

HL GLOBAL ENTERPRISES LIMITED

Company Registration No.: 196100131N

Unaudited Second Quarter and Half Year Financial Statement Announcement for the period ended 30 June 2015**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) **A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

		Group					
Note	2Q 2015 \$'000	2Q 2014 \$'000	Change %	1H 2015 \$'000	1H 2014 \$'000	Change %	
Revenue		3,241	1,414	129.2	5,892	2,853	106.5
Cost of sales		(1,310)	(444)	195.0	(2,461)	(961)	156.1
Gross profit		1,931	970	99.1	3,431	1,892	81.3
Other income	(i)	134	125	7.2	352	247	42.5
Selling and marketing expenses	(ii)	(89)	(20)	345.0	(175)	(39)	348.7
Administrative expenses		(151)	(163)	(7.4)	(258)	(262)	(1.5)
Finance costs	(iii)	(1,158)	(382)	203.1	(1,463)	(997)	46.7
Other operating expenses	(iv)	(1,364)	(834)	63.5	(2,841)	(1,730)	64.2
Share of results of associate and joint ventures (net of tax)	(v)	(357)	(47)	659.6	(1,321)	(972)	35.9
Loss before tax		(1,054)	(351)	200.3	(2,275)	(1,861)	22.2
Income tax	(vi)	(131)	(119)	10.1	(245)	(229)	7.0
Loss for the period attributable to owners of the Company		(1,185)	(470)	152.1	(2,520)	(2,090)	20.6

Notes:**(i) Other income**

	Group					
	2Q 2015	2Q 2014	Change	1H 2015	1H 2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	45	55	(18.2)	106	102	3.9
Licence fee	80	68	17.6	150	134	11.9
Sundry income	9	2	350.0	20	11	81.8
Gain on liquidation of a joint venture	-	-	-	76	-	NM
	134	125	7.2	352	247	42.5

(ii) Selling and marketing expenses

The increase in selling and marketing expenses for 2Q 2015 and 1H 2015 was primarily due to the consolidation of the financial results of Augustland Hotel Sdn Bhd ("AHSB") following the completion of the acquisition of the remaining 55% equity interest in AHSB in July 2014.

(iii) Finance costs

(iii) Finance costs	Group					
	2Q 2015 \$'000	2Q 2014 \$'000	Change %	1H 2015 \$'000	1H 2014 \$'000	Change %
Interest expense	(417)	(350)	19.1	(838)	(695)	20.6
Currency exchange losses-net	(741)	(32)	2,215.6	(625)	(302)	107.0
	(1,158)	(382)	203.1	(1,463)	(997)	46.7

The increase in interest expense for 2Q 2015 compared to 2Q 2014 was due to the consolidation of the interest expense incurred by AHSB. The net currency exchange losses of approximately \$0.7 million for 2Q 2015 was due to the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the weakening of the Malaysian Ringgit and Chinese Renminbi against the Singapore Dollar and the weakening of the Malaysian Ringgit against the US Dollar.

NM: Not meaningful

(iv) Other operating expenses

(iv) Other operating expenses	Group					
	2Q 2015	2Q 2014	Change	1H 2015	1H 2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	(561)	(234)	139.7	(1,135)	(474)	139.5
Staff costs/directors' fee	(542)	(417)	30.0	(1,105)	(835)	32.3
Others	(261)	(183)	42.6	(601)	(421)	42.8
	(1,364)	(834)	63.5	(2,841)	(1,730)	64.2

Depreciation of property, plant and equipment, staff costs/directors' fee and others in 2Q 2015 were higher than 2Q 2014 primarily due to the consolidation of the financial results of AHSB.

(v) Share of results of associate and joint ventures (net of tax)

The share of net loss after tax in associate and joint ventures was mainly due to slowdown of the hospitality business in Qingdao and keen competition faced by Copthorne Hotel Qingdao. In addition, in 2Q 2014, the net profit of AHSB was reflected in the Group's share of results in associate and joint ventures, whereas in 2Q 2015 the financial results of AHSB had been consolidated in the Group's results.

(vi) Income tax

There was an overprovision of taxation amounting to \$1,000 in respect of prior years for 1H 2015.

(1H 2014: There was an over provision of deferred tax amounting to \$6,000.)

The tax expense of \$0.2 million for 1H 2015 arose mainly from the income derived from overseas which could not be offset against the losses incurred by other entities within the Group.

