

Unaudited Financial Statement for the Period Ended 30 June 2016

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 2016:

	Note	Quarter Ended 30 June			Half Year Ended 30 June		
		2016 S\$'000	2015 S\$'000	% Change	2016 S\$'000	2015 S\$'000	% Change
Revenue							
Hotel operations and management	1	34,216	26,176	31%	69,639	57,511	21%
Rental income from investment properties		2,310	2,372	-3%	4,637	4,804	-3%
Total revenue		36,526	28,548	28%	74,276	62,315	19%
Other income		227	69	228%	320	145	121%
		36,753	28,617	28%	74,596	62,460	19%
Costs and expenses							
Staff costs		(11,904)	(11,032)	8%	(23,738)	(22,570)	5%
Depreciation and amortisation	2	(5,570)	(3,423)	63%	(11,255)	(6,365)	77%
Sales commission on disposal of subsidiary		-	-	0%	-	(1,736)	-100%
Hotel operating expenses		(12,840)	(11,334)	13%	(25,712)	(23,880)	8%
Total costs and expenses		(30,314)	(25,789)	18%	(60,705)	(54,551)	11%
		6,439	2,828	128%	13,891	7,909	76%
Gain on disposal of property held for sale		-	-	0%	-	5,748	-100%
Gain on disposal of subsidiary		-	-	0%	-	70,637	-100%
Profit from operating activities		6,439	2,828	128%	13,891	84,294	-84%
Interest expense	3	(977)	(783)	25%	(2,054)	(1,394)	47%
Interest income		1,169	1,619	-28%	2,530	3,076	-18%
Foreign exchange loss		(696)	(4,117)	-83%	(2,000)	(5,650)	-65%
Share of results of associates		(164)	452	n/m	(159)	443	n/m
Profit/ (loss) before tax		5,771	(1)	n/m	12,208	80,769	-85%
Income tax expense		(1,692)	323	n/m	(4,341)	(3,822)	14%
Net profit attributable to owners of the parent		4,079	322	1167%	7,867	76,947	-90%

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

Note 1 Hotel revenue increased in 2016 mainly due to the revenue contribution from Hotel Chancellor @ Orchard and Hotel Grand Central in Singapore which commenced hotel operations in May 2015 and Oct 2015 respectively.

Note 2 The higher depreciation in 2016 was due to the depreciation of the Hotel Chancellor @ Orchard and Hotel Grand Central in Singapore which were only depreciated when they commenced operations in May 2015 and Oct 2015 respectively.

Note 3 The higher interest expense was due to interest expenses charged on the 2 Singapore loans. These expenses were previously capitalised as part of the two hotels' redevelopment costs in 2015 up to the hotels' opening dates.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 30 June 2016

	Quarter Ended 30 June			Half Year Ended 30 June		
	2016 S\$'000	2015 S\$'000	% Change	2016 S\$'000	2015 S\$'000	% Change
Profit net of tax	4,079	322	1167%	7,867	76,947	-90%
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	76	(102)	n/m	155	(56)	n/m
Foreign currency translation	(7,121)	(20,192)	-65%	(11,894)	(31,143)	-62%
	(7,045)	(20,294)	-65%	(11,739)	(31,199)	-62%
Other comprehensive income, net of tax	(7,045)	(20,294)	-65%	(11,739)	(31,199)	-62%
Total comprehensive income	(2,966)	(19,972)	-85%	(3,872)	45,748	n/m
Total comprehensive income attributable to:						
Owners of the parent	(2,966)	(19,972)	-85%	(3,872)	45,748	n/m
	(2,966)	(19,972)	-85%	(3,872)	45,748	n/m

