



(Company registration no. 201128650E)

**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

GLOBAL PREMIUM HOTELS LIMITED
UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED
31 MARCH 2016

1(a)(i) Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
Revenue	14,549	14,761	(1.4)
Cost of sales	(1,474)	(1,583)	(6.9)
Gross profit	13,075	13,178	(0.8)
Other operating income	709	973	(27.1)
Administrative expenses	(7,078)	(6,783)	4.3
Foreign exchange losses	(2)	(935)	(99.8)
Finance costs	(2,569)	(2,325)	10.5
Profit before income tax	4,135	4,108	0.7
Income tax	(776)	(891)	(12.9)
Profit for the period	3,359	3,217	4.4
Other comprehensive income, net of tax:			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Transfer of depreciation on revaluation of leasehold land and hotel buildings to revaluation reserve	1,076	1,079	(0.3)
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translation of foreign operations	48	-	N.M.
Changes in fair value of derivative financial instrument	(487)	-	N.M.
Other comprehensive income for the period, net of tax	637	1,079	(41.0)
Total comprehensive income for the period	3,996	4,296	(7.0)

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

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
Depreciation and amortisation	1,289	1,293	(0.3)
Plant and equipment written off	-	41	N.M.
Finance costs	2,569	2,325	10.5
Interest income	(6)	(330)	(98.2)
Loss on disposal of plant and equipment	-	5	N.M.
Foreign exchange losses	2	935	(99.8)

N.M. – not meaningful

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1(b)(i) Statements of Financial Position as at 31 Mar 2016 vs 31 Dec 2015

	Group			Company		
	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	% Change	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	% Change
<u>ASSETS</u>						
Current assets						
Cash and cash equivalents	8,418	5,002	68.3	43	38	13.2
Trade receivables ¹	1,290	3,813	(66.2)	-	-	-
Other receivables	2,336	2,132	9.6	16	10	60.0
Property held for development	26,040	25,943	0.4	-	-	-
Total current assets	38,084	36,890	3.2	59	48	22.9
Non-current assets						
Property, plant and equipment	1,222,377	1,222,486	N.M.	-	-	-
Subsidiaries	-	-	-	663,729	664,738	(0.2)
Derivative financial instrument ²	-	189	N.M.	-	-	-
Total non-current assets	1,222,377	1,222,675	N.M.	663,729	664,738	(0.2)
Total assets	1,260,461	1,259,565	0.1	663,788	664,786	(0.2)
<u>LIABILITIES AND EQUITY</u>						
Current liabilities						
Trade payables	1,529	1,687	(9.4)	-	-	-
Other payables	6,965	7,394	(5.8)	920	879	4.7
Term loans ³	19,140	19,801	(3.3)	-	-	-
Income tax payable	4,046	3,307	22.3	-	-	-
Amount due to subsidiaries	-	-	-	17,350	18,350	(5.4)
Total current liabilities	31,680	32,189	(1.6)	18,270	19,229	(5.0)
Non-current liabilities						
Term loans ³	459,569	462,458	(0.6)	-	-	-
Deferred tax liabilities	36,400	36,388	N.M.	-	-	-
Other payables	-	-	-	1,094	1,163	(5.9)
Derivative financial instrument ²	286	-	N.M.	-	-	-
Total non-current liabilities	496,255	498,846	(0.5)	1,094	1,163	(5.9)
Capital and reserves						
Share capital	263,692	263,692	-	263,692	263,692	-
Reserves	468,834	464,838	0.9	380,732	380,702	N.M.
Total equity	732,526	728,530	0.5	644,424	644,394	N.M.
Total liabilities and equity	1,260,461	1,259,565	0.1	663,788	664,786	(0.2)

N.M. – not meaningful

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Footnotes:

1. Decrease in trade receivables was mainly due to subsequent receipt of GST recoverable of \$2.4 million in 1Q 2016 in relation to our acquisition of a property in Perth, Australia.
2. In FY 2015, the Group had entered into an interest rate swap ("IRS") to swap cash flows for interest payment on borrowings of \$60.5 million from variable rate to fixed rate. Fair value changes on the IRS resulted in financial derivative liabilities of \$0.3 million as at 31 March 2016 and financial derivative assets of \$0.2 million as at 31 December 2015.
3. Decrease in term loans was mainly due to repayment of term loans which was partially offset by additional loan drawdown.