(vii) Statement of comprehensive income

	Group					
	2Q 2015	2Q 2014	Change	1H 2015	1H 2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Loss for the period	(1,185)	(470)	152.1	(2,520)	(2,090)	20.6
Other comprehensive income/(loss)						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	(487)	(136)	258.1	282	(770)	NM
Realisation of foreign currency translation reserve upon liquidation of a foreign operation	-	-	-	(64)	-	NM
Other comprehensive (loss)/income for the period, net of tax	(487)	(136)	NM	218	(770)	NM
Total comprehensive loss for the period attributable to owners of the Company	(1,672)	(606)	175.9	(2,302)	(2,860)	(19.5)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group	Group	Company	Company
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	41,883	43,335	7	9
Subsidiaries	-	-	47,083	47,083
Associate	68	71	-	-
Joint ventures	1 2,573	4,190	-	-
Non-trade receivables	2 333	268	104	156
	44,857	47,864	47,194	47,248
Current assets				
Inventories	92	95	-	-
Development properties	6,347	6,640	-	-
Trade and other receivables	1,707	1,619	141	2,362
Prepayment	3 147	114	34	22
Cash and bank balances	22,524	23,288	5,617	5,722
	30,817	31,756	5,792	8,106
Total assets	75,674	79,620	52,986	55,354

	Group 30/06/2015 \$'000	Group 31/12/2014 \$'000	Company 30/06/2015 \$'000	Company 31/12/2014 \$'000
Equity				
Share capital	129,793	129,793	129,793	129,793
Equity capital contributed by parent	3,980	3,980	3,980	3,980
Reserves	(136,300)	(133,998)	(155,427)	(154,365)
Total equity attributable to owners of the Company	(2,527)	(225)	(21,654)	(20,592)
Non-current liabilities				
Other payables	-	-	2,137	2,857
Loans and borrowings	73,369	74,259	68,000	68,000
Deferred tax liabilities	93	93	-	-
	73,462	74,352	70,137	70,857
Current liabilities				
Trade and other payables	3,386	3,853	4,490	5,076
Loans and borrowings	1,083	1,407	-	-
Current tax payable	270	233	13	13
	4,739	5,493	4,503	5,089
Total liabilities	78,201	79,845	74,640	75,946
Total equity and liabilities	75,674	79,620	52,986	55,354

Notes:

- 1 The decrease was largely due to the recognition of losses incurred by joint ventures and the de-recognition of investment in Shanghai Equatorial Hotel Management Co., Ltd upon members' voluntary liquidation.
- 2 The increase was mainly due to advances to a joint venture.
- 3 The increase was mainly due to prepayment made for insurance and trustee fee.
- 4 The decrease was mainly due to partial repayment of a secured loan.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

- (a) the amount repayable in one year or less, or on demand;
- (b) the amount repayable after one year;
- (c) whether the amounts are secured or unsecured; and
- (d) details of any collaterals.

Amount repayable in one year or less, or on demand

	Group 30/06/2015 \$'000	Group 31/12/2014 \$'000
Unsecured	12	17
Secured	1,071	1,390

Amount repayable after one year

	Group 30/06/2015 \$'000	Group 31/12/2014 \$'000
Unsecured	68,015	68,022
Secured	5,354	6,237

The secured loan as at 30 June 2015 was secured on a subsidiary's freehold land and building.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			
	2Q 2015	2Q 2014	1H 2015	1H 2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Loss before tax	(1,054)	(351)	(2,275)	(1,861)
Adjustments for:				
Allowance for doubtful trade receivables	-	-	1	-
Depreciation of property, plant and equipment	561	234	1,135	474
Gain on liquidation of a joint venture	-	-	(76)	-
Interest expense	417	350	838	695
Interest income	(45)	(55)	(106)	(102)
Loss on disposal of property, plant and equipment	-	-	1	-
Property, plant and equipment written off	1	-	2	-
Share of results of associate and joint ventures (net of tax)	357	47	1,321	972
Unrealised foreign exchange losses/(gains)-net	740	(40)	625	228
Operating cash flows before changes in working capital	977	185	1,466	406
Development properties	-	2	-	122
Inventories	13	1	3	(1)
Trade and other payables	(219)	(306)	(463)	(362)
Trade and other receivables	(99)	(175)	(259)	(74)
Cash from/(used in) operating activities	672	(293)	747	91
Income tax paid	(109)	(101)	(208)	(205)
Interest paid	(414)	(346)	(842)	(699)
Interest received	35	55	162	102
Net cash from/(used in) operating activities	184	(685)	(141)	(711)
Cash flows from investing activities				
Capital injection in joint ventures	-	-	-	(95)
Dividend received from a joint venture	-	53	-	53
Net cash inflow on liquidation of a joint venture	-	-	385	-
Purchase of property, plant and equipment	(12)	(5)	(69)	(7)
Net cash (used in)/from investing activities	(12)	48	316	(49)
Cash flows from financing activities				
Repayment of borrowings	(272)	-	(805)	-
Payment of finance lease liabilities	(6)	-	(11)	-
Net cash used in financing activities	(278)	-	(816)	-
Net decrease in cash and cash equivalents	(106)	(637)	(641)	(760)
Cash and cash equivalents at beginning of the period	22,847	27,841	23,288	28,017
Effect of exchange rate changes on balances held in foreign currencies	(217)	7	(123)	(46)
Cash and cash equivalents at end of the period	22,524	27,211	22,524	27,211

