

Unaudited Financial Statement for the Half Year Ended 30 June 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 30 June 2017:

	Note	Quarter Ended 30 June			Half Year Ended 30 June		
		2017 S\$'000	2016 S\$'000	% Change	2017 S\$'000	2016 S\$'000	% Change
Revenue							
Hotel operations and management	1	34,030	34,216	-1%	69,311	69,639	0%
Rental income from investment properties	2	3,582	2,310	55%	7,050	4,637	52%
Total revenue		37,612	36,526	3%	76,361	74,276	3%
Other income		177	227	-22%	223	320	-30%
		37,789	36,753	3%	76,584	74,596	3%
Costs and expenses							
Staff costs		(10,931)	(11,904)	-8%	(22,107)	(23,738)	-7%
Depreciation and amortisation		(5,340)	(5,570)	-4%	(10,595)	(11,255)	-6%
Hotel operating expenses		(13,103)	(12,840)	2%	(25,116)	(25,712)	-2%
Total costs and expenses		(29,374)	(30,314)	-3%	(57,818)	(60,705)	-5%
Profit from operating activities		8,415	6,439	31%	18,766	13,891	35%
Profit from operating activities		8,415	6,439	31%	18,766	13,891	35%
Interest expense		(1,186)	(977)	21%	(2,377)	(2,054)	16%
Interest income		1,360	1,169	16%	2,703	2,530	7%
Foreign exchange (loss)/gain	3	(81)	(696)	-88%	436	(2,000)	n/m
Share of results of associates		(68)	(164)	-59%	(222)	(159)	40%
Profit before tax		8,440	5,771	46%	19,306	12,208	58%
Income tax expense		(2,313)	(1,692)	37%	(5,176)	(4,341)	19%
Net profit attributable to owners of the parent		6,127	4,079	50%	14,130	7,867	80%

n/m = Not meaningful

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

- Note 2 Hotel revenue was stable compared to Q2 2016. The loss in revenue contribution from the 408 room Surfers Paradise hotel which was sold in Q3 2016 was offset by the contribution in hotel revenue of the Townsville hotel and general increases in hotel revenue by the Singapore, Australia, New Zealand and China hotels.
- Note 2 Rental income from investment properties increased in Q2 2017 mainly due to the revenue contribution from Grand Central Building, Christchurch which had started recognising rental income from Jan 2017.
- Note 3 The foreign exchange loss in Q2 2017 was mainly due to the effect of the depreciation of the Australia dollar against the Singapore dollar for Australia fixed deposits held by the Company in Q2 2017.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 30 June 2017

Quarter Ended 30 June				Half Year Ended 30 June					
		2017 S\$'000	2016 S\$'000	% Change			2017 S\$'000	2016 S\$'000	% Change
Profit net of tax		6,127	4,079	50%			14,130	7,867	80%
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		876	76	1053%			1,638	155	957%
Foreign currency translation		1,363	(7,121)	n/m			4,221	(11,894)	n/m
		2,239	(7,045)	n/m			5,859	(11,739)	n/m
Other comprehensive income, net of tax		2,239	(7,045)	n/m			5,859	(11,739)	n/m
Total comprehensive income		8,366	(2,966)	n/m			19,989	(3,872)	n/m
Total comprehensive income attributable to:									
Owners of the parent		8,366	(2,966)	n/m			19,989	(3,872)	n/m
		8,366	(2,966)	n/m			19,989	(3,872)	n/m

n/m = Not meaningful

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

Note 1 The increase in the foreign currency translation in Q2 2017 was due to the effects of appreciation of the New Zealand dollar offset mainly by the depreciation of the Australia dollar against the Singapore dollar on the New Zealand and Australia subsidiaries' net assets 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 30 June 2017

