



(Company registration no. 201128650E)

**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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**GLOBAL PREMIUM HOTELS LIMITED**  
**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

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

	Group		
	1Q 2017 S\$'000	1Q 2016 S\$'000	% Change
Revenue	13,990	14,549	(3.8)
Cost of sales	(1,491)	(1,474)	1.2
<b>Gross profit</b>	<b>12,499</b>	<b>13,075</b>	<b>(4.4)</b>
Other operating income	711	709	0.3
Administrative expenses	(6,887)	(7,078)	(2.7)
Foreign exchange losses	(92)	(2)	N.M.
Fair value changes on derivative financial instrument	(17)	-	N.M.
Finance costs	(2,244)	(2,569)	(12.7)
<b>Profit before income tax</b>	<b>3,970</b>	<b>4,135</b>	<b>(4.0)</b>
Income tax	(776)	(776)	-
<b>Profit for the period</b>	<b>3,194</b>	<b>3,359</b>	<b>(4.9)</b>

**Other comprehensive income, net of tax:**

*Items that will not be reclassified subsequently to profit or loss*

Transfer of depreciation on revaluation of leasehold land and hotel buildings to revaluation reserve

*Items that may be reclassified subsequently to profit or loss*

Exchange differences on translation of foreign operations

Changes in fair value of derivative financial instrument

**Other comprehensive income for the period, net of tax**

**Total comprehensive income for the period**

	1,019	1,076	(5.3)
	602	48	N.M.
	59	(487)	N.M.
	<b>1,680</b>	<b>637</b>	<b>163.7</b>
	<b>4,874</b>	<b>3,996</b>	<b>22.0</b>

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

	Group		
	1Q 2017 S\$'000	1Q 2016 S\$'000	% Change
Depreciation and amortisation	1,254	1,289	(2.7)
Finance costs	2,244	2,569	(12.7)
Interest income	(6)	(6)	-
Gain on disposal of plant and equipment	(10)	-	N.M.
Foreign exchange losses	92	2	N.M.

*N.M. – not meaningful*

**GLOBAL PREMIUM HOTELS LIMITED**  
**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

**1(b)(i) Statements of Financial Position as at 31 Mar 2017 vs 31 Dec 2016**

	Group			Company		
	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	% Change	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	% Change
<b><u>ASSETS</u></b>						
<b>Current assets</b>						
Cash and cash equivalents	4,452	5,643	(21.1)	75	41	82.9
Trade receivables	1,210	787	53.7	-	-	-
Other receivables <sup>1</sup>	2,106	2,131	(1.2)	17	10	70.0
Property under development	30,372	28,500	6.6	-	-	-
<b>Total current assets</b>	<b>38,140</b>	<b>37,061</b>	<b>2.9</b>	<b>92</b>	<b>51</b>	<b>80.4</b>
<b>Non-current assets</b>						
Property, plant and equipment	1,207,788	1,207,866	N.M.	-	-	-
Subsidiaries	-	-	-	690,048	691,012	(0.1)
Investment property <sup>2</sup>	8,052	-	N.M.	-	-	-
Other receivables <sup>1</sup>	-	376	N.M.	-	-	-
<b>Total non-current assets</b>	<b>1,215,840</b>	<b>1,208,242</b>	<b>0.6</b>	<b>690,048</b>	<b>691,012</b>	<b>(0.1)</b>
<b>Total assets</b>	<b>1,253,980</b>	<b>1,245,303</b>	<b>0.7</b>	<b>690,140</b>	<b>691,063</b>	<b>(0.1)</b>
<b><u>LIABILITIES AND EQUITY</u></b>						
<b>Current liabilities</b>						
Trade payables	1,491	1,380	8.0	-	-	-
Other payables <sup>3</sup>	7,352	8,356	(12.0)	897	577	55.5
Term loans <sup>4</sup>	18,556	17,331	7.1	-	-	-
Income tax payable	3,310	3,060	8.2	-	-	-
Amount due to subsidiaries	-	-	-	44,383	45,033	(1.4)
Derivative financial instrument <sup>5</sup>	169	339	(50.1)	-	-	-
<b>Total current liabilities</b>	<b>30,878</b>	<b>30,466</b>	<b>1.4</b>	<b>45,280</b>	<b>45,610</b>	<b>(0.7)</b>
<b>Non-current liabilities</b>						
Term loans <sup>4</sup>	456,714	453,314	0.8	-	-	-
Deferred tax liabilities	32,367	32,376	N.M.	-	-	-
Other payables	-	-	-	1,770	1,012	74.9
<b>Total non-current liabilities</b>	<b>489,081</b>	<b>485,690</b>	<b>0.7</b>	<b>1,770</b>	<b>1,012</b>	<b>74.9</b>
<b>Capital and reserves</b>						
Share capital	263,692	263,692	-	263,692	263,692	-
Reserves	470,329	465,455	1.0	379,398	380,749	(0.4)
<b>Total equity</b>	<b>734,021</b>	<b>729,147</b>	<b>0.7</b>	<b>643,090</b>	<b>644,441</b>	<b>(0.2)</b>
<b>Total liabilities and equity</b>	<b>1,253,980</b>	<b>1,245,303</b>	<b>0.7</b>	<b>690,140</b>	<b>691,063</b>	<b>(0.1)</b>