Net asset disposed on liquidation of a joint venture was follows:

	Group		Group	
	2Q 2015	2Q 2014	1H 2015	1H 2014
	\$'000	\$'000	\$'000	\$'000
Cash	-	-	373	-
Net asset disposed	-	-	373	-
Gain on liquidation of a joint venture	-	-	76	-
Realisation of foreign currency translation reserve upon liquidation of a foreign operation	-	-	(64)	-
Net cash inflow on liquidation of a joint venture	-	-	385	-

1(d)(i) A statement (for the issuer and 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.

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2015	129,790	3,980	3	8,529	(192)	3,039	(145,374)	(225)
Loss for the period	-	-	-	-	-	-	(1,335)	(1,335)
<u>Other comprehensive income/(loss), net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	769	-	769
Realisation of foreign currency translation reserve upon liquidation of a foreign operation	-	-	-	-	-	(64)	-	(64)
Other comprehensive income for the period, net of tax	-	-	-	-	-	705	-	705
Total comprehensive income/(loss) for the period	-	-	-	-	-	705	(1,335)	(630)
At 31 March 2015 and 1 April 2015	129,790	3,980	3	8,529	(192)	3,744	(146,709)	(855)
Loss for the period	-	-	-	-	-	-	(1,185)	(1,185)
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(487)	-	(487)
At 30 June 2015	129,790	3,980	3	8,529	(192)	3,257	(147,894)	(2,527)

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2014								
- as previously stated	129,790	3,980	3	8,529	(192)	1,922	(149,044)	(5,012)
- restatement	-	-	-	-	-	900	98	998
As restated	129,790	3,980	3	8,529	(192)	2,822	(148,946)	(4,014)
Loss for the period	-	-	-	-	-	-	(1,620)	(1,620)
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(634)	-	(634)
At 31 March 2014 and 1 April 2014	129,790	3,980	3	8,529	(192)	2,188	(150,566)	(6,268)

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Loss for the period	-	-	-	-	-	-	(470)	(470)
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(136)	-	(136)
At 30 June 2014	129,790	3,980	3	8,529	(192)	2,052	(151,036)	(6,874)

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2015	129,790	3,980	3	12,471	(166,836)	(20,592)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(495)	(495)
At 31 March 2015 and 1 April 2015	129,790	3,980	3	12,471	(167,331)	(21,087)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(567)	(567)
At 30 June 2015	129,790	3,980	3	12,471	(167,898)	(21,654)

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2014	129,790	3,980	3	12,471	(159,802)	(13,558)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(535)	(535)
At 31 March 2014 and 1 April 2014	129,790	3,980	3	12,471	(160,337)	(14,093)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(559)	(559)
At 30 June 2014	129,790	3,980	3	12,471	(160,896)	(14,652)

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

Movements in the Share Capital

During the three months ended 30 June 2015, the Company undertook a share consolidation of every ten (10) existing issued ordinary shares in the share capital of the Company into one (1) consolidated ordinary share, which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 21 April 2015 (the "Share Consolidation").

Following the completion of the Share Consolidation, which became effective on 14 May 2015, the number of ordinary shares of the Company as at 30 June 2015 was reduced to 96,318,419 ordinary shares as per the Accounting and Corporate Regulatory Authority's records, after disregarding any fractions of ordinary shares arising from the Share Consolidation. Holders of the 158,394 outstanding non-redeemable convertible cumulative preference shares ("NCCPS") shall be entitled to convert all or any of their NCCPS into ordinary shares at the adjusted NCCPS conversion ratio of one (1) new ordinary share for every ten (10) NCCPS. No notice of the said conversion had been received since the end of June 2015.

