



HOTEL ROYAL LIMITED

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

1 UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF-YEAR ENDED 30 JUNE 2015

The Directors of Hotel Royal Limited (the “Company”) are pleased to announce the following unaudited results of the Group for the second quarter and half-year ended 30 June 2015.

1(a) CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the second quarter and half-year ended 30 June

	Notes	<u>Group</u>					
		<u>Second Quarter Ended 30 June</u>			<u>Half-Year Ended 30 June</u>		
		<u>2015</u>	<u>2014</u>	<u>+ / (-)</u>	<u>2015</u>	<u>2014</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Revenue	1	13,830	13,029	6.1	29,161	25,716	13.4
Cost of sales	2	(7,402)	(5,811)	27.4	(14,669)	(11,958)	22.7
Gross profit		6,428	7,218	(10.9)	14,492	13,758	5.3
Other income	3	82	343	(76.1)	908	551	64.8
Distribution costs		(305)	(357)	(14.6)	(602)	(508)	18.5
Administrative expenses	4	(3,691)	(2,548)	44.9	(7,782)	(5,062)	53.7
Other expenses	5	(264)	(21)	>100	(614)	(37)	>100
Finance cost	6	(1,307)	(763)	71.3	(2,624)	(1,483)	76.9
Profit before income tax	7	943	3,872	(75.6)	3,778	7,219	(47.7)
Income tax expense	8	(231)	(1,262)	(81.7)	(899)	(2,049)	(56.1)
Profit for the period attributable to owners of the Company		712	2,610	(72.7)	2,879	5,170	(44.3)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
for the second quarter and half-year ended 30 June**

	<u>Group</u>					
	<u>Second Quarter Ended 30</u>			<u>Half-Year Ended 30 June</u>		
	<u>June</u>					
	<u>2015</u>	<u>2014</u>	<u>+/-</u>	<u>2015</u>	<u>2014</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	712	2,610	(72.7)	2,879	5,170	(44.3)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Available-for-sale investments:						
Fair value (loss) gain recognised in fair value reserve	(234)	307	>100	(553)	37	>100
Transfer from fair value reserve to profit or loss upon disposal of available-for-sale investments	51	(236)	>100	372	(279)	>100
Exchange (loss) gain on translation of foreign operations	(10,061)	(364)	>100	(8,981)	1,730	>100
Total	(10,244)	(293)	>100	(9,162)	1,488	>100
Total comprehensive (expense) income for the period attributable to owners of the Company	(9,532)	2,317	>100	(6,283)	6,658	>100

Notes

1. Revenue

Revenue comprises the following:

	<u>Group</u>					
	<u>Second Quarter Ended 30 June</u>			<u>Half-Year Ended 30 June</u>		
	<u>2015</u>	<u>2014</u>	<u>+ / (-)</u>	<u>2015</u>	<u>2014</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	8,126	7,348	10.6	17,629	15,122	16.6
Food and beverages revenue	2,033	2,004	1.4	4,308	3,880	11.0
Spa revenue	197	-	100	453	-	100
Rental income from:						
Investment properties	2,217	2,438	(9.1)	4,357	4,318	0.9
Other properties	720	693	3.9	1,430	1,421	0.6
Car park revenue	291	320	(9.1)	592	635	(6.8)
Interest income from outside parties	55	38	44.7	105	62	69.4
Dividend income from:						
Quoted equity investments (gross)	146	169	(13.6)	185	248	(25.4)
Others	45	19	>100	102	30	>100
Total	13,830	13,029	6.1	29,161	25,716	13.4

Room revenue

Group room revenue for second quarter and first half-year of 2015 increased by 10.6% and 16.6% respectively as compared to the corresponding periods in 2014. This was mainly due to additional revenue from newly acquired Burasari Resort offset by lower sales from some of the Group's hotels.

Food and beverages revenue

The increase in food and beverages revenue for the second quarter and first half-year of 2015 as compared to the corresponding periods in 2014 was mainly due to additional revenue from the newly acquired Burasari Resort offset by lower banquet sales from two Malaysia hotels.