*N.M. – not meaningful*

**GLOBAL PREMIUM HOTELS LIMITED**  
**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

Footnotes:

1. Decrease in other receivables under non-current assets was mainly due to reclassification of a non-refundable deposit of \$0.4 million to investment property upon completion of acquisition of a hotel property, namely "Clarion Hotel City Park Grand", in Tasmania, Australia in 1Q 2017.
2. The investment property was related to the completion of acquisition of a hotel property, namely "Clarion Hotel City Park Grand", in Tasmania, Australia.
3. Decrease in other payables was mainly due to payment made to other creditors in relation to asset enhancement works of Fragrance Hotel – Selegie which was partially offset by additional cost incurred for our property under development in Perth, Australia.
4. Increase in term loans was mainly due to additional loan drawdown which was partially offset by repayment of term loans.
5. Financial derivative liabilities as at 31 March 2017 included \$0.1 million in relation to interest rate swap ("IRS") and \$0.1 million in relation to foreign currency options ("FX options").

In FY 2015, the Group had entered into an 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 \$0.1 million as at 31 March 2017 and 31 December 2016.

In 1Q 2017 & 4Q 2016, the Group had entered into two FX options to convert Singapore Dollars \$50.0 million to Australian Dollars. Fair value changes on the FX options resulted in financial derivative liabilities of \$0.1 million as at 31 March 2017 and \$0.2 million as at 31 December 2016.

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

	Group		Company	
	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000
<b>Secured borrowings</b>				
- Amount repayable within one year	18,556	17,331	-	-
- Amount repayable after one year	456,714	453,314	-	-
	<b>475,270</b>	<b>470,645</b>	-	-

(1)

Footnote:

1. The increase in the Group's borrowings as at 31 Mar 2017 was mainly due to additional loan drawdown which was partially offset by repayment of term loans.

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.

