

Unaudited Financial Statement for the Period Ended 30 Sep 2015

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 2015:

	Note	Quarter Ended 30 Sep			Period Ended 30 Sep		
		2015 S\$'000	2014 S\$'000	% Change	2015 S\$'000	2014 S\$'000	% Change
<b>Revenue</b>							
Hotel operations and management	1	31,271	33,781	-7%	88,782	103,283	-14%
Rental income from investment properties		2,244	2,479	-9%	7,048	7,678	-8%
<b>Total revenue</b>		<b>33,515</b>	<b>36,260</b>	<b>-8%</b>	<b>95,830</b>	<b>110,961</b>	<b>-14%</b>
Other income		141	71	99%	287	1,213	-76%
		<b>33,656</b>	<b>36,331</b>	<b>-7%</b>	<b>96,117</b>	<b>112,174</b>	<b>-14%</b>
<b>Costs and expenses</b>							
Staff costs		(10,623)	(12,645)	-16%	(33,193)	(37,504)	-11%
Depreciation and amortisation	2	(3,849)	(3,579)	8%	(10,214)	(12,765)	-20%
Hotel operating expenses		(12,983)	(13,913)	-7%	(38,599)	(41,606)	-7%
<b>Total costs and expenses</b>		<b>(27,455)</b>	<b>(30,137)</b>	<b>-9%</b>	<b>(82,006)</b>	<b>(91,875)</b>	<b>-11%</b>
<b>Profit from operating activities before fair value gain</b>		<b>6,201</b>	<b>6,194</b>	<b>0%</b>	<b>14,111</b>	<b>20,299</b>	<b>-30%</b>
Gain on disposal of property held for sale	3	63	-	n/m	5,811	-	100%
Gain on disposal of subsidiary		-	-	0%	70,637	-	100%
<b>Profit from operating activities</b>		<b>6,264</b>	<b>6,194</b>	<b>1%</b>	<b>90,559</b>	<b>20,299</b>	<b>346%</b>
Interest expense		(1,039)	(743)	40%	(2,433)	(2,136)	14%
Interest income		1,559	1,101	42%	4,635	3,091	50%
Foreign exchange (loss)/ gain	4	(1,735)	(5,365)	-68%	(7,385)	(2,113)	250%
Share of results of associates		200	(70)	n/m	643	35	1737%
<b>Profit before tax</b>		<b>5,249</b>	<b>1,117</b>	<b>370%</b>	<b>86,019</b>	<b>19,176</b>	<b>349%</b>
Income tax expense		(1,740)	(1,521)	14%	(5,562)	(5,042)	10%
<b>Net profit attributable to owners of the parent</b>		<b>3,510</b>	<b>(404)</b>	<b>n/m</b>	<b>80,457</b>	<b>14,134</b>	<b>469%</b>

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

- Note 1 Hotel revenue decreased in 2015 due to the lower contribution resulting from the disposal of Hotel Grand Chancellor Little India and Auckland Airport in Q1 2015 . Hotel revenue also decreased in 2015 due to the impact of lower average exchange rates for hotel revenue denominated in New Zealand and Australia dollars. The decrease in the hotel revenue was partly offset by revenue from Hotel Chancellor @ Orchard which commenced business in May 2015.
- Note 2 Depreciation for Q3 2015 increased compared to last year mainly due to the commencement of depreciation of Hotel Chancellor @ Orchard which soft opened in May 2015. This was partly offset by lower depreciation from the Little India and Auckland Airport hotels as they have been disposed in Q1 2015.
- Note 3 The gain on disposal of property held for sale in 2015 relates to the disposal of Hotel Grand Chancellor Auckland Airport in Q1 2015. The 2014 gain relates to the disposal of the Penang hotel.
- Note 4 The unrealized foreign exchange loss for the period ended 30 Sep 2015 was mainly due to the translation of Australian and New Zealand dollar fixed deposits at lower exchange rates vis a vis the Singapore dollar between 30 Sep 2015 and 30 June 2015 .

