

Unaudited Financial Statement for the Period Ended 31 March 2014

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 March 2014:

	Note	Period Ended 31 March		
		2014 S\$'000	2013 S\$'000	% Change
Revenue				
Hotel operations and management		35,581	36,597	-3%
Rental income from investment properties	1	2,564	1,376	86%
Total revenue		38,145	37,973	0%
Other income	2	1,071	56	1813%
		39,216	38,029	3%
Costs and expenses				
Staff costs		(12,022)	(12,130)	-1%
Depreciation and amortisation		(4,464)	(4,851)	-8%
Hotel operating expenses		(14,122)	(13,633)	4%
Total costs and expenses		(30,608)	(30,614)	0%
Profit from operating activities		8,608	7,415	16%
Interest expense		(684)	(631)	8%
Interest income		875	1,166	-25%
Foreign exchange gain	3	2,822	2,575	10%
Share of results of associates		(10)	113	-109%
Profit before tax		11,611	10,638	9%
Income tax expense		(1,745)	(2,381)	-27%
Net profit attributable to owners of the parent		9,866	8,257	19%

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

Note 1 Rental income increased due to the rental contribution (2013 - \$Nil) from 300 Flinders Street, Melbourne which was purchased in Q4 2013.

Note 2 Other income included gain on disposal of the Penang hotel of \$1.05 million.

Note 3 The unrealized foreign exchange gain for the period ended 31 March 2014 was mainly due to the translation of Australian and New Zealand dollar fixed deposits at higher exchange rates vis a vis the Singapore dollar between 31 March 2014 and 31 December 2013.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 31 March 2014

	Period Ended 31 March		
	2014 S\$'000	2013 S\$'000	% Change
Profit net of tax	9,866	8,257	19%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net fair value changes on available for sale quoted investments	(164)	262	-163%
Foreign currency translation	14,012	10,062	39%
Other comprehensive income, net of tax	13,848	10,324	34%
Total comprehensive income	23,714	18,581	28%
Total comprehensive income attributable to:			
Owners of the parent	23,714	18,581	28%
	23,714	18,581	28%

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 March 2014

Statements of Financial Position as at 31 March 2014		Group		Company	
	Note	31-Mar-14 S\$'000	31-Dec-13 S\$'000	31-Mar-14 S\$'000	31-Dec-13 S\$'000
Non-current assets					
Property, plant and equipment	1	854,852	837,705	107,641	105,549
Investment properties	2	107,801	103,631	-	-
Land Use Rights		1,289	1,341	-	-
Investment in subsidiaries		-	-	266,374	266,374
Investment in associates		27,624	27,907	17,498	17,498
Investment securities		3,852	3,935	3,852	3,935
Other receivables		1,484	1,467	-	-
Deferred tax assets		4,363	4,229	-	-
Goodwill		3,106	2,981	-	-
Intangible Assets		98	93	-	-
		1,004,469	983,289	395,365	393,356
Current assets					
Inventories		915	936	9	9
Trade and other receivables		8,661	9,128	404	399
Prepaid operating expenses		1,634	2,110	85	54
Property held for sale	3	-	15,932	-	-
Due from subsidiaries		-	-	634	449
Fixed deposits	4	125,961	109,275	78,561	75,700
Cash and bank balances		26,999	22,747	1,240	1,476
		164,170	160,128	80,933	78,087
Current liabilities					
Trade and other payables		14,762	18,517	712	693
Accrued operating expenses		1,650	2,175	595	677
Deferred income		665	452	-	-
Derivatives		68	70	68	70
Due to subsidiaries		-	-	2,744	2,709
Due to associated companies		241	232	90	80
Income tax payable		5,924	4,244	243	215
Lease obligation		11	10	-	-
Bank term loans		7,311	7,163	-	-
Short term bank loans, secured	5	17,750	14,150	-	-
Bank overdrafts, secured		410	-	-	-
		48,792	47,013	4,452	4,444
Net current assets		115,378	113,115	76,481	73,643
Non-current liabilities					
Lease obligations		19	20	-	-
Bank term loans		131,045	131,677	29,000	26,850
Deferred tax liabilities		109,272	108,910	-	-
Net assets		879,511	855,797	442,846	440,149
Equity attributable to owners of the parent					
Issued Capital		343,260	343,260	343,260	343,260
Fair value reserve		688	852	688	852
Asset revaluation reserve		362,507	372,764	69,325	69,325
Translation reserve		(25,735)	(39,747)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		197,359	177,236	29,573	26,712
Total equity		879,511	855,797	442,846	440,149

1 (b)(ii) Notes to the Statements of Financial Position

- Note 1 The increase in the property, plant and equipment was principally due to the higher exchange rates of the Australian and New Zealand dollar, additional construction payments for the Orchard Road redevelopment offset by depreciation during the quarter.
- Note 2 Investment properties increased mainly due to the higher exchange rates of the Australian and New Zealand dollar.
- Note 3 The property held for sale related to Hotel Grand Continental, Penang. The sale of the Penang hotel was settled on 14 February 2014.
- Note 4 The increase in the fixed deposits was mainly due to the placement of the sale proceeds of the Penang hotel to fixed deposits and higher exchange rates for the Australian and New Zealand dollar.
- Note 5 The increase in the short term bank loans was due to additional loan drawdowns to finance the construction costs of the leasehold Orchard Road hotel.

