



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 2015

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 2015.

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>2015</u>	<u>2014</u>	<u>+ / (-)</u>	<u>2015</u>	<u>2014</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	14,107	14,934	(5.5)	43,268	40,650	6.4
	Cost of sales	(7,456)	(7,054)	5.7	(22,125)	(19,012)	16.4
	Gross profit	6,651	7,880	(15.6)	21,143	21,638	(2.3)
	Other income	188	14	>100	1,096	644	70.2
	Distribution costs	(463)	(388)	19.3	(1,065)	(896)	18.9
	Administrative expenses	(3,308)	(3,147)	5.1	(11,090)	(8,209)	35.1
	Other expenses	(1,190)	(19)	>100	(1,804)	(135)	>100
	Finance cost	(1,116)	(1,092)	2.2	(3,740)	(2,575)	45.2
	Profit before income tax	762	3,248	(76.5)	4,540	10,467	(56.6)
	Income tax expense	(509)	(59)	>100	(1,408)	(2,108)	(33.2)
	Profit for the period attributable to owners of the Company	253	3,189	(92.1)	3,132	8,359	(62.5)

**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>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	253	3,189	(92.1)	3,132	8,359	(62.5)
Other comprehensive (loss) 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	(1,366)	264	>100	(1,919)	301	>100
Transfer from fair value reserve to profit or loss upon disposal of available-for-sale investments	5	(34)	>100	377	(313)	>100
Exchange loss on translation of foreign operations	(7,294)	(3,583)	>100	(16,275)	(1,853)	>100
Total	(8,655)	(3,353)	>100	(17,817)	(1,865)	>100
Total comprehensive (loss) income for the period attributable to owners of the Company	(8,402)	(164)	>100	(14,685)	6,494	>100

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>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	8,540	9,511	(10.2)	26,169	24,632	6.2
Food and beverages revenue	2,130	2,287	(6.9)	6,438	6,167	4.4
Spa revenue	207	183	13.1	660	183	>100
Rental income from:						
Investment properties	2,007	1,764	13.8	6,364	6,082	4.6
Other properties	691	682	1.3	2,121	2,103	0.9
Car park revenue	276	315	(12.4)	868	950	(8.6)
Interest income from outside parties	62	44	40.9	167	106	57.5
Dividend income from:						
Quoted equity investments (gross)	117	75	56.0	302	323	(6.5)
Unquoted equity investments (gross)	32	28	14.3	32	28	14.3
Others	45	45	-	147	76	93.4
Total	14,107	14,934	(5.5)	43,268	40,650	6.4

Room revenue

Group room revenue for third quarter 2015 decreased by 10.2% as compared to third quarter 2014 mainly due to poorer performance from both Malaysia and Singapore hotels caused by lower room occupancy and room rates. However, Group room revenue increased by 6.2% for nine months ended 30 September 2015 as compared to the same period last year mainly due to additional room sales from Burasari Resort, which was acquired in 1 July 2014.

Food and beverages revenue

The decrease in food and beverage revenue for third quarter 2015 as compared to third quarter 2014 was mainly due to lower banquet sales from Malaysia hotels. However, the increase for nine months ended 30 September 2015 as compared to the same period last year was mainly due to additional food and beverage sales from Burasari Resort.

Rental income from investment properties

Rental income from investment properties for third quarter and nine months ended 30 September 2015 increased by 13.8% and 4.6% respectively as compared to corresponding periods in 2014. This was mainly due to higher rental income from investment properties in New Zealand.

2. Cost of sales

The increase in cost of sales for third quarter and nine months ended 30 September 2015 as compared to corresponding periods in 2014 was mainly due to additional cost from Burasari Resort. The increase in depreciation of hotel building for some of the Group's subsidiaries also contributed to the increase.

3. Other income

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

The increase in other income for the third quarter and nine months ended 30 September 2015 as compared to corresponding periods in 2014 was mainly due to higher foreign exchange gain from strengthening of USD against SGD and allowance for doubtful receivables no longer required.