	Before Share Consolidation		After Share Consolidation	
	Number of of shares at 01/04/2015	Share Capital at 01/04/2015 \$'000	Number of shares at 30/06/2015	Share Capital at 30/06/2015 \$'000
<u>Ordinary Shares</u>				
As per Accounting and Corporate Regulatory Authority's records	963,187,297*	133,770	96,318,419*	133,770
Trust Shares	(24,189,170)*	(3,980)	(2,418,917)*	(3,980)
See note under 1(d)(iii)	938,998,127*	129,790	93,899,502*	129,790
	Number of shares	Share Capital \$'000		
<u>NCCPS</u>				
At 1 April 2015 and 30 June 2015	158,394	3		

As at 30 June 2015, the maximum number of ordinary shares that may be issued upon full conversion of all the NCCPS is 15,839 ordinary shares following the Share Consolidation. (30 June 2014: 158,394 ordinary shares before the Share Consolidation). The Company did not hold any treasury shares as at 30 June 2015 and as at 30 June 2014.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Total number of issued shares	
	30/06/2015	31/12/2014
Ordinary shares	96,318,419 *	963,187,297 *
NCCPS	158,394	158,394

The Company did not hold any treasury shares as at 30 June 2015 and as at 31 December 2014.

* Includes ordinary shares (24,189,170 ordinary shares before Share Consolidation and 2,418,917 ordinary shares after Share Consolidation) held as Trust Shares by Amicorp Trustees (Singapore) Limited as trustee of the Trust established by the Company to facilitate the implementation of the HL Global Enterprises Share Option Scheme 2006 (the "Share Option Scheme").

Pursuant to the terms of the Trust Deed, the Trustee will, *inter alia*, acquire and hold existing shares in the capital of the Company (collectively, the "Trust Shares") for the benefit of participants who are employees of the Company and/or its subsidiaries and who have been granted share options under the Share Option Scheme (the "Beneficiaries") and transfer such Trust Shares to the Beneficiaries upon the exercise of their share options under the Share Option Scheme.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 June 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 by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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 as in the Group's most recently audited annual 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.

There has been no change in the accounting policies and methods of computation adopted by the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2Q 2015	Group 2Q 2014	1H 2015	1H 2014
	¢	¢	¢	¢
Loss per share		(Restated)		(Restated)
(Based on the weighted average number of ordinary shares in issue)				
- Basic and diluted	(1.26)	(0.50)	(2.68)	(2.23)
(2Q 2015, 1H 2015: 93,899,502 (after Share Consolidation))				
(2Q 2014, 1H 2014: 93,899,502 (Restated))				

The diluted loss per share was shown as the same amount as the basic loss per share as the preference shares were considered anti-dilutive and disregarded in the computation of diluted loss per share.

For meaningful comparison, the weighted average number of ordinary shares in issue for 1H 2014 was restated to 93,899,502 (assuming the ordinary shares were consolidated in 1H 2014).

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group 30/06/2015	Group 31/12/2014	Company 30/06/2015	Company 31/12/2014
	\$	\$	\$	\$
Net liabilities value per issued share, excluding Trust Shares	(0.03)	(Restated) #	(0.23)	(Restated) (0.22)

Note: # less than (0.01)

The net liabilities value per issued share, excluding Trust Shares is computed based on 93,899,502 issued ordinary shares (after Share Consolidation) as at 30 June 2015 and 93,899,502 (Restated) issued ordinary shares as at 31 December 2014.

For meaningful comparison, the issued ordinary shares excluding Trust Shares as at 31/12/2014 was restated to 93,899,502 (assuming the ordinary shares were consolidated as at 1H 2014).

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) 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; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

3 months ended 30 June 2015 ("2Q 2015")

The Group's revenue increased to \$3.2 million in 2Q 2015 from \$1.4 million for the 3 months ended 30 June 2014 ("2Q 2014"). The increase was primarily due to the consolidation of the financial results of Augustland Hotel Sdn Bhd ("AHSB") which became the Group's wholly-owned subsidiary in July 2014.

As a result of which, the Group registered an operating profit of \$327,000 before the share of results of associate and joint ventures, other income and finance costs in 2Q 2015 compared to an operating loss of \$47,000 in 2Q 2014.

However, the Group reported a net loss attributable to shareholders of the Company of \$1.2 million for 2Q 2015 compared to a loss of \$0.5 million for 2Q 2014. This increase in the net loss was mainly due to the recognition of a higher exchange loss of \$0.7 million for 2Q 2015 versus a loss of \$32,000 for 2Q 2014. The exchange loss for 2Q 2015 was largely due to the revaluation of the net foreign currency monetary assets and liabilities arising from the weakening of the Malaysian Ringgit and the Chinese Renminbi against the Singapore Dollar and the weakening of the Malaysian Ringgit against the US Dollar.