Statements of Financial Position as at 30 June 2017		Group		Company	
	Note	30-Jun-17 S\$'000	31-Dec-16 S\$'000	30-Jun-17 S\$'000	31-Dec-16 S\$'000
Non-current assets					
Property, plant and equipment		1,044,268	1,049,214	268,988	270,038
Investment properties		211,951	208,852	-	-
Land use rights		1,147	1,199	-	-
Investment in subsidiaries		-	-	243,006	243,006
Investment in associates		9,588	10,413	11,574	11,574
Investment securities	1	12,020	10,358	12,020	10,358
Deferred tax assets		3,507	3,471	447	447
Goodwill		1,465	1,454	-	-
Intangible assets		91	90	-	-
		1,284,037	1,285,051	536,035	535,423
Current assets					
Inventories		816	832	18	32
Trade and other receivables		5,672	8,851	949	2,013
Prepaid operating expenses		3,057	2,453	64	109
Due from subsidiaries		-	-	1,299	753
Short - term deposits		304,553	297,364	196,616	193,604
Cash and bank balances		36,804	45,692	6,191	8,674
		350,902	355,192	205,137	205,185
Current liabilities					
Trade and other payables		19,380	26,706	999	539
Accrued operating expenses		11,491	10,581	6,217	8,762
Deferred income		601	756	-	-
Derivatives		580	509	243	-
Due to subsidiaries		-	-	3,530	2,880
Due to associated companies		104	63	104	63
Income tax payable		3,370	12,845	17	20
Finance lease obligations		18	18	18	18
Loans and borrowings		4,018	8,533	-	-
		39,562	60,011	11,128	12,282
Net current assets		311,340	295,181	194,009	192,903
Non-current liabilities					
Derivatives		-	318	-	318
Finance lease obligations		56	65	56	65
Loans and borrowings		131,326	136,594	35,300	38,700
Deferred tax liabilities		138,870	138,119	-	-
Net assets		1,325,125	1,305,136	694,688	689,243
Equity attributable to owners of the parent					
Issued capital		421,997	421,997	421,997	421,997
Fair value reserve		2,301	663	2,301	663
Asset revaluation reserve		626,679	626,679	198,590	198,590
Translation reserve	2	(68,638)	(72,859)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		341,354	327,224	71,800	67,993
Total equity		1,325,125	1,305,136	694,688	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 between the end of June 2017 and 31 Dec 2016.

Note 2 The decrease in the translation reserve loss was due to the appreciation of the Australia and New Zealand dollar exchange rates against the Singapore dollar as at 30 June 2017 compared to 31 Dec 2016.

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 2017		As at 31 December 2016	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
4,036	-	8,551	-

Amount repayable after one year

As at 30 June 2017		As at 31 December 2016	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
131,382	-	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

Statement of Cash Flow for the Period Ended 30 June 2017:

	Quarter Ended 30 June		Half Year Ended 30 June	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Operating activities				
Profit before tax	8,440	5,771	19,306	12,208
Adjustments for :-				
Depreciation of property, plant and equipment	5,329	5,559	10,573	11,232
Amortisation of land use rights	11	11	22	23
Fair value (gain)/loss on derivatives	(129)	311	(247)	1,224
Finance costs	1,186	977	2,377	2,054
Interest income	(1,360)	(1,169)	(2,703)	(2,530)
Share of results of associates	68	164	222	159
Operating cash flows before changes in working capital	13,545	11,624	29,550	24,370
(Increase)/decrease in inventories	(24)	(19)	24	44
Decrease in trade and other receivables	4,251	246	3,219	418
Increase in prepaid operating expenses	(633)	(692)	(581)	(432)
Decrease in trade and other payables	(3,345)	(49)	(6,669)	(4,599)
Cash flows generated from operations	13,794	11,110	25,543	19,801
Interest received	1,360	1,169	2,703	2,530
Finance costs	(1,186)	(977)	(2,377)	(2,054)
Tax paid	(13,079)	(1,679)	(14,831)	(4,971)
Net cash flows generated from operating activities	889	9,623	11,038	15,306
Investing activities				
Dividend income from associated companies	299	318	299	318
Additions to investment property	(1,744)	(10,627)	(1,744)	(17,940)
Purchase of investment securities	(3)	(3,185)	(25)	(3,486)
Purchase of property, plant and equipment	(972)	(15,512)	(2,368)	(17,035)
Net cash flows used in investing activities	(2,420)	(29,006)	(3,838)	(38,143)
Financing activities				
Cash dividends paid on ordinary shares	-	(33,152)	-	(33,152)
Increase in short-term deposits pledged	-	441	-	580
Proceeds from loans and borrowings	-	-	-	2,700
Repayments of loans and borrowings	(1,156)	(509)	(9,948)	(21,728)
Repayment of obligations under finance lease	(5)	-	(9)	-
Net cash flows used in financing activities	(1,161)	(33,220)	(9,957)	(51,600)
Decrease in cash and cash equivalents	(2,692)	(52,603)	(2,757)	(74,437)
Effect of exchange rate changes on cash and cash equivalents	14	464	1,058	(796)
Cash and cash equivalents at beginning of period	344,035	275,551	343,056	298,645
Cash and cash equivalents at end of period	341,357	223,412	341,357	223,412