4. Distribution costs and administrative expenses

The increase in distribution costs for third quarter and nine months ended 30 September 2015 as compared to the corresponding periods in 2014 was mainly due to additional sales and marketing expenses from Burasari Resort.

The increase in administrative expenses for third quarter and nine months ended 30 September 2015 as compared to the corresponding periods in 2014 was mainly due to additional administrative expenses from Burasari Resort. The higher expenses relating to staff cost and depreciation of plant and equipment incurred by Hotel Royal Bangkok @ Chinatown also contributed to the increase.

5. Other expenses

Other expenses comprise of foreign exchange loss, allowance for doubtful receivables, impairment loss on available-for-sale investments, fair value loss on held-for-trading investments and loss on disposal of property, plant and equipment.

The increase in other expenses for third quarter and nine months ended 30 September 2015 as compared to the corresponding periods in 2014 was mainly due to higher foreign exchange loss from weakening of RM against SGD and higher allowance for doubtful receivables. The higher impairment loss on available-for-sale investments and higher fair value loss on held-for-trading investments also contributed to the increase.

6. Finance cost

The increase in finance costs for third quarter and nine months ended 30 September 2015 as compared to corresponding periods in 2014 was mainly due to increase in Group's borrowings for the acquisition of Burasari Resort and The Baba House. The rise in bank loan interest rates also contributed to the increase.

7. 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>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>
Depreciation	1,988	1,670	19.0	6,657	4,435	50.1
Impairment loss on available-for-sale investments	181	85	>100	181	85	>100
Allowance for doubtful receivables	117	13	>100	144	50	>100
Allowance for doubtful receivables no longer required	(141)	-	100.0	(188)	(38)	>100
Fair value loss (gain) on held-for-trading investments	251	12	>100	162	(134)	>100
Net foreign exchange adjustment loss (gain)	403	(9)	>100	907	(30)	>100
Gain on disposal of available-for-sale investments	(5)	(34)	(85.3)	(377)	(313)	20.4
Loss on disposal of property, plant and equipment	3	-	100.0	11	-	100.0

Depreciation

The increase in depreciation expense for third quarter and nine months ended 30 September 2015 as compared to corresponding periods in 2014 was mainly due to additional depreciation from Burasari Resort and The Baba House. The capitalised building costs and additional plant and equipment from Hotel Royal Bangkok @ Chinatown also contributed to the increase.

Impairment loss on available-for-sale investments

The increase for third quarter and nine months ended 30 September 2015 as compared to corresponding periods in 2014 was mainly due to weakened stock market conditions.

Fair value loss (gain) on held-for-trading investments

The Group recorded higher fair value loss on held-for-trading investments for third quarter and nine months ended 30 September 2015 as compared to the corresponding period in 2014 mainly due to weakened stock market conditions.

Net foreign exchange adjustment loss (gain)

The net foreign exchange loss for third quarter and nine months ended 30 September 2015 as compared to corresponding periods in 2014 was mainly due to higher foreign exchange loss from Malaysia subsidiaries due to the weakening of RM against SGD.

8. Income tax expense

Income tax expense as a percentage of pre-tax profit increased for third quarter 2015 as compared to third quarter 2014 mainly due to additional taxable income from Burasari Resort. However, the decrease in income tax expense for nine months ended 30 September 2015 as compared to the same period last year was mainly due to lower tax provision resulting from lower taxable income from Singapore hotels.