Note

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 2016

Statements of Financial Position as at 30 June 2016		Group		Company	
		30-Jun-16 S\$'000	31-Dec-15 S\$'000	30-Jun-16 S\$'000	31-Dec-15 S\$'000
Note					
Non-current assets					
Property, plant and equipment	1	1,041,261	1,097,793	269,531	270,348
Investment properties	2	172,804	157,748	-	-
Land use rights		1,192	1,302	-	-
Investment in subsidiaries		-	-	243,006	225,862
Investment in associates		11,834	12,079	12,401	12,401
Investment securities	3	9,784	6,143	9,784	6,143
Deferred tax assets		4,039	4,144	547	547
Goodwill		1,964	2,009	-	-
Intangible assets		86	87	-	-
		1,242,964	1,281,305	535,269	515,301
Current assets					
Inventories		853	920	18	19
Trade and other receivables		8,664	9,233	1,130	1,192
Prepaid operating expenses		2,765	2,396	210	96
Due from subsidiaries		-	-	2,407	824
Pledged short-term deposits		36,755	37,335	36,755	37,335
Short - term deposits		187,954	268,434	148,509	203,230
Cash and bank balances		35,458	30,211	7,929	2,941
		272,449	348,529	196,958	245,637
Property held for sale	4	50,002	-	-	-
		322,451	348,529	196,958	245,637
Current liabilities					
Trade and other payables		21,146	21,104	705	430
Accrued operating expenses		8,776	13,954	7,182	8,512
Deferred income		466	373	-	-
Derivatives		1,224	-	507	-
Due to subsidiaries		-	-	4,479	2,674
Due to associated companies		104	73	82	73
Income tax payable		1,456	2,519	243	38
Loans and borrowings		50,274	71,739	-	-
		83,446	109,762	13,198	11,727
Net current assets		239,005	238,767	183,760	233,910
Non-current liabilities					
Loans and borrowings		102,991	102,027	38,700	36,000
Deferred tax liabilities		139,409	141,453	-	-
Net assets		1,239,569	1,276,592	680,329	713,211
Equity attributable to owners of the parent					
Issued capital		421,997	421,997	421,997	421,997
Fair value reserve		481	326	481	326
Asset revaluation reserve		634,735	634,735	199,103	199,103
Translation reserve	5	(92,864)	(80,970)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		273,788	299,072	58,748	91,785
Total equity		1,239,569	1,276,592	680,329	713,211

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

- Note 1 Property, plant and equipment reduced mainly due to the reclassification of Hotel Grand Chancellor Surfers Paradise to property held for sale (Note 4) and depreciation during the period. The reduction was partly offset by the purchase of a hotel asset in Australia during the period. The purchase price allocation exercise is currently ongoing.
- Note 2 The increase in investment properties was due to additional construction costs in Christchurch during the period.
- Note 3 The increase in investment securities was mainly due to additional purchase of investment securities during the period.
- Note 4 This relates to Hotel Grand Chancellor Surfers Paradise. The sale of the hotel was contracted on 24 May 2016 and completed on 13 July 2016.
- Note 5 The increase in the translation reserve loss was due to the depreciation of the Australia dollar period end exchange rate against the the Singapore dollar 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 June 2016		As at 31 December 2015	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
50,274	-	71,739	-

Amount repayable after one year

As at 30 June 2016		As at 31 December 2015	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
102,991	-	102,027	-

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 June 2016:

	Quarter Ended 30 June		Half Year Ended 30 June	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation including share of results of associates	5,771	(1)	12,208	80,769
Adjustments for :-				
Depreciation of property, plant and equipment	5,570	3,423	11,255	6,365
Fair value loss /(gain) on derivatives	311	9	1,224	(31)
Gain on disposal of property held for sale	-	-	-	(5,748)
Gain on disposal of entity held for sale	-	-	-	(70,637)
Interest expense	977	783	2,054	1,394
Interest income	(1,169)	(1,619)	(2,530)	(3,076)
Share of results of associates	164	(452)	159	(443)
Operating cash flows before changes in working capital	11,624	2,143	24,370	8,593
Decrease in inventories	(19)	50	44	105
Decrease in trade and other receivables	246	1,761	418	2,337
(Increase)/decrease in prepaid operating expenses	(692)	(518)	(432)	67
(Decrease)/increase in trade and other payables	(49)	2,455	(4,599)	(6,378)
Cash flows generated from operations	11,110	5,891	19,801	4,724
Interest received	1,169	1,619	2,530	3,076
Interest paid	(977)	(783)	(2,054)	(1,394)
Tax paid	(1,679)	(3,891)	(4,971)	(4,924)
Net cash flows generated from operating activities	9,623	2,836	15,306	1,482
Investing activities				
Dividend income from associated companies	318	346	318	346
Proceeds from disposal of property held for sale	-	-	-	23,601
Net cash inflow from disposal of entity held for sale	-	-	-	248,000
Additions to investment property	(10,627)	(5,347)	(17,940)	(9,062)
Purchase of investment securities	(3,185)	(865)	(3,486)	(1,268)
Purchase of property, plant and equipment	(15,512)	(17,543)	(17,035)	(32,051)
Net cash flows (used in)/generated from investing activities	(29,006)	(23,409)	(38,143)	229,566
Financing activities				
Cash dividends paid on ordinary shares	(33,152)	-	(33,152)	-
(Decrease)/increase in short-term deposits pledged	441	(47)	580	1,242
Proceeds from loans and borrowings	-	20,231	2,700	44,168
Repayments of loans and borrowings	(509)	(1,366)	(21,728)	(58,254)
Repayment of obligations under finance lease	-	(2)	-	(4)
Net cash flows used in financing activities	(33,220)	18,816	(51,600)	(12,848)
Net (decrease)/increase in cash and cash equivalents	(52,603)	(1,757)	(74,437)	218,200
Effect of exchange rate changes on cash and cash equivalents	464	(4,330)	(796)	(5,992)
Cash and cash equivalents at beginning of period	275,551	342,052	298,645	123,757
Cash and cash equivalents at end of period	223,412	335,965	223,412	335,965

