



# HOTEL ROYAL LIMITED

(Incorporated in the Republic of Singapore)  
(Co. Reg. No. 196800298G)

## 1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

The Directors of Hotel Royal Limited (the “Company”) are pleased to announce the following unaudited results of the Group for the third quarter and nine months ended 30 September 2016.

### 1(a) CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the third quarter and nine months ended 30 September

		<u>Group</u>					
		<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
		<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>
<u>Notes</u>		<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
	Revenue	15,090	14,107	7.0	43,600	43,268	0.8
	Cost of sales	(6,534)	(7,456)	(12.4)	(20,528)	(22,125)	(7.2)
	Gross profit	8,556	6,651	28.6	23,072	21,143	9.1
	Other income	454	188	>100	854	1,096	(22.1)
	Distribution costs	(443)	(463)	(4.3)	(771)	(1,065)	(27.6)
	Administrative expenses	(3,954)	(3,308)	19.5	(11,569)	(11,090)	4.3
	Other expenses	(186)	(1,190)	(84.4)	(968)	(1,804)	(46.3)
	Finance cost	(1,104)	(1,116)	(1.1)	(3,538)	(3,740)	(5.4)
	Profit before income tax	3,323	762	>100	7,080	4,540	55.9
	Income tax expense	(1,089)	(509)	>100	(2,198)	(1,408)	56.1
	Profit for the period attributable to owners of the Company	2,234	253	>100	4,882	3,132	55.9

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
for the third quarter and nine months ended 30 September**

	<u>Group</u>					
	<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Profit for the period	2,234	253	>100	4,882	3,132	55.9
Other comprehensive income (loss):						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Available-for-sale investments:						
Fair value gain (loss) gain recognised in fair value reserve	451	(1,366)	>100	275	(1,919)	>100
Transfer from fair value reserve to profit or loss upon disposal of available-for-sale investments	(6)	5	(>100)	21	377	(94.4)
Exchange gain (loss) on translation of foreign operations	<u>1,654</u>	<u>(7,294)</u>	<u>&gt;100</u>	<u>992</u>	<u>(16,275)</u>	<u>&gt;100</u>
Total	<u>2,099</u>	<u>(8,655)</u>	<u>&gt;100</u>	<u>1,288</u>	<u>(17,817)</u>	<u>&gt;100</u>
Total comprehensive income (loss) for the period attributable to owners of the Company	<u>4,333</u>	<u>(8,402)</u>	<u>&gt;100</u>	<u>6,170</u>	<u>(14,685)</u>	<u>&gt;100</u>

**Notes**

**1. Revenue**

Revenue comprises the following:

	<u>Group</u>					
	<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Room revenue	9,051	8,540	6.0	26,090	26,169	(0.3)
Food and beverages revenue	2,277	2,130	6.9	6,562	6,438	1.9
Spa revenue	244	207	17.9	756	660	14.5
Rental income from:						
Investment properties	2,236	2,007	11.4	6,376	6,364	0.2
Other properties	686	691	(0.7)	2,140	2,121	0.9
Car park revenue	361	276	30.8	1,025	868	18.1
Interest income from outside parties	24	62	(61.3)	88	167	(47.3)
Dividend income from:						
Quoted equity investments (gross)	98	117	(16.2)	282	302	(6.6)
Unquoted equity investments (gross)	-	32	(100.0)	-	32	(100.0)
Others	113	45	>100	281	147	91.2
<b>Total</b>	<b><u>15,090</u></b>	<b><u>14,107</u></b>	<b><u>7.0</u></b>	<b><u>43,600</u></b>	<b><u>43,268</u></b>	<b><u>0.8</u></b>

### ***Room revenue***

Group room revenue for third quarter 2016 increased by 6.0% as compared to third quarter 2015 mainly due to improved room occupancy in some of the Group's hotels. However, Group room revenue decreased by 0.3% for nine months ended 30 September 2016 as compared to corresponding period in 2015 mainly due to downward adjustment of room rates in some of the Group's hotels.

### ***Food and beverages revenue***

Food and beverage revenue for third quarter and nine months ended 30 September 2016 increased by 6.9% and 1.9% respectively as compared to corresponding periods in 2015 mainly due to higher breakfast sales in some of the Group's hotels.

### ***Rental income from investment properties***

Rental income from investment properties for third quarter and nine months ended 30 September 2016 increased by 11.4% and 0.2% respectively as compared to corresponding periods in 2015. This was mainly due to higher occupancy in New Zealand properties.