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 30 Sep 2015

	Note	Quarter Ended 30 Sep		
		2015 S\$'000	2014 S\$'000	% Change
<b>Profit net of tax</b>		3,510	(404)	n/m
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net fair value changes on available for sale quoted investments		(638)	94	n/m
Foreign currency translation	1	(13,851)	(25,909)	-47%
		(14,489)	(25,815)	-44%
<b>Other comprehensive income, net of tax</b>		(14,489)	(25,815)	-44%
<b>Total comprehensive income</b>		<b>(10,979)</b>	<b>(26,219)</b>	-58%
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		(10,979)	(26,219)	-58%
		<b>(10,979)</b>	<b>(26,219)</b>	-58%

Period Ended 30 Sep		
2015 S\$'000	2014 S\$'000	% Change
80,457	14,134	469%
(694)	(35)	1883%
(44,994)	(9,242)	387%
(45,688)	(9,277)	392%
(45,688)	(9,277)	392%
<b>34,769</b>	<b>4,857</b>	616%
34,769	4,857	616%
<b>34,769</b>	<b>4,857</b>	616%

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

Note 1 The foreign exchange translation loss arose principally due to the translation of the Group's Australia and New Zealand subsidiaries' net assets.

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 2015**

Statements of Financial Position as at 30 Sep 2015		Group		Company	
	Note	30-Sep-15 S\$'000	31-Dec-14 S\$'000	30-Sep-15 S\$'000	31-Dec-14 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		656,791	656,284	131,700	123,770
Investment properties		126,781	119,790	-	-
Land use rights		1,351	1,321	-	-
Investment in subsidiaries		-	-	225,862	228,374
Investment in associates		22,011	26,078	17,498	17,498
Investment securities		5,864	4,599	5,864	4,599
Deferred tax assets		3,897	4,230	-	-
Goodwill		1,921	2,122	-	-
Intangible assets		82	93	-	-
		818,698	814,517	380,924	374,241
<b>Current assets</b>					
Inventories		801	959	10	16
Trade and other receivables		7,068	9,357	988	2,182
Prepaid operating expenses		2,471	2,492	108	52
Due from subsidiaries		-	-	1,088	248
Short - term deposits	1	295,210	90,473	221,764	40,336
Pledged short-term deposits		35,862	38,146	35,862	38,146
Cash and bank balances		27,181	33,284	3,005	6,509
		368,593	174,711	262,825	87,489
Property held for sale	2	-	18,008	-	-
Assets of disposal entity held for sale	3	-	196,143	-	38,000
		368,593	388,862	262,825	125,489
<b>Current liabilities</b>					
Trade and other payables		17,718	20,785	399	4,018
Accrued operating expenses		2,520	5,467	1,327	1,864
Deferred income		109	725	-	-
Derivatives		-	4	-	4
Due to subsidiaries		-	-	2,536	2,595
Due to associated companies		71	163	71	65
Income tax payable		2,212	2,937	246	243
Finance lease obligations		-	6	-	-
Loans and borrowings	4	144,798	97,568	55,300	44,100
		167,428	127,655	59,879	52,889
Liabilities of disposal entity held for sale	3	-	73,081	-	-
		167,428	200,736	59,879	52,889
<b>Net current assets</b>		<b>201,165</b>	<b>188,126</b>	<b>202,946</b>	<b>72,600</b>
<b>Non-current liabilities</b>					
Loans and borrowings		50,084	50,779	-	-
Deferred tax liabilities		78,698	85,610	-	-
<b>Net assets</b>		<b>891,081</b>	<b>866,254</b>	<b>583,870</b>	<b>446,841</b>
<b>Equity attributable to owners of the parent</b>					
Issued capital	5	421,997	369,764	421,997	369,764
Fair value reserve		318	1,012	318	1,012
Asset revaluation reserve		271,320	277,382	69,325	69,325
Translation reserve	6	(98,406)	(53,412)	-	-
Other reserve		1,432	1,432	-	-
Reserve of disposal entity held for sale	3	-	83,018	-	-
Retained earnings		294,420	187,058	92,230	6,740
<b>Total equity</b>		<b>891,081</b>	<b>866,254</b>	<b>583,870</b>	<b>446,841</b>

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

- Note 1 The increase in the short - term deposits was mainly due to the placement of the net sale proceeds of the Little India and Auckland Airport hotels in short - term deposits. The increase was partially offset by the impact of the depreciation of the Australia and New Zealand exchange rates when translating Australia and New Zealand fixed deposits to Singapore dollars. In addition, there was a payment of cash dividend of \$9.9 million during the third quarter.
- Note 2 The property held for sale in 2014 relates to the Auckland Airport hotel. The sale of the hotel was completed on 5 March 2015.
- Note 3 This relates to the assets, liabilities and reserves of Hotel Grand Chancellor Pte Ltd ("HGCPL"). The Company entered into a sale and purchase agreement on 30 June 2014 to sell its entire shareholding in HGCPL. HGCPL was the owner and operator of Hotel Grand Chancellor located in Bellios Road, Little India, Singapore. The sale was completed on 15 January 2015.
- Note 4 The current loans and borrowings increased in 2015 due to additional drawdowns of the development loans in Singapore.
- Note 5 The increase in the issued capital was due to the completion of the scrip dividend exercise in Q3 2015.
- Note 6 The increase in the translation reserve loss was due to the significant depreciation in the Australia and New Zealand period end exchange rate compared to the end of last year.