Rental income from investment properties

Rental income from investment properties for first half-year of 2015 remained constant as compared to first half-year of 2014. However, the decrease for second quarter 2015 as compared to second quarter 2014 was mainly due lower rental income from investment properties in Singapore and Malaysia resulting from decreased occupancy.

2. Cost of sales

The increase was mainly due to additional costs from the newly acquired Burasari Resort. The higher direct expenses incurred by Hotel Royal Bangkok @ Chinatown also contributed to the increase.

3. Other income

Other income comprise mainly gain on disposal of available-for-sale investments, fair value gain from held-for-trading investments, write back of allowance for doubtful receivables no longer required and miscellaneous income.

The decrease for second quarter 2015 as compared to second quarter 2014 was mainly due to lower gain from disposal of available-for-sale investments and lower fair value gain from held-for-trading investments. However, the increase for first half-year of 2015 as compared to first half-year of 2014 was mainly due to gain on disposal of quoted investments by the Group amounting to S\$0.215 million in first quarter 2015.

4. Administrative expenses

The increase for second quarter and first half-year of 2015 as compared to the corresponding periods in 2014 was mainly due to additional administrative expenses from the newly acquired Burasari Resort in Phuket, Thailand and The Baba House in Melaka, Malaysia which was acquired on 2 July 2014 and 9 January 2015 respectively. The higher depreciation expenses from a Thailand hotel and a Singapore hotel also contributed to the increase.

5. Other expenses

Other expenses comprise mainly foreign exchange loss, allowance for doubtful receivables and loss on disposal of property, plant and equipment.

The increase for second quarter and first half-year of 2015 as compared to the corresponding periods in 2014 was mainly due to higher foreign exchange loss from Malaysia subsidiaries due to the weakening of RM against SGD.

6. Finance cost

The increase for second quarter and first half-year of 2015 as compared to the corresponding periods in 2014 was mainly due to increase in interest rates and also due to increased Group's borrowings for the acquisition of Burasari Resort and The Baba House.

7. Profit before income tax

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

	Group					
	Second Quarter Ended 30 June			Half-Year Ended 30 June		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Depreciation	2,519	1,361	85.1	4,669	2,765	68.9
Allowance for doubtful receivables	-	21	(100)	27	37	(27.0)
Allowance for doubtful receivables no longer required	(13)	-	100	(47)	(38)	23.7
Fair value gain on held-for-trading investments	(24)	(112)	(78.6)	(89)	(146)	(39.0)
Net foreign exchange adjustment loss (gain)	439	35	>100	504	(21)	>100
Gain on disposal of available-for-sale investments	(51)	(236)	(78.4)	(372)	(279)	33.3
Loss on disposal of property, plant and equipment	1	-	100	8	-	100

Depreciation

The increase for second quarter and first half-year of 2015 as compared to corresponding periods in 2014 was mainly due to additional depreciation from the newly acquired Burasari Resort and The Baba House. The increase was also due to higher depreciation expense arising from purchase of plant and equipments in Hotel Royal Bangkok @ Chinatown.

Fair value gain on held-for-trading investments

The Group made a lower fair value gain on held-for-trading investments for second quarter and first half-year of 2015 as compared to corresponding periods in 2014 was mainly due to weakened stock market conditions.

Net foreign exchange adjustment loss (gain)

The net foreign exchange loss for second quarter and first half-year of 2015 as compared to the corresponding periods in 2014 was mainly due to the weakening of Malaysian Ringgit against Singapore dollar.

Gain on disposal of available-for-sale investments

The Group made higher gain on disposal of available-for-sale investments for first half-year of 2015 as compared to first half-year of 2014 was mainly due to gain on disposal of quoted investments by the Group amounting to S\$0.215 million in first quarter 2015. However, the Group made lower gain on disposal of available-for-sale investments for second quarter 2015 as compared to second quarter 2014 mainly due to weakened stock market conditions.

8. Income tax expense

Income tax expense decreased for second quarter and first half-year of 2015 as compared to corresponding periods in 2014 was mainly due to lower tax provision resulting from lower taxable income from New Zealand subsidiary.