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Notes</u>	<u>The Group</u>		<u>The Company</u>	
		<u>30 Sep 15</u>	<u>31 Dec 14</u>	<u>30 Sep 15</u>	<u>31 Dec 14</u>
		<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>	<u>SS'000</u>
<u>ASSETS</u>					
Current assets					
Cash and bank balances	9	14,940	17,834	2,343	3,073
Held-for-trading investments	10	3,914	6,267	603	798
Available-for-sale investments	13	8,315	8,702	1,634	1,601
Trade receivables	11	3,420	5,046	1,180	1,653
Other receivables, deposits and prepaid expenses	12	1,655	2,571	227	339
Inventories		810	587	164	258
Income tax recoverable		248	7	-	-
Total current assets		33,302	41,014	6,151	7,722
Non-current assets					
Deferred tax assets		49	104	-	-
Subsidiaries		-	-	160,660	142,154
Available-for-sale investments	13	3,427	4,323	1,069	1,413
Other assets	14	1,561	3,330	-	-
Goodwill	15	3,107	1,829	-	-
Property, plant and equipment	16	574,803	577,840	238,889	237,347
Investment properties	17	90,277	97,310	24,540	24,832
Total non-current assets		673,224	684,736	425,158	405,746
Total assets		706,526	725,750	431,309	413,468
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Bank loans	18	22,652	26,567	-	-
Trade payables		4,328	4,983	2,247	2,083
Other payables	19	2,957	3,922	3,529	3,728
Current portion of finance lease		27	35	-	-
Income tax payable	20	1,807	2,376	394	1,178
Total current liabilities		31,771	37,883	6,170	6,989
Non-current liabilities					
Other payables	19	32	668	-	-
Amount due to subsidiary companies		-	-	26,714	24,484
Retirement benefit obligations		511	541	-	-
Long-term bank loans	18	136,568	128,192	58,164	43,488
Finance lease		18	45	-	-
Deferred tax liabilities		18,571	20,481	432	432
Total non-current liabilities		155,700	149,927	85,310	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	21	1,686	3,228	373	642
Translation reserve	22	(18,372)	(2,097)	-	-
Retained earnings		95,635	96,703	32,910	30,887
Total equity		519,055	537,940	339,829	338,075
Total liabilities and equity		706,526	725,750	431,309	413,468

9. Cash and bank balances

The decrease in cash and bank balances mainly arose from payments made for acquisition of The Baba House in January 2015 and purchase of plant and equipment in Hotel Royal Bangkok @ Chinatown. The repayment of bank loans in New Zealand subsidiary also contributed to the decrease.

10. Held-for-trading investments

The decrease in held-for-trading investments was mainly due to disposal of investments and fair value loss resulting from weakened stock market conditions.

11. Trade receivables

The decrease was mainly due to lower room sales from some of the Group's hotels and prompt collection from trade debtors.

12. Other receivables, deposits and prepaid expenses

The decrease arose from reduction in deposits upon the completion of acquisition for the remaining five retail units on the ground floor of Penang Plaza in September 2015.

13. Available-for-sale investments

The decrease was mainly due to disposal of investments and fair value loss resulting from weakened stock market conditions.

14. Other assets

The decrease mainly arose from reduction in deposits and prepayments upon the completion of the major upgrading and renovation works for Hotel Royal Bangkok @ Chinatown. The decrease was also due to reduction of unamortized portion of lease incentives given by the New Zealand subsidiary to tenants.

15. Goodwill

The increase in goodwill mainly arose from acquisition of The Baba House in January 2015.

16. Property, plant and equipment

The decrease mainly arose from translation loss on property, plant and equipment of the Malaysia subsidiaries as RM weakened against SGD.

17. Investment properties

The decrease mainly arose from translation loss on investment properties from New Zealand subsidiary as NZD weakened against SGD.

18. 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 loan repayments made. The increase in long-term bank loans was mainly due to increased Group's borrowings for acquisition of The Baba House in January 2015.

19. Other payables

The decrease in other payables mainly arose from payments made for accrued expenses in Hotel Royal Bangkok @ Chinatown upon the completion of its major upgrading and renovation works.

20. Income tax payables

Lower income tax payables was mainly due to lower taxable income from Singapore hotels.

21. Fair value reserve

Disposal of available-for-sale investments and fair value loss on available-for-sale investments resulted in reduced fair value reserves.