**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 2015		As at 31 December 2014	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
144,798	-	97,574	-

**Amount repayable after one year**

As at 30 Sep 2015		As at 31 December 2014	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
50,084	-	50,779	-

**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 and certain fixed deposits of the Company.

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 30 Sep 2015:

	Quarter Ended 30 Sep		Period Ended 30 Sep	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before taxation including share of results of associates	5,249	1,117	86,018	19,176
<b>Adjustments for :-</b>				
Depreciation of property, plant and equipment	3,849	3,579	10,214	12,765
Fair value loss/(gain) on derivatives	27	(17)	(4)	(12)
Net loss on disposal of fixed asset	-	(30)	-	(1,059)
Gain on disposal of property held for sale	(63)	-	(5,811)	-
Gain on disposal of a subsidiary	-	-	(70,637)	-
Interest expense	1,039	743	2,433	2,136
Interest income	(1,559)	(1,101)	(4,635)	(3,091)
Share of results of associates	(200)	70	(643)	(35)
<b>Operating cash flows before changes in working capital</b>	<b>8,342</b>	<b>4,361</b>	<b>16,935</b>	<b>29,880</b>
Decrease/(increase) in inventories	(30)	(55)	75	(23)
Decrease/(increase) in trade and other receivables	(814)	(734)	1,523	282
(increase)/decrease in prepaid operating expenses	(264)	304	(197)	(880)
Increase/(decrease) in trade and other payables	1,132	3,222	(5,246)	(823)
<b>Cash flows from operations</b>	<b>8,366</b>	<b>7,098</b>	<b>13,090</b>	<b>28,436</b>
Interest received	1,559	1,101	4,635	3,091
Interest paid	(1,039)	(743)	(2,433)	(2,136)
Tax paid	(3,174)	(3,644)	(8,098)	(8,872)
<b>Net cash flows from operating activities</b>	<b>5,712</b>	<b>3,812</b>	<b>7,194</b>	<b>20,519</b>
<b>Investing activities</b>				
Dividend received from investment in associates	-	-	346	724
Proceeds from disposal of property, plant and equipment	-	60	23,601	17,582
Net cash inflow from disposal of subsidiary	-	-	248,000	-
Receipt from other long-term receivables	-	24	-	84
Purchase of investment property	(10,065)	(1,589)	(19,127)	(3,098)
Purchase of investment securities	(691)	(347)	(1,959)	(465)
Purchase of property, plant and equipment	(7,872)	(17,012)	(39,923)	(34,324)
<b>Net cash flows (used in)/from investing activities</b>	<b>(18,628)</b>	<b>(18,864)</b>	<b>210,938</b>	<b>(19,497)</b>
<b>Financing activities</b>				
Cash dividends paid on ordinary shares	(9,942)	-	(9,942)	(3,328)
Decrease in short-term deposits pledged	1,042	-	2,284	-
Proceeds from loans and borrowings	11,499	35,270	54,374	49,170
Repayments of loans and borrowings	-	(21,175)	(56,961)	(27,519)
Repayment of obligations under finance lease	(2)	(2)	(6)	(7)
<b>Net cash flows from/(used in) financing activities</b>	<b>2,597</b>	<b>14,093</b>	<b>(10,251)</b>	<b>18,316</b>
Net (decrease)/ increase in cash and cash equivalents	(10,319)	(959)	207,881	19,338
Effect of exchange rate changes on cash and cash equivalents	(3,255)	(3,745)	(9,247)	(1,829)
Cash and cash equivalents at beginning of period	335,965	154,235	123,757	132,022
<b>Cash and cash equivalents at end of period</b>	<b>322,391</b>	<b>149,531</b>	<b>322,391</b>	<b>149,531</b>