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Notes	<u>The Group</u>		<u>The Company</u>	
		<u>30 June 15</u>	<u>31 Dec 14</u>	<u>30 June 15</u>	<u>31 Dec 14</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>ASSETS</u>					
Current assets					
Cash and bank balances	9	16,712	17,834	1,866	3,073
Held-for-trading investments		6,192	6,267	842	798
Available-for-sale investments		9,043	8,702	1,734	1,601
Trade receivables	10	3,987	5,046	1,259	1,653
Other receivables, deposits and prepaid expenses		2,794	2,571	231	339
Inventories		836	587	170	258
Income tax recoverable		249	7	-	-
Total current assets		39,813	41,014	6,102	7,722
Non-current assets					
Deferred tax assets		47	104	-	-
Subsidiaries		-	-	157,711	142,154
Available-for-sale investments		3,904	4,323	1,158	1,413
Other assets	11	1,672	3,330	-	-
Goodwill	12	3,288	1,829	-	-
Property, plant and equipment	13	584,409	577,840	238,114	237,347
Investment properties	14	89,327	97,310	24,636	24,832
Total non-current assets		682,647	684,736	421,619	405,746
Total assets		722,460	725,750	427,721	413,468
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Bank loans	15	23,959	26,567	-	-
Trade payables		5,080	4,983	1,983	2,083
Other payables	16	3,081	3,922	3,530	3,728
Current portion of finance lease		32	35	-	-
Income tax payable		1,891	2,376	711	1,178
Total current liabilities		34,043	37,883	6,224	6,989
Non-current liabilities					
Amount due to subsidiary companies		-	-	26,629	24,484
Retirement benefit obligations		540	541	-	-
Long-term bank loans	15	140,600	128,192	57,189	43,488
Finance lease		30	45	-	-
Deferred tax liabilities		19,139	20,481	432	432
Other payables		651	668	-	-
Total non-current liabilities		160,960	149,927	84,250	68,404
Capital and reserves					
Share capital		100,438	100,438	100,438	100,438
Asset revaluation reserve		339,497	339,497	206,108	206,108
Employee benefit reserve		171	171	-	-
Fair value reserve		3,047	3,228	590	642
Translation reserve	17	(11,078)	(2,097)	-	-
Retained earnings		95,382	96,703	30,111	30,887
Total equity		527,457	537,940	337,247	338,075
Total liabilities and equity		722,460	725,750	427,721	413,468

9. Cash and bank balances

The decrease in cash and bank balances was mainly due payments made for the acquisition of The Baba House in January 2015 and payments made for the purchase of plant and equipments in Hotel Royal Bangkok @ Chinatown.

10. Trade receivables

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

11. Other assets

Other asset comprise of non-current lease incentives to be amortized over the period of lease, prepayments and long-term deposits.

With the completion of the major upgrading and renovations at Hotel Royal Bangkok @ Chinatown, deposits made for renovations have been included in cost of the hotel resulting in a decrease in deposits. The decrease was also due to reduction of unamortized portion of lease incentives of the New Zealand subsidiary.

12. Goodwill

The increase was mainly due to goodwill of S\$1.5 million (RM 4.1 million) arising from acquisition of The Baba House in January 2015.

13. Property, plant and equipment

The increase was mainly due to acquisition of the Baba House in January 2015 and capitalization of renovation costs of hotel building and purchase of plant and equipments in Hotel Royal Bangkok @ Chinatown.

14. Investment properties

The decrease was mainly due to lower costs of investment properties in New Zealand subsidiary resulting from the weakening of NZD against SGD.

15. Bank loans

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

The decrease in the Group's short-term bank loans was mainly due to repayment of bank loans. The increase in the Group's long-term bank loans was mainly due to increased Group's borrowings for acquisition of The Baba House.

16. Other payables

The decrease was mainly due to less expense accrued for renovations from Hotel Royal Bangkok @ Chinatown with the completion of its major upgrading and renovations.