## **2. Cost of sales**

The decrease in cost of sales for third quarter and nine months ended 30 September 2016 as compared to corresponding periods in 2015 mainly arose from lower costs in some of the Group's subsidiaries.

## **3. Other income**

Other income comprises of foreign exchange gain, gain on disposal of available-for-sale investments, gain on disposal of property, plant and equipment, write back of allowance for doubtful receivables no longer required and other miscellaneous income.

The increase in other income for third quarter 2016 as compared to third quarter 2015 was mainly due to higher fair value gain on held-for-trading investments. However, other income decreased for nine months ended 30 September 2016 as compared to corresponding period in 2015 mainly due to lower gain from disposal of available-for-sale investments and also lower write back of allowance for doubtful receivables no longer required.

## **4. Distribution costs**

The decrease in distribution costs for third quarter and nine months ended 30 September 2016 as compared to the corresponding periods in 2015 was mainly due to lower sales commission expenses.

## **5. Administrative expenses**

The increase in administrative expenses for third quarter and nine months ended 30 September 2016 as compared to the corresponding periods in 2015 was mainly due to higher overhead expenses in some of the Group's subsidiaries.

## 6. Other expenses

Other expenses comprise of foreign exchange loss, impairment loss on available-for-sale investments and other miscellaneous expenses.

The decrease in other expenses for third quarter and nine months ended 30 September 2016 as compared to the corresponding periods in 2015 was mainly due to lower foreign exchange loss and lower allowance for doubtful receivables.

## 7. Finance cost

The decrease in finance cost for third quarter and nine months ended 30 September 2016 as compared to corresponding periods in 2015 was mainly due to repayment of bank loans in some of the Group's subsidiaries.

## 8. Profit before income tax

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

	<u>Group</u>					
	<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>	<u>2016</u>	<u>2015</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Depreciation	2,437	1,988	22.6	7,131	6,657	7.1
Impairment loss on available-for-sale investments	1	181	(99.4)	226	181	24.9
Allowance for doubtful receivables	1	117	(99.1)	1	144	(99.3)
Allowance for doubtful receivables no longer required	-	(141)	(100.0)	(9)	(188)	(95.2)
Fair value loss (gain) on held-for-trading investments	2	251	(99.2)	(6)	162	>100
Net foreign exchange adjustment (gain) loss	(160)	403	>100	70	907	(92.3)
Gain on disposal of available-for-sale investments	(14)	(5)	>100	(51)	(377)	(86.5)
(Gain) Loss on disposal of property, plant and equipment	(46)	3	>100	(72)	11	>100

### *Depreciation*

The increase in depreciation for third quarter and nine months ended 30 September 2016 was mainly due to higher depreciation on building improvement from Hotel Royal Bangkok @ Chinatown.

### *Net foreign exchange adjustment (gain) loss*

The Group made lower net foreign exchange loss for nine months ended 30 September 2016 as compared to corresponding period in 2015 mainly due to disposal of some available-for-sale and held-for-trading investments in 2015.

### *Gain on disposal of available-for-sale investments*

The lower gain on disposal of available-for-sale investments for nine months ended 30 September 2016 as compared to corresponding period in 2015 mainly arose from lower disposal of available-for-sale investments.

## 9. Income tax expense

Income tax expense increased for third quarter and nine months ended 30 September 2016 as compared to corresponding periods in 2015 mainly due to higher taxable income in New Zealand subsidiary.

