

Unaudited Financial Statement for the Period Ended 30 Sep 2018

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 2018:

	Note	Quarter Ended 30 Sep			Nine Months Ended 30 Sep		
		2018 S\$'000	2017 S\$'000 Restated	% Change	2018 S\$'000	2017 S\$'000 Restated	% Change
Revenue							
Hotel operations and management		34,966	37,274	-6%	104,176	106,585	-2%
Rental income from investment properties		4,732	4,325	9%	14,506	11,375	28%
Total revenue	1	39,698	41,599	-5%	118,682	117,960	1%
Other income		80	206	-61%	350	430	-19%
		39,778	41,805	-5%	119,032	118,390	1%
Costs and expenses							
Staff costs	2	(14,590)	(12,504)	17%	(37,379)	(34,611)	8%
Depreciation and amortisation		(5,129)	(5,328)	-4%	(15,423)	(15,923)	-3%
Hotel operating expenses		(13,494)	(12,729)	6%	(38,841)	(37,845)	3%
Total costs and expenses		(33,213)	(30,561)	9%	(91,643)	(88,379)	4%
Profit from operating activities		6,565	11,244	-42%	27,389	30,011	-9%
Interest expense		(662)	(1,336)	-50%	(1,992)	(3,713)	-46%
Interest income		1,024	1,096	-7%	3,178	3,799	-16%
Foreign exchange (loss)/gain		(1,703)	262	n/m	(4,360)	698	n/m
Share of results of associates		(56)	344	n/m	(265)	122	n/m
Profit before tax		5,168	11,610	-55%	23,950	30,917	-23%
Income tax expense	3	(2,290)	(2,047)	12%	(7,596)	(7,303)	4%
Net profit attributable to owners of the parent		2,879	9,563	-70%	16,354	23,614	-31%

n/m = Not meaningful

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

Note 1 The Group's revenue decreased in Q3 2018 mainly due to the effects of translating Australia and New Zealand revenue at lower average exchange rates compared to the corresponding period last year. Without the weaker foreign currency translation effect, the Group's revenue for the nine months ended 30 Sep 2018 was in fact marginally above last year.

Note 2 Staff costs increased in Q3 2018 due to the payment of the special remuneration of \$3 million to 3 directors in conjunction with the Company's 50th anniversary this year. The payment of the special remuneration was approved in the Company's last AGM.

Note 3 Income tax expense increased in Q3 2018 mainly due to higher profits in New Zealand and Hotel Chancellor @ Orchard, Singapore.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Periods Ended 30 Sep 2018

	<u>Note</u>	Quarter Ended 30 Sep			Nine Months Ended 30 Sep		
		2018 S\$'000	2017 S\$'000 Restated	% Change	2018 S\$'000	2017 S\$'000 Restated	% Change
Profit net of tax		2,879	9,563	-70%	16,354	23,614	-31%
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Net (loss)/gain on fair value changes of financial assets at fair value through other comprehensive income		(82)	205	n/m	(991)	1,843	n/m
Reduction of development cost accruals for completed hotels in Singapore		-	-	0%	6,905	-	100%
Foreign currency translation	1	(13,070)	(2,734)	378%	(29,203)	1,487	n/m
		(13,152)	(2,529)	420%	(23,289)	3,330	n/m
Other comprehensive income, net of tax		(13,152)	(2,529)	420%	(23,289)	3,330	n/m
Total comprehensive income		(10,273)	7,034	n/m	(6,935)	26,944	n/m
Total comprehensive income attributable to:							
Owners of the parent		(10,273)	7,034	n/m	(6,935)	26,944	n/m
		(10,273)	7,034	n/m	(6,935)	26,944	n/m

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

Note 1 The foreign currency translation loss for Q3 2018 was principally due to the effects of the depreciation in the Australia and New Zealand dollar exchange rates on translating the net assets of the Australia and New Zealand subsidiaries to Singapore dollar as at 30 Sep 2018 compared to 30 June 2018.