17. Translation reserve

The movement in translation reserve from S\$2.097 million as at 31 December 2014 to S\$11.078 million as at 30 June 2015 was mainly due to loss on translating the net assets of Malaysia subsidiaries and New Zealand subsidiary into Singapore dollar as both RM and NZD had weakened against SGD. The loss was reduced by gain on translating the net assets of Thailand subsidiaries into Singapore dollar as THB has strengthened against SGD.

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 June 2015</u>		<u>As at 31 Dec 2014</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
23,959	-	26,567	-

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

<u>As at 30 June 2015</u>		<u>As at 31 Dec 2014</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
140,600	-	128,192	-

Details of collaterals

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

**1 (c) CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half-year ended 30 June**

	<u>Group</u>			
	<u>Second Quarter Ended 30</u>		<u>Half-Year Ended 30</u>	
	<u>June</u>		<u>June</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Operating activities:				
Profit before income tax	943	3,872	3,778	7,219
Adjustments for:				
Depreciation expense	2,519	1,361	4,669	2,765
Dividend income	(146)	(169)	(185)	(248)
Interest income	(55)	(38)	(105)	(62)
Interest expense	1,307	763	2,624	1,483
Allowance for doubtful receivables	-	21	27	37
Allowance for doubtful receivables no longer required	(13)	-	(47)	(38)
Gain on disposal of available-for-sale investments	(51)	(236)	(372)	(279)
Fair value gain on held-for-trading investments	(24)	(112)	(89)	(146)
Loss on disposal of property, plant and equipment	1	-	8	-
Operating cash flows before movements in working capital	4,481	5,462	10,308	10,731
Available-for-sale investments	57	7	(50)	9
Held-for-trading investments	224	(462)	165	(554)
Trade and other receivables	510	133	2,513	623
Inventories	68	31	(249)	20
Trade and other payables	(262)	(469)	(761)	(860)
Cash generated from operations	5,078	4,702	11,926	9,969
Interest paid	(1,307)	(763)	(2,624)	(1,483)
Interest received	55	38	105	62
Dividend received	146	169	185	248
Income tax paid – net of refund	(4,153)	(1,675)	(4,441)	(2,014)
Net cash (used in) from operating activities	(181)	2,471	5,151	6,782
Investing activities:				
Purchase of available-for-sale investments	(1,516)	(965)	(1,543)	(2,439)
Proceeds from disposal of available-for-sale investments	1,048	1,327	1,863	2,632
Purchase of property, plant and equipment	(3,496)	(5,595)	(9,597)	(8,276)
Addition to investment properties	(98)	(2,162)	(915)	(2,653)
Deposit for increased share in Royal Residences	-	-	-	(1,403)
Deposit for acquisition of new investment in Thailand	-	-	-	(4,848)
Proceeds from disposal of property, plant and equipment	2	-	3	-
Acquisition of The Baba House	-	-	(9,943)	-
Net cash used in investing activities	(4,060)	(7,395)	(20,132)	(16,987)

1 (c) **CONSOLIDATED STATEMENT OF CASH FLOWS**
for the second quarter and half-year ended 30 June (Continued)

	<u>Group</u>			
	<u>Second Quarter Ended 30</u>		<u>Half-Year Ended 30</u>	
	<u>June</u>		<u>June</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financing activities:				
Proceeds from bank loans	8,276	12,604	20,867	22,630
Repayment of bank loans	(3,273)	(4,314)	(9,061)	(11,870)
Repayment of finance lease	(10)	(4)	(18)	(6)
Dividends paid	(4,200)	(4,200)	(4,200)	(4,200)
Net cash from financing activities	<u>793</u>	<u>4,086</u>	<u>7,588</u>	<u>6,554</u>
Net decrease in cash and cash equivalents	(3,448)	(838)	(7,393)	(3,651)
Cash and cash equivalents at beginning of period	17,308	15,960	17,834	20,100
Effect of currency exchange adjustment	2,852	927	6,271	(400)
Cash and cash equivalents at end of period	<u>16,712</u>	<u>16,049</u>	<u>16,712</u>	<u>16,049</u>