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Notes</u>	<u>The Group</u>		<u>The Company</u>	
		<u>30 Sep 16</u>	<u>31 Dec 15</u>	<u>30 Sep 16</u>	<u>31 Dec 15</u>
		<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and bank balances	10	13,819	17,037	1,850	2,770
Held-for-trading investments	11	6,296	3,743	603	620
Available-for-sale investments		7,916	8,230	1,757	1,697
Trade receivables	12	3,040	4,022	857	1,322
Other receivables, deposits and prepaid expenses	13	1,803	1,584	145	258
Inventories		727	772	47	136
Income tax recoverable		11	7	-	-
<b>Total current assets</b>		<u>33,612</u>	<u>35,395</u>	<u>5,259</u>	<u>6,803</u>
<b>Non-current assets</b>					
Subsidiaries		-	-	168,081	162,473
Available-for-sale investments		3,409	3,434	1,082	1,088
Other assets		1,159	1,129	-	-
Goodwill		1,783	1,783	-	-
Property, plant and equipment		587,342	588,808	243,687	243,073
Investment properties		94,224	93,492	24,120	24,443
<b>Total non-current assets</b>		<u>687,917</u>	<u>688,646</u>	<u>436,970</u>	<u>431,077</u>
<b>Total assets</b>		<u>721,529</u>	<u>724,041</u>	<u>442,229</u>	<u>437,880</u>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Bank loans	14	31,955	19,814	-	-
Trade payables	15	4,324	4,927	2,315	2,973
Other payables		3,756	3,823	2,605	2,933
Current portion of finance lease		60	20	-	-
Income tax payable	16	1,229	2,369	49	1,207
<b>Total current liabilities</b>		<u>41,324</u>	<u>30,953</u>	<u>4,969</u>	<u>7,113</u>
<b>Non-current liabilities</b>					
Long-term bank loans	14	122,180	137,345	59,164	58,164
Retirement benefit obligations		669	598	-	-
Finance lease		-	14	-	-
Deferred tax liabilities		19,835	19,549	724	724
Other payables		79	110	30,890	26,807
<b>Total non-current liabilities</b>		<u>142,763</u>	<u>157,616</u>	<u>90,778</u>	<u>85,695</u>
<b>Capital and reserves</b>					
Share capital		100,438	100,438	100,438	100,438
Asset revaluation reserve		352,360	352,360	210,108	210,108
Employee benefit reserve		171	171	-	-
Fair value reserve	17	2,026	1,730	605	460
Translation reserve	18	(13,631)	(14,623)	-	-
Retained earnings		96,078	95,396	35,331	34,066
<b>Total equity</b>		<u>537,442</u>	<u>535,472</u>	<u>346,482</u>	<u>345,072</u>
<b>Total liabilities and equity</b>		<u>721,529</u>	<u>724,041</u>	<u>442,229</u>	<u>437,880</u>

**10. Cash and bank balances**

The decrease in cash and bank balances was mainly arose from repayment of bank loans, purchase of property, plant and equipment and held-for-trading investments in some of the Group's subsidiaries.

**11. Held-for-trading investments**

The increase in held-for-trading investments mainly arose from new purchases in current period.

**12. Trade receivables**

The decrease in trade receivables was mainly due to prompt collection from trade debtors.

**13. Other receivables, deposits and prepaid expenses**

The increase in other receivables, deposits and prepaid expenses mainly arose from prepaid insurance premium in New Zealand subsidiary and prepaid property tax in a Malaysia subsidiary.

**14. Bank loans**

Bank loans consist of short-term bank loans and long-term bank loans.

The increase in short-term bank loans and decrease in long-term bank loans was mainly due to reclassification of long-term loan to short-term loan as a 7-year long-term loan of S\$11.6 million (equivalent to RM 35.3 million) will be maturing in September 2017. The subsidiary is currently negotiating with the bank to enter into a new long-term loan agreement. The repayment of bank loans also contributed to the decrease in long-term bank loans.

**15. Trade payables**

The decrease in trade payables was mainly due to lower purchases as well as prompt payments made to trade creditors in some of the Group's subsidiaries.

**16. Income tax payable**

The decrease in income tax payable was mainly due to tax payments made in some of the Group's subsidiaries.

**17. Fair value reserve**

The increase in fair value reserve mainly arose from improved stock market conditions.

**18. Translation reserve**

The decrease in negative translation reserve from S\$14.623 million as at 31 December 2015 to S\$13.631 million as at 30 September 2016 was mainly due to gain on translating the net assets of New Zealand subsidiary into Singapore dollar as New Zealand dollar had strengthened against Singapore dollar as compared to 30 June 2016.

## 1(b)(ii) GROUP BORROWINGS AND DEBT SECURITIES

### Amount repayable in one year or less, or on demand (in S\$'000)

<u>As at 30 Sep 2016</u>		<u>As at 31 Dec 2015</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
31,955	-	19,814	-

### Amount repayable after one year (in S\$'000)

<u>As at 30 Sep 2016</u>		<u>As at 31 Dec 2015</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
122,180	-	137,345	-

### Details of collaterals

The bank borrowings are secured by mortgages of some of the Company's and subsidiaries' freehold land and buildings and investment properties; and assignment of rental proceeds of certain subsidiaries' investment properties and a floating charge on certain Company's and subsidiaries' assets.