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 2018

Note	Group			Company		
	30-Sep-18 S\$'000	31-Dec-17 S\$'000 (Restated)	1-Jan-17 S\$'000 (Restated)	30-Sep-18 S\$'000	31-Dec-17 S\$'000 (Restated)	1-Jan-17 S\$'000 (Restated)
Non-current assets						
Property, plant and equipment	1,007,925	1,027,625	1,049,214	267,716	267,942	270,038
Investment properties	264,031	277,820	208,852	-	-	-
Land use rights	1,024	1,092	1,199	-	-	-
Investment in subsidiaries	-	-	-	337,069	329,091	243,006
Investment in associates	8,316	8,879	10,413	10,867	10,867	11,574
Investment securities	13,374	13,624	10,358	13,374	13,624	10,358
Deferred tax assets	2,854	3,078	3,471	-	65	447
Goodwill	1,339	1,411	1,454	-	-	-
Intangible assets	81	85	90	-	-	-
	1,298,944	1,333,614	1,285,051	629,026	621,589	535,423
Current assets						
Inventories	751	834	832	16	16	32
Trade and other receivables	6,065	8,438	8,806	426	1,023	2,013
Land use rights	44	45	45	-	-	-
Prepaid operating expenses	3,682	2,829	2,453	115	86	109
Property held for sale	1,175	1,240	-	-	-	-
Due from subsidiaries	-	-	-	1,130	512	753
Short - term deposits	185,207	222,591	297,364	105,654	160,739	193,604
Cash and bank balances	33,669	38,411	45,692	4,268	6,860	8,674
	230,593	274,388	355,192	111,609	169,236	205,185
Current liabilities						
Trade and other payables	13,317	22,468	26,706	234	338	539
Accrued operating expenses	3,044	11,184	10,581	327	7,240	8,762
Deferred income	649	777	756	-	-	-
Derivatives	-	83	509	-	83	-
Due to subsidiaries	-	-	-	3,786	3,047	2,880
Due to associated companies	43	66	63	43	66	63
Income tax payable	4,222	5,478	12,845	-	-	20
Finance lease obligations	18	18	18	18	18	18
Loans and borrowings	4,517	40,048	8,533	-	35,300	-
	25,810	80,122	60,011	4,408	46,092	12,282
Net current assets	204,783	194,266	295,181	107,201	123,144	192,903
Non-current liabilities						
Derivatives	-	-	318	-	-	318
Finance lease obligations	33	47	65	33	47	65
Loans and borrowings	54,650	60,537	136,594	-	-	38,700
Deferred tax liabilities	142,638	145,346	142,557	5,286	4,597	4,438
Net assets	1,306,406	1,321,950	1,300,698	730,908	740,089	684,805
Equity attributable to owners of the parent						
Issued capital	502,537	455,922	421,997	502,537	455,922	421,997
Fair value reserve	2,568	3,559	663	2,568	3,559	663
Asset revaluation reserve	633,288	626,383	626,679	201,567	198,824	198,590
Translation reserve	(115,771)	(86,568)	(72,859)	-	-	-
Other reserve	1,432	1,432	1,432	-	-	-
Retained earnings	282,352	321,222	322,786	24,236	81,784	63,555
Total equity	1,306,406	1,321,950	1,300,698	730,908	740,089	684,805

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

Note 1 Both investment properties and property, plant and equipment decreased mainly due to the translation effects at lower period end Australia and New Zealand exchange rates.

Note 2 The reduction of trade and other receivables is mainly due to collections received after year end.

Note 3 Both trade and other payables and accrued operating expenses decreased due to payments to building contractors after year end.

Note 4 The current loan and borrowings for the Company was fully repaid in Q1 2018.

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 2018		As at 31 Dec 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
4,535	-	40,066	-

Amount repayable after one year

As at 30 Sep 2018		As at 31 Dec 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
54,683	-	60,584	-

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 2018:

	Notes	Quarter Ended 30 Sep		Nine Months Ended 30 Sep	
		2018 S\$'000	2017 S\$'000 (Restated)	2018 S\$'000	2017 S\$'000 (Restated)
Operating activities					
Profit before tax		5,168	11,610	23,950	30,917
Adjustments for :-					
Depreciation of property, plant and equipment		5,118	5,316	15,389	15,889
Amortisation of land use rights		11	12	34	34
Net gain on disposal of investment securities		-	-	(19)	-
Fair value gain on derivatives		-	(291)	(83)	(538)
Finance costs		662	1,336	1,992	3,713
Interest income		(1,024)	(1,096)	(3,178)	(3,799)
Share of results of associates		56	(344)	265	(122)
Operating cash flows before changes in working capital		9,991	16,543	38,350	46,094
(Increase)/decrease in inventories		(20)	-	42	24
Decrease/(increase) in trade and other receivables		1,356	(1,234)	3,524	1,985
Increase in prepaid operating expenses		(1,857)	(494)	(2,431)	(1,075)
(Decrease)/increase in trade and other payables		(5,567)	1,868	(8,303)	(4,801)
Cash flows generated from operations		3,903	16,683	31,182	42,227
Interest received		1,024	1,096	3,178	3,799
Finance costs		(662)	(1,336)	(1,992)	(3,713)
Tax paid		(2,061)	(1,369)	(8,309)	(16,200)
Net cash flows generated from operating activities		2,204	15,074	24,059	26,113
Investing activities					
Dividend income from associated companies		-	-	317	299
Additions to investment property		(46)	(65,714)	(98)	(67,458)
Proceeds from disposal of investment securities		1,000	-	1,207	-
Purchase of investment securities		(394)	(113)	(1,929)	(138)
Purchase of property, plant and equipment		(3,375)	(2,508)	(14,416)	(4,876)
Net cash flows used in investing activities		(2,815)	(68,335)	(14,919)	(72,173)
Financing activities					
Cash dividends paid on ordinary shares		(8,610)	(5,857)	(8,610)	(5,857)
Proceeds from loans and borrowings		-	30,380	-	30,380
Repayments of loans and borrowings		(629)	(842)	(38,236)	(10,790)
Repayment of obligations under finance lease		(4)	(4)	(13)	(13)
Net cash flows (used in)/generated from financing activities		(9,243)	23,677	(46,859)	13,720
Decrease in cash and cash equivalents		(9,854)	(29,584)	(37,719)	(32,340)
Effect of exchange rate changes on cash and cash equivalents		(2,452)	(727)	(4,407)	330
Cash and cash equivalents at beginning of period		231,182	341,357	261,002	343,056
Cash and cash equivalents at end of period		218,876	311,046	218,876	311,046

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 2018

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 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	-	-	-	-	-	2,879	2,879
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)	-	2,879	(10,273)
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)	502,537	2,568	633,288	(115,771)	1,432	282,352	1,306,406
Opening balance at 1 July 2017	421,997	2,301	626,679	(68,638)	1,432	341,354	1,325,125
Effects of adopting SFRS (I)1 *	-	-	-	-	-	(4,518)	(4,518)
Opening balance at 1 July 2017 (Restated)	421,997	2,301	626,679	(68,638)	1,432	336,836	1,320,607
Profit net of tax	-	-	-	-	-	9,563	9,563
Other comprehensive income for the period:							
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	205	-	-	-	-	205
Foreign currency translation	-	-	-	(2,734)	-	-	(2,734)
Total comprehensive income for the period	-	205	-	(2,734)	-	9,563	7,034
Distributions to owners:							
Scrip dividends	33,925	-	-	-	-	(33,925)	-
Cash dividends	-	-	-	-	-	(5,857)	(5,857)
Total distributions to owners:	33,925	-	-	-	-	(39,782)	(5,857)
Closing balance at 30 Sep 2017 (Restated)	455,922	2,506	626,679	(71,372)	1,432	306,617	1,321,784

* Please refer to explanatory note in Item 4 (a) below.

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 July 2018	455,922	2,650	201,567	87,211	747,350
Effects of adopting SFRS (I)1 *	-	-	-	(4,597)	(4,597)
Opening balance at 1 July 2018 (Restated)	455,922	2,650	201,567	82,614	742,753
Profit net of tax	-	-	-	(3,153)	(3,153)
Other comprehensive income for the period:					
Net loss on fair value changes of financial assets at fair value through other comprehensive income	-	(82)	-	-	(82)
Total comprehensive income for the period	-	(82)	-	(3,153)	(3,235)
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)	502,537	2,568	201,567	24,236	730,908
Opening balance at 1 July 2017	421,997	2,301	198,590	71,800	694,688
Effects of adopting SFRS (I)1 *	-	-	-	(4,518)	(4,518)
Opening balance at 1 July 2017 (Restated)	421,997	2,301	198,590	67,282	690,170
Profit net of tax	-	-	-	2,185	2,185
Other comprehensive income for the period:					
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	205	-	-	205
Total comprehensive income for the period	-	205	-	2,185	2,390
Distributions to owners:					
Scrip dividends	33,925	-	-	(33,925)	-
Cash dividends	-	-	-	(5,857)	(5,857)
Total distributions to owners:	33,925	-	-	(39,782)	(5,857)
Closing balance at 30 Sep 2017 (Restated)	455,922	2,506	198,590	29,685	686,703

* Please refer to explanatory note in Item 4 (a) below.