1(b)(ii) Aggregate amount of borrowings and debt securities

	Group		Company	
	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000
Secured borrowings				
- Amount repayable within one year	19,140	19,801	-	-
- Amount repayable after one year	459,569	462,458	-	-
(1)	478,709	482,259	-	-

Footnote:

1. The decrease in the Group's borrowings as at 31 March 2016 was mainly due to repayment of term loans which was partially offset by additional loan drawdown.

Details of collaterals

The credit facilities for the Group are secured by the following:

- i) the legal mortgage of our hotels;
- ii) assignment of rental proceeds, construction contracts, performance bonds (if any), insurance policies and debentures; and
- iii) corporate guarantee by Global Premium Hotels Limited.

1(c) **Consolidated Statement of Cash Flows**

	Group	
	1Q 2016 S\$'000	1Q 2015 S\$'000
Operating activities		
Profit before income tax	4,135	4,108
<i>Adjustments for:</i>		
Interest income	(6)	(330)
Finance costs	2,569	2,325
Depreciation and amortisation	1,289	1,293
Plant and equipment written off	-	41
Loss on disposal of plant and equipment	-	5
Operating cash flows before movements in working capital	7,987	7,442
Trade receivables	2,527	325
Other receivables	(204)	6
Trade payables	(158)	85
Other payables	(76)	497
Property held for development	(45)	-
Cash generated from operating activities	10,031	8,355
Interest paid	(2,572)	(2,218)
Income tax paid	(25)	(811)
Net cash from operating activities	7,434	5,326
Investing activities		
Interest received	6	330
Purchase of property, plant and equipment	(437)	(1,184)
Net cash used in investing activities	(431)	(854)
Financing activities		
Proceeds from term loans	1,000	-
Repayment of term loans	(4,593)	(4,868)
Net cash used in financing activities	(3,593)	(4,868)
Net increase/(decrease) in cash and cash equivalents	3,410	(396)
Cash and cash equivalents at beginning of period	5,002	43,375
Effects of currency translation on cash and cash equivalents	6	-
Cash and cash equivalents at end of period	8,418	42,979

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1(d)(i) Statements of Changes in Equity

Group

Balance as at 1 January 2016

Total comprehensive income for the period

Profit for the period

Other comprehensive income/(loss) for the period

Total

Balance as at 31 March 2016

Balance as at 1 January 2015

Transactions with owners, recognised directly in equity

Dividend

Total

Total comprehensive income for the period

Profit for the period

Other comprehensive income for the period

Total

Balance as at 31 March 2015

Share capital	Revaluation reserve	Merger reserve	Hedging reserve	Translation reserve	Retained earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
263,692	903,089	(555,028)	190	-	116,587	728,530
-	-	-	-	-	3,359	3,359
-	1,076	-	(487)	48	-	637
-	1,076	-	(487)	48	3,359	3,996
263,692	904,165	(555,028)	(297)	48	119,946	732,526
263,692	903,327	(555,028)	-	-	107,048	719,039
-	-	-	-	-	(5,260)	(5,260)
-	-	-	-	-	(5,260)	(5,260)
-	-	-	-	-	3,217	3,217
-	1,079	-	-	-	-	1,079
-	1,079	-	-	-	3,217	4,296
263,692	904,406	(555,028)	-	-	105,005	718,075