1 (c) **CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the third quarter and nine months ended 30 Sep**

	<u>Group</u>			
	<u>Third Quarter Ended 30 Sep</u>		<u>Nine Months Ended 30 Sep</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Operating activities:</b>				
Profit before income tax	3,323	762	7,080	4,540
Adjustments for:				
Depreciation expense	2,437	1,988	7,131	6,657
Impairment loss on available-for-sale investments	1	181	226	181
Dividend income	(98)	(117)	(282)	(302)
Interest income	(24)	(62)	(88)	(167)
Interest expense	1,104	1,116	3,538	3,740
Allowance for doubtful receivables	1	117	1	144
Allowance for doubtful receivables no longer required	-	(141)	(9)	(188)
Gain on disposal of available-for-sale investments	(14)	(5)	(51)	(377)
Fair value loss (gain) on held-for-trading investments	2	251	(6)	162
(Gain) Loss on disposal of property, plant and equipment	(46)	3	(72)	11
Operating cash flows before movements in working capital	6,686	4,093	17,468	14,401
Available-for-sale investments	(147)	(302)	41	(352)
Held-for-trading investments	228	2,026	(2,547)	2,191
Trade and other receivables	259	1,843	741	4,356
Inventories	43	26	45	(223)
Trade and other payables	(326)	(1,495)	(700)	(2,256)
Cash generated from operations	6,743	6,191	15,048	18,117
Interest paid	(1,104)	(1,116)	(3,538)	(3,740)
Interest received	24	62	88	167
Dividend received	98	117	282	302
Income tax paid – net of refund	(1,016)	(1,443)	(2,764)	(5,884)
Net cash from operating activities	4,745	3,811	9,116	8,962
<b>Investing activities:</b>				
Purchase of available-for-sale investments	(11)	(66)	(695)	(1,609)
Proceeds from disposal of available-for-sale investments	671	33	1,113	1,896
Purchase of property, plant and equipment	(950)	(1,661)	(4,157)	(11,258)
Proceeds from disposal of property, plant and equipment	50	88	93	91
Addition to investment properties	(73)	(2,733)	(387)	(3,648)
Acquisition of The Baba House	-	-	-	(9,943)
Net cash used in investing activities	(313)	(4,339)	(4,033)	(24,471)



1 (c) **CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the third quarter and nine months ended 30 Sep (Continued)

	<u>Group</u>			
	<u>Third Quarter Ended 30 Sep</u>		<u>Nine Months Ended 30 Sep</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Financing activities:</b>				
Proceeds from bank loans	832	7,512	3,523	28,379
Repayment of bank loans	(2,203)	(9,508)	(6,493)	(18,569)
Repayment of finance lease	(14)	(17)	(24)	(35)
Addition of finance lease	50	-	50	-
Dividends paid	-	-	(4,200)	(4,200)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash (used in) from financing activities	(1,335)	(2,013)	(7,144)	5,575
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	3,097	(2,541)	(2,061)	(9,934)
Cash and cash equivalents at beginning of period	11,891	16,712	17,037	17,834
Effect of currency exchange adjustment	(1,169)	769	(1,157)	7,040
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	<b>13,819</b>	<b>14,940</b>	<b>13,819</b>	<b>14,940</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Cash and cash equivalents consist of:

	<u>As at 30 Sep</u>	
	<u>2016</u>	<u>2015</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash on hand	166	141
Cash at bank	12,423	13,613
Fixed deposits	1,230	1,186
	<hr/>	<hr/>
Total	13,819	14,940
	<hr/>	<hr/>

## 1(d)(i) STATEMENTS OF CHANGES IN EQUITY

<b>The Group</b>	<u>Share capital</u> S\$'000	<u>Asset revaluation reserve</u> S\$'000	<u>Employee benefit reserve</u> S\$'000	<u>Fair value reserve</u> S\$'000	<u>Translation reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total</u> S\$'000
Balance at 1 January 2015	100,438	339,497	171	3,228	(2,097)	96,703	537,940
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,167	2,167
Other comprehensive income for the period	-	-	-	2	1,080	-	1,082
Total	-	-	-	2	1,080	2,167	3,249
<b>Balance at 31 March 2015</b>	100,438	339,497	171	3,230	(1,017)	98,870	541,189
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	712	712
Other comprehensive loss for the period	-	-	-	(183)	(10,061)	-	(10,244)
Total	-	-	-	(183)	(10,061)	712	(9,532)
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
<b>Balance at 30 June 2015</b>	100,438	339,497	171	3,047	(11,078)	95,382	527,457
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	253	253
Other comprehensive loss for the period	-	-	-	(1,361)	(7,294)	-	(8,655)
Total	-	-	-	(1,361)	(7,294)	253	(8,402)
<b>Balance at 30 September 2015</b>	100,438	339,497	171	1,686	(18,372)	95,635	519,055

