

Unaudited Financial Statement for the Period Ended 31 Mar 2019

PART I - Information required for announcements of quarterly (Q1, Q2 & Q3), half year and full year results

1 (a) An income statement for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Consolidated Income Statement for the Period Ended 31 Mar 2019:

	Note	Period Ended 31 Mar		
		2019 S\$'000	2018 S\$'000 Restated	% Change
Revenue				
Hotel operations and management	1	33,344	35,940	-7%
Rental income from investment properties		4,847	4,901	-1%
Total revenue		38,191	40,841	-6%
Other income		39	71	-45%
		38,230	40,912	-7%
Costs and expenses				
Staff costs		(10,973)	(11,307)	-3%
Depreciation and amortisation		(5,389)	(5,168)	4%
Hotel operating expenses	1	(12,474)	(12,787)	-2%
Total costs and expenses		(28,836)	(29,262)	-1%
Profit from operating activities		9,394	11,650	-19%
Finance costs		(499)	(665)	-25%
Interest income from fixed deposits		1,063	1,107	-4%
Foreign exchange loss		(113)	(2,346)	-95%
Share of results of associates		(136)	(94)	45%
Profit before tax		9,709	9,652	1%
Income tax expense		(2,806)	(2,941)	-5%
Net profit attributable to owners of the parent		6,903	6,711	3%

1 (a)(ii) Notes to the Statement of Comprehensive Income

Note 1 The hotel operations and management revenue and hotel operating expenses for the corresponding period last year was restated in accordance with SFRS(I) 15 for more meaningful comparison of the 2019 and 2018 results.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 31 Mar 2019

	Note	Period Ended 31 Mar		
		2019 S\$'000	2018 S\$'000	% Change
Profit net of tax		6,903	6,711	3%
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Net (loss)/gain on fair value changes of financial assets at fair value through other comprehensive income		(56)	258	n/m
		(56)	258	n/m
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		412	(11,255)	n/m
		412	(11,255)	n/m
Other comprehensive income, net of tax		356	(10,997)	n/m
Total comprehensive income		7,259	(4,286)	n/m
Total comprehensive income attributable to:				
Owners of the parent		7,259	(4,286)	n/m
		7,259	(4,286)	n/m

n/m = Not meaningful

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

Statements of Financial Position as at 31 Mar 2019

Note	Group		Company	
	31-Mar-19 S\$'000	31-Dec-18 S\$'000	31-Mar-19 S\$'000	31-Dec-18 S\$'000
Non-current assets				
Property, plant and equipment	1,085,992	1,086,160	280,440	280,933
Investment properties	274,908	273,559	-	-
Land use rights	1,018	1,011	-	-
Investment in subsidiaries	-	-	337,069	337,069
Investment in associates	7,358	7,451	10,249	10,249
Investment securities	13,472	13,528	13,472	13,528
Deferred tax assets	2,509	2,518	-	-
Goodwill	1,335	1,334	-	-
Intangible assets	83	83	-	-
	<u>1,386,675</u>	<u>1,385,644</u>	<u>641,230</u>	<u>641,779</u>
Current assets				
Inventories	667	733	15	15
Trade and other receivables	8,298	6,733	765	876
Land use rights	44	44	-	-
Prepaid operating expenses	2,743	2,926	117	102
Due from subsidiaries	-	-	461	557
Short - term deposits	198,592	195,915	128,258	125,774
Cash and bank balances	30,243	29,823	3,149	3,479
	<u>240,587</u>	<u>236,174</u>	<u>132,765</u>	<u>130,803</u>
Current liabilities				
Trade and other payables	13,624	13,163	451	407
Accrued operating expenses	2,281	3,824	1,159	1,154
Deferred income	762	1,004	-	-
Due to subsidiaries	-	-	3,342	3,318
Due to associated companies	33	33	33	33
Income tax payable	6,011	6,045	-	-
Finance lease obligations	18	18	18	18
Loans and borrowings	34,084	33,918	-	-
	<u>56,813</u>	<u>58,005</u>	<u>5,003</u>	<u>4,930</u>
Net current assets	183,774	178,169	127,762	125,873
Non-current liabilities				
Finance lease obligations	24	29	24	29
Loans and borrowings	23,951	24,522	-	-
Deferred tax liabilities	159,283	159,330	7,317	7,238
Net assets	1,387,191	1,379,932	761,651	760,385
Equity attributable to owners of the parent				
Issued capital	502,537	502,537	502,537	502,537
Fair value reserve	2,112	2,168	2,112	2,168
Asset revaluation reserve	702,442	702,442	214,691	214,691
Translation reserve	(120,301)	(120,713)	-	-
Other reserve	1,432	1,432	-	-
Retained earnings	298,969	292,066	42,311	40,989
Total equity	1,387,191	1,379,932	761,651	760,385