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 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 April 2017	421,997	1,425	626,679	(70,001)	1,432	335,227	1,316,759
Profit net of tax	-	-	-	-	-	6,127	6,127
<u>Other comprehensive income for the period:</u>							
Net gain on fair value changes of available-for-sale financial assets	-	876	-	-	-	-	876
Foreign currency translation	-	-	-	1,363	-	-	1,363
Total comprehensive income for the period	-	876	-	1,363	-	6,127	8,366
Closing balance at 30 June 2017	421,997	2,301	626,679	(68,638)	1,432	341,354	1,325,125
Opening balance at 1 April 2016	421,997	405	634,735	(85,743)	1,432	302,861	1,275,687
Profit net of tax	-	-	-	-	-	4,079	4,079
<u>Other comprehensive income for the period:</u>							
Net gain on fair value changes of available-for-sale financial assets	-	76	-	-	-	-	76
Foreign currency translation	-	-	-	(7,121)	-	-	(7,121)
Total comprehensive income for the period	-	76	-	(7,121)	-	4,079	(2,966)
<u>Distributions to owners:</u>							
Cash dividends	-	-	-	-	-	(33,152)	(33,152)
Total distributions to owners:	-	-	-	-	-	(33,152)	(33,152)
Closing balance at 30 June 2016	421,997	481	634,735	(92,864)	1,432	273,788	1,239,569

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 April 2017	421,997	1,425	198,590	70,032	692,044
Profit net of tax	-	-	-	1,768	1,768

**Other comprehensive
income for the period:**Net gain on fair value changes
of available-for-sale
financial assets

-	876	-	-	876
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Total comprehensive
income for the period

-	876	-	1,768	2,644
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**Closing balance
at 30 June 2017**

421,997	2,301	198,590	71,800	694,688
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**Opening balance
at 1 April 2016**

421,997	405	199,103	90,794	712,299
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Profit net of tax

-	-	-	1,106	1,106
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**Other comprehensive
income for the period:**Net loss on fair value changes
of available for sale
financial assets

-	76	-	-	76
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Total comprehensive
income for the period

-	76	-	1,106	1,182
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Distributions to owners:

Cash dividends

-	-	-	(33,152)	(33,152)
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Total distributions to owners:

-	-	-	(33,152)	(33,152)
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**Closing balance
at 30 June 2016**

421,997	481	199,103	58,748	680,329
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- 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 30 June 2017. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 June 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 30 June	
2017	2016
0.92 cents	0.62 cents
0.92 cents	0.62 cents

Half Year Ended 30 June	
2017	2016
2.13 cents	1.19 cents
2.13 cents	1.19 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-17	31-Dec-16
S\$2.00	S\$ 1.97

Company	
30-Jun-17	31-Dec-16
S\$ 1.05	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 Q2 2017 was mainly due to the maiden contribution of revenue by Grand Central Building, Christchurch which started recognising rental income in Jan 2017. There was also a general increase in hotel revenue from the Singapore, Australia, New Zealand and China hotels. 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

The increase in the Group's net profit was mainly due to the additional rental income from investment properties and a lower foreign exchange loss of \$80,000 in Q2 2017. There was a foreign exchange loss of \$696,000 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 remain competitive.

Whilst the trading performance in the Australia and New Zealand hotels are expected to be improve 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/recommendedd, a statement to that effect**

No dividend has been declared or recommended for the quarter ended 30 June 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 30 June 2017 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 August 2017