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY (Continued)**

<b>The Group</b>	<u>Share capital</u> S\$'000	<u>Asset revaluation reserve</u> S\$'000	<u>Employee benefit reserve</u> S\$'000	<u>Fair value reserve</u> S\$'000	<u>Translation reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total</u> S\$'000
Balance at 1 January 2016	100,438	352,360	171	1,730	(14,623)	95,396	535,472
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,179	2,179
Other comprehensive income for the period	-	-	-	37	(312)	-	(275)
Total	-	-	-	37	(312)	2,179	1,904
<b>Balance at 31 March 2016</b>	100,438	352,360	171	1,767	(14,935)	97,575	537,376
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	469	469
Other comprehensive loss for the period	-	-	-	(186)	(350)	-	(536)
Total	-	-	-	(186)	(350)	469	(67)
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
<b>Balance at 30 June 2016</b>	100,438	352,360	171	1,581	(15,285)	93,844	533,109
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,234	2,234
Other comprehensive loss for the period	-	-	-	445	1,654	-	2,099
Total	-	-	-	445	1,654	2,234	4,333
<b>Balance at 30 September 2016</b>	100,438	352,360	171	2,026	(13,631)	96,078	537,442

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY (Continued)**

	<u>Share capital</u> S\$'000	<u>Asset revaluation reserve</u> S\$'000	<u>Fair value reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total</u> S\$'000
<b>The Company</b>					
Balance at 1 January 2015	100,438	206,108	642	30,887	338,075
Total comprehensive income for the period					
Profit for the period	-	-	-	1,920	1,920
Other comprehensive loss for the period	-	-	(41)	-	(41)
Total	-	-	(41)	1,920	1,879
<b>Balance at 31 March 2015</b>	100,438	206,108	601	32,807	339,954
Total comprehensive income for the period					
Profit for the period	-	-	-	1,504	1,504
Other comprehensive loss for the period	-	-	(11)	-	(11)
Total	-	-	(11)	1,504	1,493
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
<b>Balance at 30 June 2015</b>	100,438	206,108	590	30,111	337,247
Total comprehensive income for the period					
Profit for the period	-	-	-	2,799	2,799
Other comprehensive loss for the period	-	-	(217)	-	(217)
Total	-	-	(217)	2,799	2,582
<b>Balance at 30 September 2015</b>	100,438	206,108	373	32,910	339,829

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY (Continued)**

	<u>Share capital</u> S\$'000	<u>Asset revaluation reserve</u> S\$'000	<u>Fair value reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total</u> S\$'000
<b>The Company</b>					
Balance at 1 January 2016	100,438	210,108	460	34,066	345,072
Total comprehensive income for the period					
Profit for the period	-	-	-	1,804	1,804
Other comprehensive loss for the period	-	-	11	-	11
Total	-	-	11	1,804	1,815
<b>Balance at 31 March 2016</b>	100,438	210,108	471	35,870	346,887
Total comprehensive income for the period					
Profit for the period	-	-	-	1,187	1,187
Other comprehensive loss for the period	-	-	28	-	28
Total	-	-	28	1,187	1,215
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
<b>Balance at 30 June 2016</b>	100,438	210,108	499	32,857	343,902
Total comprehensive income for the period					
Profit for the period	-	-	-	2,474	2,474
Other comprehensive loss for the period	-	-	106	-	106
Total	-	-	106	2,474	2,580
<b>Balance at 30 September 2016</b>	100,438	210,108	605	35,331	346,482

**1(d)(ii) SHARE CAPITAL**

	<u>30 Sep 2016</u>	<u>31 Dec 2015</u>	<u>30 Sep 2016</u>	<u>31 Dec 2015</u>
	<u>Number of ordinary shares</u>		<u>\$'000</u>	<u>\$'000</u>
	<u>'000</u>			
<b>Issued and paid-up capital:</b>				
Balance at beginning and end of period	<u>84.000</u>	<u>84.000</u>	<u>100.438</u>	<u>100.438</u>

There are no changes in the share capital since the end of the previous period reported on.