22. Translation reserve

Adverse change in currency translation reserve result from losses on translating the net assets of New Zealand subsidiary and Malaysia subsidiaries into SGD as both NZD and RM had weakened 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 Sep 2015</u>		<u>As at 31 Dec 2014</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
22,652	-	26,567	-

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

<u>As at 30 Sep 2015</u>		<u>As at 31 Dec 2014</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
136,568	-	128,192	-

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</u>		<u>Nine Months Ended 30</u>	
	<u>Sep</u>		<u>Sep</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	762	3,248	4,540	10,467
Adjustments for:				
Depreciation expense	1,988	1,670	6,657	4,435
Impairment loss on available-for-sale investments	181	85	181	85
Dividend income	(117)	(103)	(302)	(351)
Interest income	(62)	(44)	(167)	(106)
Interest expense	1,116	1,092	3,740	2,575
Allowance for doubtful receivables	117	13	144	50
Allowance for doubtful receivables no longer required	(141)	-	(188)	(38)
Gain on disposal of available-for-sale investments	(5)	(34)	(377)	(313)
Fair value loss (gain) on held-for-trading investments	251	12	162	(134)
Loss on disposal of property, plant and equipment	3	-	11	-
	<hr/>	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working capital	4,093	5,939	14,401	16,670
Available-for-sale investments	(302)	288	(352)	297
Held-for-trading investments	2,026	(405)	2,191	(959)
Trade and other receivables	1,843	(594)	4,356	(1,374)
Inventories	26	(326)	(223)	(306)
Trade and other payables	(1,495)	1,339	(2,256)	479
	<hr/>	<hr/>	<hr/>	<hr/>
Cash generated from operations	6,191	6,241	18,117	14,807
Interest paid	(1,116)	(1,092)	(3,740)	(2,575)
Interest received	62	44	167	106
Dividend received	117	103	302	351
Income tax paid – net of refund	(1,443)	(2,394)	(5,884)	(4,408)
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Net cash from operating activities	3,811	2,902	8,962	8,281
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Investing activities:				
Purchase of available-for-sale investments	(66)	(1,556)	(1,609)	(3,995)
Proceeds from disposal of available-for-sale investments	33	1,099	1,896	3,731
Purchase of property, plant and equipment	(1,661)	(7,514)	(11,258)	(15,790)
Proceeds from disposal of property, plant and equipment	88	-	91	-
Addition to investment properties	(2,733)	(264)	(3,648)	(2,917)
Acquisition of Burasari Resort	-	(30,288)	-	(35,136)
Acquisition of The Baba House	-	-	(9,943)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(4,339)	(38,523)	(24,471)	(54,107)
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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</u>		<u>Nine Months Ended 30</u>	
	<u>Sep</u>		<u>Sep</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	7,512	63,305	28,379	85,935
Repayment of bank loans	(9,508)	(33,727)	(18,569)	(45,597)
Repayment of finance lease	(17)	(4)	(35)	(8)
Dividends paid	-	-	(4,200)	(4,200)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash (used in) from financing activities	(2,013)	29,574	5,575	36,130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net decrease in cash and cash equivalents	(2,541)	(6,047)	(9,934)	(9,696)
Cash and cash equivalents at beginning of period	16,712	16,049	17,834	20,100
Effect of currency exchange adjustment	769	1,097	7,040	695
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at end of period	<u>14,940</u>	<u>11,099</u>	<u>14,940</u>	<u>11,099</u>

Cash and cash equivalents consist of:

	<u>As at 30 Sep</u>	
	<u>2015</u>	<u>2014</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash on hand	141	169
Cash at bank	13,613	9,537
Fixed deposits	1,186	1,393
	<u> </u>	<u> </u>
Total	<u>14,940</u>	<u>11,099</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 loss 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
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,189	3,189
Other comprehensive loss for the period	-	-	-	230	(3,583)	-	(3,353)
Total	-	-	-	230	(3,583)	3,189	(164)
Balance at 30 September 2014	100,438	317,502	171	2,748	(4,574)	93,884	510,169