Cash and cash equivalents consist of:

	<u>As at 30 June</u>	
	<u>2015</u>	<u>2014</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash on hand	143	131
Cash at bank	15,092	14,377
Fixed deposits	1,477	1,541
Total	<u>16,712</u>	<u>16,049</u>

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

The Group	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Employee benefit reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Translation reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Balance at 1 January 2014	100,438	317,502	171	2,760	(2,721)	89,725	507,875
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,560	2,560
Other comprehensive income for the period	-	-	-	(313)	2,094	-	1,781
Total	-	-	-	(313)	2,094	2,560	4,341
Balance at 31 March 2014	100,438	317,502	171	2,447	(627)	92,285	512,216
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,610	2,610
Other comprehensive income for the period	-	-	-	71	(364)	-	(293)
Total	-	-	-	71	(364)	2,610	2,317
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
Balance at 30 June 2014	100,438	317,502	171	2,518	(991)	90,695	510,333

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

The Group	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Employee benefit reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Translation reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
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
Balance at 31 March 2015	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 income 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)
Balance at 30 June 2015	100,438	339,497	171	3,047	(11,078)	95,382	527,457

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

	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
The Company					
Balance at 1 January 2014	100,438	206,108	656	26,236	333,438
Total comprehensive income for the period					
Profit for the period	-	-	-	1,729	1,729
Other comprehensive income for the period	-	-	(19)	-	(19)
Total	-	-	(19)	1,729	1,710
Balance at 31 March 2014					
	100,438	206,108	637	27,965	335,148
Total comprehensive income for the period					
Profit for the period	-	-	-	2,048	2,048
Other comprehensive income for the period	-	-	(69)	-	(69)
Total	-	-	(69)	2,048	1,979
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
Balance at 30 June 2014	100,438	206,108	568	25,813	332,927

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

	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
The Company					
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 income for the period	-	-	(41)	-	(41)
Total	-	-	(41)	1,920	1,879
Balance at 31 March 2015	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 income for the period	-	-	(11)	-	(11)
Total	-	-	(11)	1,504	1,493
Transactions with owners, recognised directly in equity Dividends	-	-	-	(4,200)	(4,200)
Balance at 30 June 2015	100,438	206,108	590	30,111	337,247

1(d)(ii) SHARE CAPITAL

	<u>30 June 2015</u>	<u>31 Dec 2014</u>	<u>30 June 2015</u>	<u>31 Dec 2014</u>
	<u>Number of ordinary shares</u> <u>'000</u>		<u>\$'000</u>	<u>\$'000</u>
Issued and paid-up capital:				
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 2014.

5 CHANGES IN ACCOUNTING POLICIES

Changes in financing reporting standards effective from 1 January 2015 have no significant effect on the Group's accounting policies.

6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Group</u>		<u>Group</u>	
	<u>Second Quarter Ended 30 June</u>	<u>2014</u>	<u>Half-Year Ended 30 June</u>	<u>2014</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
EPS (based on consolidated profit after income tax expense)				
- on weighted average number of shares	0.85 cents	3.11 cents	3.43 cents	6.15 cents
- on a fully diluted basis	0.85 cents	3.11 cents	3.43 cents	6.15 cents

Basic earnings per share is calculated based on the Group's profit of S\$0.712 million and S\$2.879 million respectively (2014: S\$2.610 million and S\$5.170 million respectively) after income tax expense divided by 84 million (2014: 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 June 2015</u>	<u>31 Dec 2014</u>	<u>30 June 2015</u>	<u>31 Dec 2014</u>
NAV per share based on issued number of shares as at the end of the respective period	S\$6.28	S\$6.40	S\$4.01	S\$4.02

The NAV per share as at 30 June 2015 and 31 December 2014 were calculated on the net assets of S\$527.457 million (2014: S\$537.940 million) divided by 84 million (2014: 84 million) ordinary shares.