**1(d)(iii) TREASURY SHARES**

There are no treasury shares.

**2 AUDIT**

The financial statements have not been audited or reviewed by the Company's auditors.

**3 AUDITORS' REPORT**

Not applicable.

**4 ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recently audited annual financial statements as at 31 December 2015.

**5 CHANGES IN ACCOUNTING POLICIES**

There has been no change in accounting policy which has a material effect on the results and financial position of the Group and of the Company for the current and previous financial periods.

**6 EARNINGS PER ORDINARY SHARE (EPS)**

	<u>Group</u>			
	<u>Third Quarter Ended 30 Sep</u>		<u>Nine Months Ended 30 Sep</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
EPS (based on consolidated profit after income tax expense)				
- on weighted average number of shares	2.66 cents	0.30 cents	5.81 cents	3.73 cents
- on a fully diluted basis	2.66 cents	0.30 cents	5.81 cents	3.73 cents

Basic earnings per share is calculated based on the Group's profit for third quarter and nine months of S\$2.234 million and S\$4.882 million respectively (2015: S\$0.253 million and S\$3.132 million respectively) after income tax expense divided by 84 million (2015: 84 million) ordinary shares.

Diluted earnings per ordinary share are the same as basic earnings per ordinary shares as there are no dilutive potential ordinary shares.

## 7 NET ASSET VALUE (NAV)

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2016</u>	<u>31 Dec 2015</u>	<u>30 Sep 2016</u>	<u>31 Dec 2015</u>
NAV per share based on issued number of shares as at the end of the respective period	S\$6.40	S\$6.37	S\$4.12	S\$4.11

The NAV per share as at 30 September 2016 and 31 December 2015 were calculated based on the number of shares in issue of 84 million ordinary shares.

## 8 REVIEW OF GROUP PERFORMANCE

### Third quarter 2016 vs. Third quarter 2015

The Group's revenue for the third quarter increased by 7.0% or S\$0.983 million from S\$14.107 million in 2015 to S\$15.090 million in 2016 mainly due to improved room occupancy in some of the Group's hotels. The higher rental income from investment properties and higher food and beverage sales also contributed to the increase.

Group profit after income tax for the third quarter increased by S\$1.981 million as compared to third quarter 2015 mainly due to higher revenue and lower operating expenses.

### Nine months ended 2016 vs. Nine months ended 2015

The Group's revenue for nine months ended 30 September 2016 increased to S\$43.600 million from S\$43.268 million in 2015.

The Group made a profit after income tax of S\$4.882 million for nine months ended 30 September 2016 as compared to S\$3.132 million for corresponding period in 2015 mainly due to lower operating expenses and higher revenue.

In the opinion of the Directors, no transaction has arisen between 30 September 2016 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

## 9 VARIANCE FROM A FORECAST OR PROSPECT STATEMENT

Not applicable.

## 10 OUTLOOK

With the increased competition in the hospitality industry in Singapore, Malaysia and Thailand, the Group expects more challenges in the year ahead. We will monitor our room occupancy and room rates in order to expand our customer base and enlarge our share of tourist arrivals.

The Group will continue to actively upgrade the properties in New Zealand to maximize their rental income so as to protect market share and grow its revenue base.

The Group's managed fund portfolio will be affected by world events such as the concerns over the impact of BREXIT and possible interest rate increase.

In addition to the above, the Group's profitability will continue to be influenced by fluctuations in exchange rates of currencies such as the New Zealand dollar, United States dollar, Malaysian ringgit and Thai baht against Singapore dollar, as well as changes in the market values of the investments in our investment portfolio.

**11 DIVIDEND**

**(a) Current Financial Period Reported On**

No interim dividend is recommended for the current period ended 30 September 2016.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

No interim dividend was recommended for the corresponding period of the immediately preceding financial year.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 INTERESTED PERSON TRANSACTIONS**

There were no interested person transactions of S\$100,000 or more for the period under review. The Group does not have a general mandate from its shareholders for interested person transactions.

**13 CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**14 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS UNDER SGX LISTING RULE 705 (5) OF THE LISTING MANUAL**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the third quarter and nine months ended 30 September 2016 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Sin Chee Mei  
Company Secretary

9 November 2016