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Company

Balance as at 1 January 2016

Total comprehensive income for the period

Profit for the period

Total

Balance as at 31 March 2016

Balance as at 1 January 2015

Transactions with owners, recognised directly in equity

Dividend

Total

Total comprehensive income for the period

Profit for the period

Total

Balance as at 31 March 2015

Share capital	Retained earnings	Total
S\$'000	S\$'000	S\$'000
263,692	380,702	644,394
-	30	30
-	30	30
263,692	380,732	644,424
263,692	384,407	648,099
-	(5,260)	(5,260)
-	(5,260)	(5,260)
-	126	126
-	126	126
263,692	379,273	642,965

1(d)(ii) Details of any changes in the Company's issued Share Capital

As at 1 January 2016 and 31 March 2016

Company	
No of shares	Capital S\$'000
1,052,000,000	263,692

There was no movement in the issued and paid-up capital of the Company since 31 December 2015.

1(d)(iii) Treasury Shares

The Company did not hold any treasury shares as at 31 March 2016 and 31 December 2015.

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, transfer, disposal, cancellation and/or use of treasury shares for the period ended 31 March 2016.

2 Whether the figures have been audited, or reviewed and in accordance with which standard or practice

The figures have not been audited nor reviewed by our auditors.

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2015, except for the adoption of new and revised Financial Reporting Standards ("FRS") which become effective for the Group on 1 January 2016. These changes have no effect on the financial statement for the first quarter ended 31 March 2016.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change**

Please refer to Item 4 above.

6 **Earnings per share ("EPS") based on profit after tax & non-controlling interest attributable to the equity holders of the Company**

In computing the EPS, the weighted average number of shares as at the end of each period is used for the computation. The diluted EPS is the same as the basic EPS as there are no dilutive instruments in issue during the period.

	Group	
	1Q 2016	1Q 2015
Weighted average number of shares in issue	1,052,000,000	1,052,000,000
Earnings per share ("EPS")¹	cents	cents
Based on weighted average number of shares in issue	0.32	0.31
Based on fully diluted basis	0.32	0.31
Number of shares in issue at end of period	1,052,000,000	1,052,000,000

Footnote:

1. EPS for the period is calculated based on profit attributable to the equity holders of the Company.

7 **Net asset value ("NAV") per share based on the total number of issued shares (excluding treasury shares) as at the end of the period**

	Group		Company	
	31 Mar 2016 cents	31 Dec 2015 cents	31 Mar 2016 cents	31 Dec 2015 cents
NAV per share	69.63	69.25	61.26	61.25

The NAV per share as at 31 March 2016 and 31 December 2015 was calculated based on 1,052,000,000 issued shares.

8 **Review of the performance**

1Q 2016 vs 1Q 2015

<u>Group</u>	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
Hotel room revenue	14,267	14,486	(1.5)
Rental income	282	275	2.5
Total revenue	14,549	14,761	(1.4)
Cost of sales	(1,474)	(1,583)	(6.9)
Gross profit	13,075	13,178	(0.8)
Other operating income	709	973	(27.1)
Administrative expenses	(7,078)	(6,783)	4.3
Foreign exchange losses	(2)	(935)	(99.8)
Finance costs	(2,569)	(2,325)	10.5
Profit before income tax	4,135	4,108	0.7
Income tax	(776)	(891)	(12.9)
Profit for the period	3,359	3,217	4.4

Hotel room revenue for 1Q 2016 decreased by \$0.2 million, or 1.5% over 1Q 2015. This was mainly due to lower room revenue recognised which was partially offset by additional contribution from three hotels post asset enhancement works which were completed in 2015.

The Group's average occupancy rate ("AOR") decreased from 79.5% in 1Q 2015 to 76.0% in 1Q 2016 and Revenue Per Available Room ("RevPAR") also retreated from \$82.4 in 1Q 2015 to \$79.4 in 1Q 2016.

Rental income for 1Q 2016 increased by 2.5% over 1Q 2015. This was mainly due to additional income earned following the leasing of one of the commercial units located within one of our hotel premises.