1(b)(ii) Aggregate amount of group's borrowings and debts securities

Amount repayable in one year or less, or on demand

As at 31 Mar 2019		As at 31 Dec 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
34,102	-	33,936	-

Amount repayable after one year

As at 31 Mar 2019		As at 31 Dec 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
23,975	-	24,551	-

Details of any collateral

The Group's borrowings are principally secured by land, hotel buildings and investment properties owned by the Company and various subsidiaries.

1(c) A cash flow statement for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Cash Flow for the Period Ended 31 Mar 2019:

	<u>Notes</u>	Period Ended 31 Mar	
		2019 S\$'000	2018 S\$'000
Operating activities			
Profit before tax		9,709	9,652
Adjustments for :-			
Depreciation of property, plant and equipment		5,378	5,157
Amortisation of land use rights		11	11
Net gain on disposal of investment securities		-	(19)
Fair value gain on derivatives		-	(83)
Finance costs		499	665
Interest income		(1,063)	(1,107)
Share of results of associates		136	94
Operating cash flows before changes in working capital		14,670	14,370
Decrease in inventories		65	32
(Increase)/decrease in trade and other receivables		(1,564)	549
Decrease in prepaid operating expenses		179	356
Decrease in trade and other payables		(1,312)	(2,487)
Cash flows generated from operations		12,038	12,820
Interest received		1,063	1,107
Finance costs		(499)	(665)
Tax paid		(2,764)	(2,010)
Net cash flows generated from operating activities		9,838	11,252
Investing activities			
Proceeds from disposal of investment securities		-	199
Purchase of property, plant and equipment		(5,416)	(1,078)
Purchase of investment securities		-	(97)
Purchase of investment properties		(649)	-
Net cash flows used in investing activities		(6,065)	(976)
Financing activities			
Repayments of loans and borrowings		(691)	(36,009)
Repayment of obligations under finance lease		(5)	(4)
Net cash flows used in financing activities		(696)	(36,013)
Increase/(decrease) in cash and cash equivalents		3,077	(25,737)
Effect of exchange rate changes on cash and cash equivalents		20	(1,418)
Cash and cash equivalents at beginning of period		225,738	261,002
Cash and cash equivalents at end of period		228,835	233,847

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

Statements of Changes in Equity for the Period Ended 31 Mar 2019

Group	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 Jan 2019	502,537	2,168	702,442	(120,713)	1,432	292,066	1,379,932
Profit net of tax	-	-	-	-	-	6,903	6,903
<u>Other comprehensive income for the period:</u>							
Net loss on fair value changes of financial assets at fair value through other comprehensive income	-	(56)	-	-	-	-	(56)
Foreign currency translation	-	-	-	412	-	-	412
Total comprehensive income for the period	-	(56)	-	412	-	6,903	7,259
Closing balance at 31 Mar 2019	502,537	2,112	702,442	(120,301)	1,432	298,969	1,387,191
Opening balance at 1 Jan 2018	455,922	3,559	626,383	(86,568)	1,432	325,819	1,326,547
Effects of adopting SFRS (I)1	-	-	-	-	-	(4,597)	(4,597)
Opening balance at 1 Jan 2018 (Restated)	455,922	3,559	626,383	(86,568)	1,432	321,222	1,321,950
Profit net of tax	-	-	-	-	-	6,711	6,711
<u>Other comprehensive income for the period:</u>							
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	258	-	-	-	-	258
Foreign currency translation	-	-	-	(11,255)	-	-	(11,255)
Total comprehensive income for the period	-	258	-	(11,255)	-	6,711	(4,286)
Closing balance at 31 Mar 2018 (Restated)	455,922	3,817	626,383	(97,823)	1,432	327,933	1,317,664