8 REVIEW OF GROUP PERFORMANCE

Second quarter 2015 vs Second quarter 2014

The Group's revenue for the second quarter increased by 6.1% or S\$0.801 million from S\$13.029 million in 2014 to S\$13.830 million in 2015.

The Group made a profit after income tax of S\$0.712 million in second quarter 2015 as compared to S\$2.610 million in second quarter 2014.

The decrease was mainly due to higher operating expenses from increased staff strength and increased depreciation expense arising from purchase of plant and equipments in Hotel Royal Bangkok @ Chinatown. The decrease was also due to higher finance costs from increased Group's borrowings for acquisition of Burasari Resort and The Baba House.

The lower room sales from some of the Group's hotels and the weakening of RM against SGD also contributed to the decrease.

First half-year of 2015 vs first half-year of 2014

The Group's revenue for first half-year increased by 13.4% or S\$3.445 million from S\$25.716 million in 2014 to S\$29.161 million in 2015 mainly due to additional room revenue and food and beverage sales from the newly acquired Burasari Resort.

The Group made a profit after income tax of S\$2.879 million in 2015 as compared to S\$5.170 million in 2014. Adjusting for the one-off expenses relating to acquisition of The Baba House in January 2015, the adjusted profit after income tax for the first half-year of 2015 is as follows:

	<u>2015</u>	<u>2014</u>	<u>+/-</u>	<u>+/-</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Profit after income tax	2,879	5,170	(2,291)	(44.3)
Adjusted for:				
One-off expenses relating to the acquisition of The Baba House:				
- Stamp duties and legal fees	327	-	327	100
Profit after income tax excluding transaction cost	<u>3,206</u>	<u>5,170</u>	<u>(1,964)</u>	<u>(38.0)</u>

The decrease in profit after income tax (excluding transaction cost for acquisition of The Baba House) was mainly due to reduced profitability or losses from some of the Group's hotels. The decrease was also due to higher finance costs from increased Group's borrowings for acquisition of Burasari Resort and The Baba House. The weakening of RM against SGD also contributed to the decrease.

In the opinion of the Directors, no transaction has arisen between 30 June 2015 and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

9 VARIANCE FROM A FORECAST OR PROSPECT STATEMENT

Not applicable.

10 OUTLOOK

In Singapore, visitor arrivals are expected to languish due to the relatively strong Singapore dollar. Recent aviation incidents have dampened arrivals to nearby Malaysia as well. The Group faces challenges in its hospitality sector and will focus on attracting more customers from internet portals by offering competitive room rates.

With the slow economic recovery in New Zealand, the Group will continue to actively market its investment properties so as to maximize rental income.

The current Greek debt crisis and economic uncertainties in Europe will also have an impact on the Group's managed fund portfolio.

In addition to the above, the Group's profitability will continue to be influenced by the performance of the NZD, USD, RM and THB against the SGD as well as changes in our investment portfolio.

11 DIVIDEND

(a) Current Financial Period Reported On

No interim dividend is recommended for the current period ended 30 June 2015.

(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 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 second quarter and half-year ended 30 June 2015 to be false or misleading in any material aspect.

14 SUBSEQUENT EVENT

On 6 July 2015, the Group's wholly owned subsidiary, Faber Complex Sdn Bhd, had entered into a Sales and Purchase Agreement with Kendurina Sdn Bhd to acquire five retail units on the ground floor of Penang Plaza with an approximate gross floor area of 2,772 square feet. The total purchase consideration for these shops is RM 7 million (approximately S\$2.5 million), of which a deposit of RM 0.7 million (approximately S\$0.2 million) has been paid.

Upon completion of this acquisition, the Group will have 100% ownership and management control over all the retail portion of Penang Plaza. This will enable the Group to better manage the operation of Penang Plaza and future redevelopment of Penang Plaza when the opportunity arises. The acquisition is expected to be completed in third quarter 2015.

The acquisition will have no material impact on the Group's consolidated net tangible assets per share and consolidated earnings per share for the current financial year ending 31 December 2015.

BY ORDER OF THE BOARD

Sharon Yeoh
Company Secretary

12 August 2015