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 2015

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Opening balance at 1 July 2015</b>	369,764	956	271,320	(84,555)	1,432	353,085	912,002
Total comprehensive income for the year	-	(638)	-	(13,851)	-	3,510	(10,979)
Cash dividends	-	-	-	-	-	(9,942)	(9,942)
Scrip dividends	52,233	-	-	-	-	(52,233)	-
<b>Closing balance at 30 Sep 2015</b>	<u>421,997</u>	<u>318</u>	<u>271,320</u>	<u>(98,406)</u>	<u>1,432</u>	<u>294,420</u>	<u>891,081</u>
<b>Opening balance at 1 July 2014</b>	369,764	723	362,507	(23,080)	1,432	172,199	883,545
Total comprehensive income for the year	-	94	-	(25,909)	-	(404)	(26,219)
<b>Closing balance at 30 Sep 2014</b>	<u>369,764</u>	<u>817</u>	<u>362,507</u>	<u>(48,989)</u>	<u>1,432</u>	<u>171,795</u>	<u>857,326</u>
<b>Company</b>							
<b>Opening balance at 1 July 2015</b>	369,764	956	69,325	-	-	155,838	595,883
Total comprehensive income for the year	-	(638)	-	-	-	(1,433)	(2,071)
Cash dividends	-	-	-	-	-	(9,942)	(9,942)
Scrip dividends	52,233	-	-	-	-	(52,233)	-
<b>Closing balance at 30 Sep 2015</b>	<u>421,997</u>	<u>318</u>	<u>69,325</u>	<u>-</u>	<u>-</u>	<u>92,230</u>	<u>583,870</u>
<b>Opening balance at 1 July 2014</b>	369,764	723	69,325	-	-	7,371	447,183
Total comprehensive income for the year	-	94	-	-	-	(5,443)	(5,349)
<b>Closing balance at 30 Sep 2014</b>	<u>369,764</u>	<u>817</u>	<u>69,325</u>	<u>-</u>	<u>-</u>	<u>1,928</u>	<u>441,834</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 an increase in the number of issued shares in the capital of the Company due to the issuance of scrip dividends in the third quarter of 2015 of 41,258,038 new ordinary shares. The number of issued shares in the capital of the Company stood at 663,033,129 shares as at 30 September 2015.

The Company does not have any treasury shares as at 30 September 2015. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 September 2015.

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 compared with those of the audited financial statements as at 31 December 2014.

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

Quarter Ended 30 Sep	
2015	2014
0.55 cents	(0.07) cents
0.55 cents	(0.07) cents

Period Ended 30 Sep	
2015	2014
12.57 cents	2.33 cents
12.57 cents	2.33 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-15	31-Dec-14
S\$ 1.34	S\$ 1.39

Company	
30-Sep-15	31-Dec-14
S\$ 0.88	S\$ 0.72

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 decrease in the Group's revenue in Q3 2015 was mainly due to sale of the Hotel Grand Chancellor Little India and Auckland Airport and the impact of lower average exchange rates on translation of hotel revenue derived in Australia and New Zealand dollars. The decrease was partly offset by a maiden contribution to revenue by Hotel Chancellor @ Orchard which soft opened in May 2015.

**B) Group Profit Commentary**

The Group recorded a net profit of \$3.5 million in Q3 2015 against a loss of (\$0.4) million in the corresponding quarter last year. This was mainly due to a higher unrealized foreign exchange loss recorded in Q3 last year.

The unrealized foreign exchange loss for the period ended 30 Sep 2015 was mainly due to the translation of Australian and New Zealand dollar fixed deposits at lower exchange rates vis a vis the Singapore dollar between 30 Sep 2015 and 30 June 2015 .

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 operates in are generally expected to remain competitive for 2015.

In Singapore, two new hotels have commenced operations in May and October 2015 respectively. Whilst these new hotels will start to contribute to the Group's revenue, they will also be incurring one-off start up costs. The Singapore hotel industry is currently facing a slowdown in terms of room occupancy and average room rates due to an increase in hotel room supply.

In addition, the Brisbane hotel is currently facing weak trading due to a slowdown in the mining industry while the Palm Cove hotel's room rates are still soft due to the stiff competition in its vicinity.

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 30 Sep 2015.



**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

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary - Scrip	0	0
Ordinary - Cash	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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 2015 to be false or misleading.

**BY ORDER OF THE BOARD**

Lim Bee Lian Eliza  
Secretary  
13 November 2015