Cost of sales decreased by \$0.1 million, or 6.9% over 1Q 2015. This was mainly due to savings in utilities and cable services; lower laundry charges and hotel consumables expenses which were partially offset by higher guest meal charges.

Other operating income for 1Q 2016 decreased by \$0.3 million over 1Q 2015. This was mainly due to lower interest income earned from lower interest-bearing cash balances and absence of fixed deposits placed with financial institutions.

Administrative expenses for 1Q 2016 increased by \$0.3 million, or 4.3% over 1Q 2015, mainly due to increase in staff costs, rental of head office, repair and maintenance costs and commission expenses.

The foreign exchange losses of \$0.9 million in 1Q 2015 were attributed to our investment in Australia.

Finance costs for 1Q 2016 increased by \$0.2 million, or 10.5% over 1Q 2015. This was mainly due to higher interest rate on our loans in 1Q 2016.

Income tax was relatively stable at \$0.8 million and \$0.9 million in 1Q 2016 and 1Q 2015 respectively.

9 **Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

The current results are broadly in line with the prospects statement made in the fourth quarter 2015 financial results announcement.

10 Commentary on 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

International tourist arrivals in Singapore grew 12.3% year-on-year from January to February 2016 compared to the same period last year¹. This was largely due to double-digit increases in key source of markets such as China and Indonesia. For 2016 as a whole, Singapore Tourism Board ("STB") has projected that international visitors arrival will expand 0-3% to 15.2 -15.7 million², flagging headwinds such as the state of the global economy, competition from regional tourist destinations, and leaner corporate travel budget.

As at the end of 4th quarter 2015, hotel supply in the pipeline was 8,514 rooms³ of which a total of 3,930 hotel rooms⁴ are expected to enter the market in 2016. Competition in the hospitality industry is expected to remain intense as new hotels seek to build their base. Rising interest costs will also have an impact on the Group's performance.

In 2016, Singapore will host several prominent medical congresses for the first time⁵ and STB has on 25 April 2016 unveiled a medium-term marketing strategy to rally the industry in tackling the increasingly complex tourism landscape⁶. The Government is investing \$700 million over the next five years to boost tourism through strategies that tackle short-term challenges such as uncertainties in the global economy while positioning Singapore for long term growth⁷.

Moving forward, we hope the new events scheduled for the year and the marketing strategies planned by the STB will help attract more visitors from the regional markets to visit Singapore.

Footnotes:

1. Source: Estimated according to Singapore Tourism Board ("STB") – International Visitor Arrivals Statistics published on 8 April 2016
2. Source: The Business Times, "S'pore Tourism Regains Some Shine in 2016", 18 April 2016
3. Source: <https://www.stb.gov.sg/industries/hotels/Pages/Overview.aspx>
4. Source: <http://sbr.com.sg/hotels-tourism/in-focus/tourists-are-finally-back-its-not-yet-time-celebrate-analysts>
5. STB – "Slew of prominent medical congresses in Singapore and Southeast Asia for the first time", 18 December 2015.
6. Source: STB – Of Stories, Fans and Channels: Singapore ups its game in destination marketing with three-pronged strategy, 25 April 2016
7. Source: The Strait Times, "\$700 million to boost tourism over the next five years ", 25 April 2016

11 Dividend

11(a) Current Financial Period

Any dividend declared for the current financial period? No.

11(b) Corresponding period of the preceding financial period

Any dividend declared for the corresponding period of the immediate preceding financial period? No.

11(c) Date payable : Not applicable

11(d) Book closure date : Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position and the result of business, consolidated statement of profit or loss and other comprehensive income, statements of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 31 March 2016, to be false or misleading in any material respect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

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

On behalf of the Board

Mr Koh Wee Meng
Chairman

Ms Ko Lee Meng
Deputy Chairman and CEO

5 May 2016

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.