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 2016

Group

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Reserve of disposal entity held for sale \$'000	Total Equity \$'000
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
Other comprehensive income for the year:								
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 year	-	76	-	(7,121)	-	4,079	-	(2,966)
Distributions to owners:								
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
Opening balance at 1 April 2015	369,764	1,058	271,320	(64,363)	1,432	186,727	166,036	931,974
Profit net of tax	-	-	-	-	-	322	-	322
Other comprehensive income for the year:								
Net gain on fair value changes of available-for-sale financial assets	-	(102)	-	-	-	-	-	(102)
Foreign currency translation	-	-	-	(20,192)	-	-	-	(20,192)
Total comprehensive income for the year	-	(102)	-	(20,192)	-	322	-	(19,972)
Closing balance at 30 June 2015	369,764	956	271,320	(84,555)	1,432	187,049	166,036	912,002

Company	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Reserve of disposal entity held for sale \$'000	Total Equity \$'000
Opening balance at 1 April 2016	421,997	405	199,103	-	-	90,794	-	712,299
Profit net of tax	-	-	-	-	-	1,106	-	1,106
<u>Other comprehensive income for the year:</u>								
Net gain on fair value changes of available-for-sale financial assets	-	76	-	-	-	-	-	76
Total comprehensive income for the year	-	76	-	-	-	1,106	-	1,182
<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	199,103	-	-	58,748	-	680,329
Opening balance at 1 April 2015	369,764	1,058	69,325	-	-	159,241	-	599,388
Profit net of tax	-	-	-	-	-	(3,403)	-	(3,403)
<u>Other comprehensive income for the year:</u>								
Net gain on fair value changes of available for sale financial assets	-	(102)	-	-	-	-	-	(102)
Total comprehensive income for the year	-	(102)	-	-	-	(3,403)	-	(3,505)
Closing balance at 30 June 2015	369,764	956	69,325	-	-	155,838	-	595,883

- 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 2016. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 June 2016.

- 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 2015.

- 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 June	
2016	2015
0.62 cents	0.05 cents
0.62 cents	0.05 cents

Half Year Ended 30 June	
2016	2015
1.19 cents	12.38 cents
1.19 cents	12.38 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-16	31-Dec-15
S\$ 1.87	S\$ 1.93

Company	
30-Jun-16	31-Dec-15
S\$ 1.03	S\$ 1.08

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 in Q2 2016 increased by 28% compared to Q2 2015 mainly due to full quarter contribution to revenue in 2016 by Hotel Chancellor @ Orchard and Hotel Grand Central which soft opened in May and October 2015 respectively.

B) Group Profit Commentary

The increase in the Group's net profit was mainly due to the following:

- a) full contribution to net profit by Hotel Grand Central and Hotel Chancellor @ Orchard during the quarter.
- b) lower foreign exchange loss of \$696,000 compared to \$4,117,000 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 operates in are expected to be affected by the uncertainty in the global economy. In addition, the Singapore market is expected to face a slowdown in terms of room occupancy and average room rates due to an 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/recommended, a statement to that effect**

No dividend has been declared or recommended for the quarter ended 30 June 2016.

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

Ordinary - Scrip
Ordinary - Cash
Total

Latest Full Year	Previous Full Year
S\$'000	S\$'000
0	0
0	0
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 2016 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
12 August 2016