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 Jan 2019	502,537	2,168	214,691	40,989	760,385
Profit net of tax	-	-	-	1,322	1,322
<u>Other comprehensive income for the period:</u>					
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	(56)	-	-	(56)
Total comprehensive income for the period	-	(56)	-	1,322	1,266
Closing balance at 31 Mar 2019	502,537	2,112	214,691	42,311	761,651
Opening balance at 1 Jan 2018	455,922	3,559	198,824	86,381	744,686
Effects of adopting SFRS (I)1 *	-	-	-	(4,597)	(4,597)
Opening balance at 1 Jan 2018 (Restated)	455,922	3,559	198,824	81,784	740,089
Profit net of tax	-	-	-	(752)	(752)
<u>Other comprehensive income for the period:</u>					
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	258	-	-	258
Total comprehensive income for the period	-	258	-	(752)	(494)
Closing balance at 31 Mar 2018 (Restated)	455,922	3,817	198,824	81,032	739,595

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 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.

There was no change in the number of issued shares in the capital of the Company which stood at 726,535,377 shares since the end of the last financial year.

The Company does not have any treasury shares as at 31 Mar 2019. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 31 Mar 2019.

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.

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

N.A.

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 in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2018 except SFRS(l) 16 Leases which was applicable for the financial period beginning 1 January 2019.

The Group does not expect the adoption of SFRS(l) 16 to have a significant impact on its financial position or performance.

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

Please refer to item 4 above.

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

Earnings per ordinary share of the Group based on net profit attributable to owners of the parent:
(a) based on the weighted average number of shares
(b) on a fully diluted basis

Period Ended 31 Mar	
2019	2018
0.95 cents	0.97 cents
0.95 cents	0.97 cents

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Net asset value backing per ordinary share based on issued share capital at the end of the period reported on:

Group	
31-Mar-19	31-Dec-18
S\$ 1.91	S\$ 1.90

Company	
31-Mar-19	31-Dec-18
S\$ 1.05	S\$ 1.05

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the Group during the current financial period reported on

A) Group Revenue Commentary

The Group's revenue decreased in Q1 2019 mainly due to the effects of translating Australia and New Zealand revenue at lower average exchange rates compared to last year. Group revenue was also impacted by lower sales at the Australia, New Zealand and Singapore hotels.

The Australia and New Zealand segments were mainly affected by lower sales at the Adelaide Hindley and Wellington hotels respectively due to ongoing refurbishment works at the hotels. The Singapore hotels operated in a competitive market during the first quarter of 2019.

B) Group Profit Commentary

Despite the lower Group operating profit arising from lower Group revenue, the Group's net profit increased marginally due to lower foreign exchange loss in Q1 2019 (loss of \$113k) compared to Q1 2018 (loss of \$2,346k).

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

Nil

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

The Group's Australia and New Zealand hotels are expected to perform weaker this year due to the ongoing refurbishment works at the two hotels in Wellington and Adelaide Hindley. The general market is also getting more competitive due to the encroachment by Airbnb units. These coupled with weaker performance of the Singapore hotels due to strong competition and a further risk of weaker Australia and New Zealand currencies, the Group expects 2019 to be challenging.

11. (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? None

(c) Date payable

N.A

(d) Book closure date

N.A.

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

No dividend has been declared or recommended for the quarter ended 31 Mar 2019

Part II - Additional Information Required for the Full Year Announcement
(This part is not applicable to Q1, Q2, Q3 and Half Year Results)

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

N.A.

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.

N.A.

15. A breakdown of revenue

N.A.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total annual dividend, net of tax

	Latest Full Year	Previous Full Year
	S\$'000	S\$'000
Scrip dividend	0	0
Cash dividend	0	0
Total	0	0

17. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

18. Confirmation By Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the period ended 31 Mar 2019 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
15 May 2019