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 2018 of 36,220,386 new ordinary shares. The number of issued shares in the capital of the Company stood at 726,535,377 shares as at 30 Sep 2018.

The Company does not have any treasury shares as at 30 Sep 2018. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 Sep 2018.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards(International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board(IASB).

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 2017 except for the adoption of the SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I)(1) First - Time Adoption of Singapore Financial Reporting Standards(International)
- SFRS(I)(9) Financial Instruments
- SFRS(I)(15) Revenue from Contracts with Customers

a) Application of SFRS(I) (1)

Under the transition requirements of SFRS(I)1 First-time Adoption of Singapore Financial Reporting Standards(international), the date of transition is on 1 January 2017 and accordingly the statement of financial position has been restated from 1 January 2017.

On transition to SFRS(I), the Group recognised deferred tax liabilities of \$4,438,622 arising from unremitted foreign-sourced interest income with the corresponding entry recognised in opening retained earnings as at 1 January 2017.

The effects of adopting SFRS(I)(1) are as follow:

(Decrease)/increase in:

Consolidated balance sheet

	Group and Company	
	31-Dec-17	1-Jan-17
	S\$'000	S\$'000
Deferred tax liabilities	4,597	4,438
Retained earnings	(4,597)	(4,438)

Consolidated income statement

	Group
	Period ended
	30 Sep 2017
Increase in:	
Income tax expense	40

b) Application of SFRS(I) (9)

SFRS(I)(9) introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) (9) on the Group's financial statements.

SFRS(I)(9) requires the Group to record expected credit losses on all its loans and trade receivables. The Group adopts the simplified approach and does not have a significant impact on the Group's financial statements.

c) Application of SFRS(I) (15)

SFRS(I)(15) establishes a five-step model to account for revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption of SFRS(I)(15) does not have a material impact on the Group's financial statements.

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	
2018	2017 Restated
0.41 cents	1.42 cents
0.41 cents	1.42 cents

Nine Months Ended 30 Sep	
2018	2017 Restated
2.34 cents	3.50 cents
2.34 cents	3.50 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-18	31-Dec-17 Restated
S\$ 1.80	S\$ 1.92

Company	
30-Sep-18	31-Dec-17 Restated
S\$ 1.01	S\$ 1.07

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

Refer to explanatory note under Note 1 of Item 1(a)(ii) above.

B) Group Profit Commentary

The decrease in the Group's net profit in Q3 2018 was mainly due to the following factors:

1. Lower Group revenue for Q3 2018 compared to last year
2. Payment of the special remuneration of \$3 million to 3 directors in Q3 2018 in conjunction with the Company's 50th anniversary this year.
The payment of the special remuneration was approved in the Company's last AGM.
3. A foreign exchange loss of \$1.7 million reported for Q3 2018 compared to a gain of \$0.3 million last year. This foreign exchange loss arose principally due to the translation of Australia and New Zealand dollar fixed deposits held by the Company

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**

Barring further weakening in the Australia and New Zealand exchange rates, the overall outlook for the Group's Australia hotels is expected to be stable in 2018. In New Zealand, the Group's Wellington hotel is expected to perform weaker than last year due to a major refurbishment project which commenced in Q3 2018. The New Zealand segment performance will be cushioned by contribution from the Group's two new investment properties which will contribute fully to 2018 compared to a partial contribution to 2017 earnings. In Singapore, the Group's hotels are expected to operate in a competitive market due to the increases in hotel room supply in recent years.

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 2018.

**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 S\$'000	Previous Full Year S\$'000
Scrip dividend	0	0
Cash dividend	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 Sep 2018 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 Nov 2018