For the quarter under review, the Group's share of net loss after tax in associate and joint ventures was \$357,000 as compared to a net loss of \$47,000 in 2Q 2014. This was mainly due to the increase in the supply of hotel rooms and the slowdown of the hospitality business in Qingdao which had a serious impact on the business of Copthorne Hotel Qingdao. In addition, in 2Q 2014, the net profit of AHSB was reflected in the Group's share of results in associate and joint ventures, whereas in 2Q 2015, AHSB's financial results had been consolidated in the Group's results.

Other income consisted of mainly interest income and licence fee. The increase in interest expense was due to the consolidation of the interest expense incurred by AHSB.

6 months ended 30 June 2015 ("1H 2015")

The consolidation of AHSB's financial results contributed to the Group's higher revenue of \$5.9 million for 1H 2015 compared to \$2.9 million for the 6 months ended 30 June 2014 ("1H 2014").

Similarly, the Group reported an operating profit of \$157,000 before the share of results of associate and joint ventures, other income and finance costs in 1H 2015 *vis-a-vis* an operating loss of \$139,000 for the corresponding period in 2014.

The net loss attributable to shareholders of the Company was \$2.5 million for 1H 2015 compared to a loss of \$2.1 million for 1H 2014. The increase in the net loss was mainly due to the recognition of a higher exchange loss of \$0.6 million for 1H 2015 versus a loss of \$0.3 million for 1H 2014. The exchange loss for 1H 2015 was mainly due to the revaluation of the net foreign currency monetary assets and liabilities arising from the weakening of the Malaysian Ringgit against the Singapore Dollar and the weakening of the Malaysian Ringgit against the US Dollar.

Share of net loss after tax in associate and joint ventures for 1H 2015 increased to \$1.3 million from \$1.0 million in 1H 2014. This was primarily due to the intense competition faced by Copthorne Hotel Qingdao and the exclusion of AHSB's net profit.

Other income comprised mainly interest income and licence fee and gain on liquidation of a joint venture. The Group incurred interest expense of \$0.8 million for 1H 2015, higher than the \$0.7 million incurred for 1H 2014, arising from the consolidation of the interest expense incurred by AHSB.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for the period under review is in line with its expectations as disclosed in the Company's announcement of its results for the first quarter ended 31 March 2015.

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.

In view of the highly competitive hospitality market in Shanghai and Qingdao, the Group's hospitality operations remain challenging. Copthorne Hotel Cameron Highlands continues to face stiff competition from the newly opened 200-room hotel in its vicinity.

As the Group's assets are substantially located overseas, it will continue to be exposed to currency fluctuation risks, especially the depreciation of the Malaysian Ringgit against the Singapore Dollar.

The Group will continue its effort to explore opportunities to grow its earning base.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b)(i) Amount per share cents

(ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend is declared (recommended) for the period under review.

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.

	Investments and others	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
6 months ended 30 June 2015				
Revenue				
- external revenue	-	5,847	45	5,892
- inter-segment revenue	-	-	26	26
	-	5,847	71	5,918
Elimination				(26)
				<u>5,892</u>
Reportable segment results	(609)	954	(188)	157
Other income (excluding interest income)	160	86	-	246
Interest income	32	67	7	106
Interest expense	(622)	(216)	-	(838)
Currency exchange gains/(losses)	1	156	(782)	(625)
Share of results of joint ventures	-	(1,319)	(2)	(1,321)
Loss before income tax	(1,038)	(272)	(965)	(2,275)
Income tax expense				(245)
Net loss				<u>(2,520)</u>

	Investments and others	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
6 months ended 30 June 2014				
Revenue				
- external revenue	-	2,603	250	2,853
- inter-segment revenue	-	-	-	-
	-	2,603	250	2,853
Elimination				-
				<u>2,853</u>
Reportable segment results	(547)	560	(152)	(139)
Other income (excluding interest income)	143	-	2	145
Interest income	30	13	59	102
Interest expense	(695)	-	-	(695)
Currency exchange gains/(losses)	19	(372)	51	(302)
Share of results of associate and joint ventures	-	(969)	(3)	(972)
Loss before income tax	(1,050)	(768)	(43)	(1,861)
Income tax expense				(229)
Net loss				<u>(2,090)</u>

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 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.**

Not applicable.

- 15 A breakdown of sales as follows:**

Not applicable.

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

(a) Ordinary
(b) Preference
(c) Total

Not applicable.

- 17 Interested persons transactions**

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Aw Siew Yen, Patricia
Yeo Swee Gim, Joanne
Company Secretaries

Singapore
6 August 2015

Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited interim financial results for the period ended 30 June 2015 to be false or misleading.

On behalf of the Board of Directors

Gan Khai Choon
Chairman

Philip Ting Sii Tien
Director

Singapore
6 August 2015