**GLOBAL PREMIUM HOTELS LIMITED**  
**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

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

	<b>Group</b>	
	<b>1Q 2017</b>	<b>1Q 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before income tax	3,970	4,135
<i>Adjustments for:</i>		
Interest income	(6)	(6)
Finance costs	2,244	2,569
Depreciation and amortisation	1,254	1,289
Gain on disposal of plant and equipment	(10)	-
FX options income	(130)	-
Fair value changes on derivative financial instrument	17	-
<b>Operating cash flows before movements in working capital</b>	<b>7,339</b>	<b>7,987</b>
Trade receivables	(422)	2,527
Other receivables	(88)	(204)
Trade payables	111	(158)
Other payables	(364)	(76)
Property under development	(672)	(45)
<b>Cash generated from operating activities</b>	<b>5,904</b>	<b>10,031</b>
Interest paid <sup>1</sup>	(2,464)	(2,572)
Income tax paid	(535)	(25)
<b>Net cash from operating activities</b>	<b>2,905</b>	<b>7,434</b>
<b>Investing activities</b>		
Interest received	6	6
Purchase of property, plant and equipment	(1,163)	(437)
Purchase of investment property	(7,692)	-
Proceeds from disposal of property, plant and equipment	10	-
<b>Net cash used in investing activities</b>	<b>(8,839)</b>	<b>(431)</b>
<b>Financing activities</b>		
Proceeds from term loans	8,600	1,000
Repayment of term loans	(3,857)	(4,593)
Payment of transaction costs related to borrowings	(10)	-
<b>Net cash from/(used in) financing activities</b>	<b>4,733</b>	<b>(3,593)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,201)</b>	<b>3,410</b>
Cash and cash equivalents at beginning of period	5,643	5,002
Effects of currency translation on cash and cash equivalents	10	6
<b>Cash and cash equivalents at end of period</b>	<b>4,452</b>	<b>8,418</b>

*Footnote:*

1. Interest paid includes interest capitalised under property under development.

GLOBAL PREMIUM HOTELS LIMITED  
 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

	Share capital	Revaluation reserve	Merger reserve	Hedging reserve	Translation reserve	Retained earnings	Total
<b>Group</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2017</b>	<b>263,692</b>	<b>891,511</b>	<b>(555,028)</b>	<b>(131)</b>	<b>576</b>	<b>128,527</b>	<b>729,147</b>
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	3,194	3,194
Other comprehensive income for the period	-	1,019	-	59	602	-	1,680
Total	-	1,019	-	59	602	3,194	4,874
<b>Balance as at 31 March 2017</b>	<b>263,692</b>	<b>892,530</b>	<b>(555,028)</b>	<b>(72)</b>	<b>1,178</b>	<b>131,721</b>	<b>734,021</b>
<b>Balance as at 1 January 2016</b>	<b>263,692</b>	<b>903,089</b>	<b>(555,028)</b>	<b>190</b>	<b>-</b>	<b>116,587</b>	<b>728,530</b>
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	3,359	3,359
Other comprehensive income/(loss) for the period	-	1,076	-	(487)	48	-	637
Total	-	1,076	-	(487)	48	3,359	3,996
<b>Balance as at 31 March 2016</b>	<b>263,692</b>	<b>904,165</b>	<b>(555,028)</b>	<b>(297)</b>	<b>48</b>	<b>119,946</b>	<b>732,526</b>

**GLOBAL PREMIUM HOTELS LIMITED**  
**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

**Company**

**Balance as at 1 January 2017**

*Total comprehensive loss for the period*

Loss for the period

Total

**Balance as at 31 March 2017**

**Balance as at 1 January 2016**

*Total comprehensive income for the period*

Profit for the period

Total

**Balance as at 31 March 2016**

Share capital	Retained earnings	Total
S\$'000	S\$'000	S\$'000
263,692	380,749	644,441
-	(1,351)	(1,351)
-	(1,351)	(1,351)
263,692	379,398	643,090
263,692	380,702	644,394
-	30	30
-	30	30
263,692	380,732	644,424

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

**As at 1 January 2017 and 31 March 2017**

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 2016.

**1(d)(iii) Treasury Shares**

The Company did not hold any treasury shares as at 31 March 2017 and 31 December 2016.

**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 2017.

**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 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 2017	1Q 2016
Weighted average number of shares in issue	1,052,000,000	1,052,000,000
<b>Earnings per share (“EPS”)<sup>1</sup></b>	<b>cents</b>	<b>cents</b>
Based on weighted average number of shares in issue	0.30	0.32
Based on fully diluted basis	0.30	0.32
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 2017 cents	31 Dec 2016 Cents	31 Mar 2017 cents	31 Dec 2016 Cents
<b>NAV per share</b>	69.77	69.31	61.13	61.26

The NAV per share as at 31 March 2017 and 31 December 2016 was calculated based on 1,052,000,000 issued shares.