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

Amount repayable in one year or less, or on demand

As at 31 Mar 2014		As at 31 December 2013	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
25,482	-	21,323	-

Amount repayable after one year

As at 31 Mar 2014		As at 31 December 2013	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
131,064	-	131,697	-

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

Statements of Cash Flows for

	Period Ended 31 March	
	2014	2013
	S\$'000	S\$'000
Operating activities		
Profit before taxation including share of results of associates	11,611	10,638
Adjustments for :-		
Depreciation of property, plant and equipment	4,464	4,851
Fair value (gain)/loss on derivatives	(2)	39
Gain on disposal of Penang hotel	(1,048)	-
Interest expense	684	631
Interest income	(875)	(1,166)
Share of results of associates	10	(113)
Operating cash flows before changes in working capital	14,844	14,880
Decrease in inventories	54	72
Decrease/(Increase) in trade and other receivables	707	(307)
Increase in prepaid operating expenses	549	601
Decrease in trade and other payables	(4,581)	(1,519)
Cash flows from operations	11,573	13,727
Interest received	875	1,166
Interest paid	(684)	(631)
Tax paid	(2,392)	(2,183)
Net cash flows from operating activities	9,372	12,079
Investing activities		
Proceeds from disposal of property, plant and equipment	16,972	-
Receipt from other receivables	30	33
Purchase of investment property	(1)	-
Purchase of investment securities	(81)	-
Purchase of property, plant and equipment	(8,598)	(5,438)
Net cash flows from/(used in) investing activities	8,322	(5,405)
Financing activities		
Proceeds from loans and borrowings	5,750	3,600
Repayments of loans and borrowings	(4,573)	(2,280)
Repayment of obligations under finance lease	(2)	(3)
Net cash flows from financing activities	1,175	1,317
Net increase in cash and cash equivalents	18,869	7,991
Effect of exchange rate changes on cash and cash equivalents	1,659	1,328
Cash and cash equivalents at beginning of period	132,022	163,019
Cash and cash equivalents at end of period	152,550	172,338

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 2014

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Group							
Opening balance at 1 Jan 2014	343,260	852	372,764	(39,747)	1,432	177,236	855,797
Total comprehensive income for the period	-	(164)	-	14,012	-	9,866	23,714
Transfer from asset revaluation reserve	-	-	(10,257)	-	-	10,257	-
Closing balance at 31 Mar 2014	343,260	688	362,507	(25,735)	1,432	197,359	879,511
Opening balance at 1 Jan 2013	316,917	729	372,764	(9,304)	1,432	191,250	873,788
Total comprehensive income for the period	-	262	-	10,062	-	8,257	18,581
Closing balance at 31 Mar 2013	316,917	991	372,764	758	1,432	199,507	892,369
Company							
Opening balance at 1 Jan 2014	343,260	852	69,325	-	-	26,712	440,149
Total comprehensive income for the period	-	(164)	-	-	-	2,861	2,697
Closing balance at 31 Mar 2014	343,260	688	69,325	-	-	29,573	442,846
Opening balance at 1 Jan 2013	316,917	729	69,325	-	-	51,772	438,743
Total comprehensive income for the period	-	262	-	-	-	2,849	3,111
Closing balance at 31 Mar 2013	316,917	991	69,325	-	-	54,621	441,854

- 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 596,641,356 shares since the end of the last financial year.

The Company does not have any treasury shares as at 31 Mar 2014. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 31 Mar 2014.

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

Except as disclosed in para 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2013.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2014. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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	
2014	2013
1.65 cents	1.45 cents
1.65 cents	1.45 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-14	31-Dec-13
S\$ 1.47	S\$ 1.43

Company	
31-Mar-14	31-Dec-13
S\$ 0.74	S\$ 0.74

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

Group Revenue and Profit Commentary

The increase in the Group's revenue in Q1 2014 was mainly due to additional revenue from the 300 Flinders Street and the hotel at Palm Cove which were purchased in 2013.

The Group's net profit for Q1 2014 improved 19% to \$9.87 million as compared to \$8.26 million in Q1 2013.

The increase in the Group's net profit was mainly due to the following:-

- a) The gain on sale of the Penang hotel
- b) Additional rental contribution from the Flinders Street, Melbourne building

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 hotel markets where the Group operates in, are generally expected to remain competitive for 2014.

The increase in hotel room supply in Singapore is expected to continue to exert downward pressure on room occupancy and average room rates. In addition, the hotel in Brisbane is also currently facing a slowdown due to weak economic factors there.

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 March 2014.

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
Ordinary - Scrip	0	0
Ordinary - Cash	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 2014 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 May 2014