue Per Available Room ("RevPAR") decreased from $91.4 in 1Q 2013 to $91.0 in 1Q 2014.

Rental income for 1Q 2014 decreased by 12.0% over 1Q 2013. This was due to lower recognition of rental income mainly from three commercial units within the hotels.

Cost of sales for 1Q 2014 decreased by $0.3 million, or 16.1% over 1Q 2013. This was mainly due to absence of rental expenses pertaining to Fragrance Hotel – Elegance which ceased operations, savings in utilities and cable services in 1Q 2014.

Other operating income for 1Q 2014 increased by $0.3 million, or 142.5% over 1Q 2013 due to recognition of wage credit in 1Q 2014 for qualifying year 2013.

Administrative expenses for 1Q 2014 increased by $0.2 million, or 3.1% over 1Q 2013. This was mainly due to i) increase in depreciation and staff costs; ii) recognition of one-off expenses in relation to voluntary unconditional cash offer by DBS Bank Ltd for and on behalf of Mr Koh Wee Meng in 1Q 2014; and partly offset by decrease in property tax expenses.

Finance costs for 1Q 2014 increased by $0.1 million, or 3.5% over 1Q 2013. This was mainly due to higher average interest rate in 1Q 2014 as compared to 1Q 2013.

Income tax for 1Q 2014 decreased by $0.1 million, or 8.4% over 1Q 2013 mainly due to decrease in profit before income tax.

9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

The current results are broadly in line with the prospects statement made in the fourth quarter 2013 financial results announcement.

10 Commentary on 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

According to Singapore Tourism Board ("STB"), visitor arrivals for 2013 grew by 6.9% year-on-year to 15.5 million[1], which was at the high end of STB's forecast of 14.8 million to 15.5 million visitors.

2014 is expected to see another year of good growth in visitor arrivals, driven by a robust line-up of MICE events planned throughout the year and the opening of the Singapore Sports Hub in June 2014. The STB has forecast visitor arrivals to grow to between 16.3 million and 16.8 million[2] this year.

While the forecast visitor arrivals and the up-coming events are encouraging indicators in Singapore hospitality industry, there may be limited upside opportunity to RevPAR due to the uncertain economic climate and the ample new supply of rooms in the pipeline. Hence, we expect the hospitality market in Singapore to remain challenging and competitive going forward.

Footnotes:
1. *Source: Estimated according to STB – International Visitor Arrivals Statistics published on 28 Feb 2014*
2. *Source: The Business Times published on 7 Mar 2014*

11 Dividend

11(a) **Current Financial Period**

Any dividend declared for the current financial period? No.

11(b) **Corresponding period of the preceding financial period**

Any dividend declared for the corresponding period of the immediate preceding financial period? No.

11(c)	Date payable	:	Not applicable
11(d)	Book 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

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position and the result of business, consolidated statement of profit or loss and other comprehensive income, statements of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 31 March 2014, to be false or misleading in any material respect.

On behalf of the Board

Mr Lim Chee Chong
Chief Executive Officer

Mr Periakaruppan Aravindan
Non-Executive Director

30 April 2014

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.