8 **Review of the performance**

**1Q 2017 vs 1Q 2016**

<b><u>Group</u></b>	<b>1Q 2017</b> <b>S\$'000</b>	<b>1Q 2016</b> <b>S\$'000</b>	<b>%</b> <b>Change</b>
Hotel room revenue	13,713	14,267	(3.9)
Rental income	277	282	(1.8)
<b>Total revenue</b>	<b>13,990</b>	<b>14,549</b>	<b>(3.8)</b>
Cost of sales	(1,491)	(1,474)	1.2
<b>Gross profit</b>	<b>12,499</b>	<b>13,075</b>	<b>(4.4)</b>
Other operating income	711	709	0.3
Administrative expenses	(6,887)	(7,078)	(2.7)
Foreign exchange losses	(92)	(2)	N.M.
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Finance costs	(2,244)	(2,569)	(12.7)
<b>Profit before income tax</b>	<b>3,970</b>	<b>4,135</b>	<b>(4.0)</b>
Income tax	(776)	(776)	-
<b>Profit for the period</b>	<b>3,194</b>	<b>3,359</b>	<b>(4.9)</b>

Hotel room revenue for 1Q 2017 decreased by \$0.6 million, or 3.9% over 1Q 2016. This was mainly due to one hotel which had to close temporarily to facilitate asset enhancement works. The decrease was partially offset by contribution of \$0.2 million from Klapstar Boutique Hotel which was not in our hotel portfolio in 1Q 2016.

Rental income was relatively stable at \$0.3 million for 1Q 2017 and 1Q 2016.

Cost of sales remained stable at \$1.5 million for 1Q 2017 and 1Q 2016.

Other operating income for 1Q 2017 increased marginally by 0.3% over 1Q 2016. This was mainly due to recognition of FX options income in 1Q 2017 which was partially offset by lower wages credit and special employment credit received in 1Q 2017.

Administrative expenses decreased by 2.7% over 1Q 2016 mainly due to decrease in staff costs, property tax, repair and maintenance costs which were partially offset by increase in commission expenses and legal and professional fee.

The foreign exchange losses were attributed to the Australian operations.

Finance costs decreased by \$0.3 million, or 12.7% over 1Q 2016 mainly due to recognition of interest capitalised under property under development and lower interest rates on loans in 1Q 2017.

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

The current results are broadly in line with the commentary made in the fourth quarter 2016 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 3.4% year-on-year (yoy) from January to February 2017<sup>1</sup> compared to the corresponding period last year due to more tourists coming from the key source of markets such as China.

In spite of the increase in tourist arrivals, hotel room rates continued to decline during the year on account of more rooms available and shorter length of stay. The standard average room rates (ARR) at local economy and mid-tier hotels fell by 5.3% and 6.5% respectively while the revenue per available room (RevPAR) were lower by 0.1% and 6.1% respectively<sup>2</sup>.

For 2017, we expect competition in the hospitality and tourism industry in Singapore to remain keen against the backdrop of uncertainty in the global economy and more new hotels opening which will add another approximately 6% to the total room supply. This will put further pressure on the occupancy and room rates.

On 13 April 2017, the Singapore Tourism Board (STB) and The Walt Disney Company Southeast Asia (Disney) have signed a 3-year collaboration. As part of the collaboration, locals and visitors to Singapore will be entertained with a range of exciting experiential activities starting with Star Wars, followed by Marvel and Disney Animation/Disney Pixar themes in 2018 and 2019 respectively<sup>3</sup>. STB has also renewed its collaboration with Changi Airport Group and Singapore Airlines with the goals to boost attraction of Meeting, Incentives, Conferences and Exhibitions (MICE) travellers.

*Footnotes:*

1. Source: Estimated according to Singapore Tourism Board – International Visitor Arrivals Statistics published on 13 April 2017.
2. Source: STB – Hotel Statistics 2017 published on 13 April 2017.
3. Source: STB – Singapore Tourism Board and The Walt Disney Company Southeast Asia to Form Multi-Year Collaboration on 13 April 2017.

**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**

No dividend has been declared/recommended for the period under review.

**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 2017, 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

8 May 2017

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.