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 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)
Balance at 30 June 2015	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)
Balance at 30 September 2015	100,438	339,497	171	1,686	(18,372)	95,635	519,055

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
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 loss 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 loss 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
Total comprehensive income for the period					
Profit for the period	-	-	-	1,973	1,973
Other comprehensive income for the period	-	-	28	-	28
Total	-	-	28	1,973	2,001
Balance at 30 September 2014	100,438	206,108	596	27,786	334,928

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
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 loss 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 loss 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
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
Balance at 30 September 2015	100,438	206,108	373	32,910	339,829

1(d)(ii) SHARE CAPITAL

	<u>30 Sep 2015</u>	<u>31 Dec 2014</u>	<u>30 Sep 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 financial reporting standards effective from 1 January 2015 have no significant effect on the Group's accounting policies.

6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Third Quarter Ended 30</u>		<u>Group</u>		<u>Nine Months Ended 30</u>	
	<u>Sep</u>				<u>Sep</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	0.30 cents	3.80 cents	3.73 cents		9.95 cents	
- on a fully diluted basis	0.30 cents	3.80 cents	3.73 cents		9.95 cents	

Basic earnings per share is calculated based on the Group's profit of S\$0.253 million and S\$3.132 million respectively (2014: S\$3.189 million and S\$8.359 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 Sep 2015</u>	<u>31 Dec 2014</u>	<u>30 Sep 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\$6.18	S\$6.40	S\$4.05	S\$4.02

8 REVIEW OF GROUP PERFORMANCE

Third quarter 2015 vs. Third quarter 2014

The Group's revenue for the third quarter decreased by 5.5% or S\$0.827 million from S\$14.934 million in 2014 to S\$14.107 million in 2015 mainly due to lower room revenue and lower food and beverage sales from some of the Group's hotels.

Group profit after income tax for the third quarter decreased by 92.1% or S\$2.936 million as compared to third quarter 2014. The decrease was mainly due to lower sales from some of the Group's hotels and higher foreign exchange loss from Malaysia subsidiaries as RM had weakened against SGD.

Nine months ended 2015 vs. Nine months ended 2014

The Group's revenue for nine months ended 30 September 2015 increased by 6.4% or S\$2.618 million from S\$40.650 million in 2014 to S\$43.268 million in 2015 mainly due to additional room sales and food and beverage sales from Burasari Resort, which was acquired in 1 July 2014.

The Group made a profit after income tax of S\$3.132 million for nine months ended 30 September 2015 as compared to S\$8.359 million for the same period last year. Adjusting for the one-off stamp duty and legal fee expenses relating to acquisition of The Baba House in January 2015 and also the acquisition of remaining five retail units on the ground floor of Penang Plaza in September 2015, the adjusted profit after income tax for nine months ended 30 September 2015 was 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	3,132	8,359	(5,227)	(62.5)
Adjusted for:				
One-off stamp duty and legal fee expenses relating to the acquisition of :				
- The Baba House (acquired in January 2015)	319	-	319	100.0
- The remaining five retail units on ground floor of Penang Plaza (acquired in September 2015)	88	-	88	100.0
Adjusted profit after income tax	<u>3,539</u>	<u>8,359</u>	<u>(4,820)</u>	<u>(57.7)</u>

In the opinion of the Directors, no transaction has arisen between 30 September 2015 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

The Group expects to meet more challenges in the months ahead, and will continue with its strategy of competitive pricing and progressive upgrade of our hotel properties and facilities. We will closely monitor our room occupancy and room rates in order to maintain and enlarge our share of tourists' arrivals.

The Group will continue to actively upgrade and market its investment properties in New Zealand so as to maximize rental income.

The current instability in the Middle East 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 changes in exchange rates of NZD, USD, RM and THB against the SGD; and changes in the income from the market value of our investment portfolio.

11 DIVIDEND

(a) Current Financial Period Reported On

No interim dividend is recommended for the current period ended 30 September 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 third quarter and nine months ended 30 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Sin Chee Mei
Company Secretary

9 November 2015