

Unaudited Financial Statement for the Period Ended 30 Sep 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 30 Sep 2014:

	Note	Quarter Ended 30 Sep			Nine Months Ended 30 Sep		
		2014 S\$'000	2013 S\$'000	% Change	2014 S\$'000	2013 S\$'000	% Change
Revenue							
Hotel operations and management		33,781	32,774	3%	103,283	102,718	1%
Rental income from investment properties	1	2,479	1,360	82%	7,678	4,115	87%
Total revenue		36,260	34,134	6%	110,961	106,833	4%
Other income		71	107	-33%	1,213	214	467%
		36,331	34,241	6%	112,174	107,047	5%
Costs and expenses							
Staff costs		(12,645)	(11,795)	7%	(37,504)	(35,907)	4%
Depreciation and amortisation	2	(3,579)	(4,430)	-19%	(12,765)	(13,766)	-7%
Hotel operating expenses		(13,913)	(13,327)	4%	(41,606)	(40,461)	3%
Total costs and expenses		(30,137)	(29,552)	2%	(91,875)	(90,134)	2%
Profit from operating activities		6,194	4,689	32%	20,299	16,913	20%
Interest expense		(743)	(549)	35%	(2,136)	(1,735)	23%
Interest income		1,101	1,114	-1%	3,091	3,450	-10%
Foreign exchange (loss)/gain	3	(5,365)	1,395	n/m	(2,113)	(4,598)	-54%
Share of results of associates		(70)	2	n/m	35	451	-92%
Profit before tax		1,117	6,651	-83%	19,176	14,481	32%
Income tax expense		(1,521)	(1,863)	-18%	(5,042)	(6,398)	-21%
Net (loss)/ profit attributable to owners of the parent		(404)	4,788	n/m	14,134	8,083	75%

n/m = Not meaningful

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

- Note 1 Rental income increased in Q3 2014 due to the rental contribution (2013 - \$Nil) from 300 Flinders Street, Melbourne which was purchased in Q4 2013.
- Note 2 Depreciation for Q3 2014 reduced compared to the corresponding period last year because the Group ceased depreciating the property, plant and equipment of Hotel Grand Chancellor Pte Ltd with effect from 1 July 2014.
- Note 3 The unrealized foreign exchange loss for the period ended 30 Sep 2014 was mainly due to the translation of Australian and New Zealand dollar fixed deposits at lower exchange rates vis a vis the Singapore dollar between 30 Sep 2014 and 30 June 2014.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Period Ended 30 Sep 2014

	Quarter Ended 30 Sep			Nine Months Ended 30 Sep		
	2014 S\$'000	2013 S\$'000	% Change	2014 S\$'000	2013 S\$'000	% Change
(Loss) / profit net of tax	(404)	4,788	n/m	14,134	8,083	75%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Net fair value changes on available for sale quoted investments	94	74	27%	(35)	155	n/m
Foreign currency translation	(25,909)	3,622	n/m	(9,242)	(20,183)	-54%
Other comprehensive income, net of tax	(25,815)	3,696	n/m	(9,277)	(20,028)	-54%
Total comprehensive income	(26,219)	8,484	n/m	4,857	(11,945)	n/m
Total comprehensive income attributable to:						
Owners of the parent	(26,219)	8,484	n/m	4,857	(11,945)	n/m
	(26,219)	8,484	n/m	4,857	(11,945)	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 30 Sep 2014

Statements of Financial Position as at 30 Sep 2014		Group		Company	
		30-Sep-14 S\$'000	31-Dec-13 S\$'000	30-Sep-14 S\$'000	31-Dec-13 S\$'000
Note					
Non-current assets					
Property, plant and equipment	1	651,813	837,705	115,412	105,549
Investment properties	2	109,458	103,631	-	-
Land use rights		1,296	1,341	-	-
Investment in subsidiaries		-	-	228,374	266,374
Investment in associates		27,072	27,907	17,498	17,498
Investment securities		4,365	3,935	4,365	3,935
Other receivables		1,364	1,467	-	-
Deferred tax assets		4,174	4,229	-	-
Goodwill		2,892	2,981	-	-
Intangible assets		89	93	-	-
		802,523	983,289	365,649	393,356
Current assets					
Inventories		939	936	18	9
Trade and other receivables		8,461	9,128	2,151	399
Prepaid operating expenses		2,901	2,110	78	54
Property held for sale	3	-	15,932	-	-
Due from subsidiaries		-	-	243	449
Short - term deposits	4	124,658	109,275	78,141	75,700
Cash and bank balances		21,798	22,747	1,320	1,476
		158,757	160,128	81,951	78,087
Assets of disposal group held for sale	5	197,525	-	38,000	-
		356,282	160,128	119,951	78,087
Current liabilities					
Trade and other payables		17,673	18,517	2,370	693
Accrued operating expenses		1,886	2,175	559	677
Deferred income		195	452	-	-
Derivatives		58	70	58	70
Due to subsidiaries		-	-	4,201	2,709
Due to associated companies		183	232	35	80
Income tax payable		1,499	4,244	243	215
Lease obligation		11	10	-	-
Loans and borrowings	6	17,584	21,313	1,300	-
		39,089	47,013	8,766	4,444
Liabilities of disposal group held for sale	5	73,504	-	-	-
		112,593	47,013	8,766	4,444
Net current assets					
		243,689	113,115	111,185	73,643
Non-current liabilities					
Lease obligations		11	20	-	-
Loans and borrowings	7	102,025	131,677	35,000	26,850
Deferred tax liabilities	6	86,850	108,910	-	-
Net assets		857,326	855,797	441,834	440,149
Equity attributable to owners of the parent					
Issued capital	8	369,764	343,260	369,764	343,260
Fair value reserve		817	852	817	852
Asset revaluation reserve	6	279,489	372,764	69,325	69,325
Translation reserve		(48,989)	(39,747)	-	-
Other reserve		1,432	1,432	-	-
Reserve of disposal group held for sale	6	83,018	-	-	-
Retained earnings		171,795	177,236	1,928	26,712
Total equity		857,326	855,797	441,834	440,149

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

- Note 1 The decrease in the property, plant and equipment was principally due to the reclassification of the property, plant and equipment relating to Hotel Grand Chancellor Pte Ltd ("HGCPL") to assets of disposal group held for sale (see Note 5 below). In addition, the land and development expenses relating to the Christchurch development has also been reclassified to investment property. The decrease in the Group's property, plant and equipment was partially offset by additional development expenses in Singapore.
- Note 2 Investment properties increased mainly due to the reclassification of the land and development expenses relating to the Christchurch development from property, plant and equipment (see Note 1 above) and further development expenses during the year.
- Note 3 The property held for sale relates to Hotel Grand Continental, Penang. The sale of the Penang hotel was completed on 14 February 2014.
- Note 4 The increase in the short - term deposits was mainly due to the placement of the sale proceeds of the Penang hotel to short - term deposits.
- Note 5 This relates to the assets and liabilities of HGCPL. The company entered into a sales and purchase agreement on 30 June 2014 to sell its entire shareholding in HGCPL. HGCPL which is reported in the Hotel Operations segment is the owner and operator of Hotel Grand Chancellor located in Belilios Road, Little India, Singapore. The sale is expected to be completed on 15 January 2015.
- Note 6 The current loans and borrowings, deferred tax liabilities and asset revaluation reserve relating to HGCPL was reclassified to liabilities/reserve of disposal group held for sale (see Note 5 above).
- Note 7 The decrease in the non-current loans and borrowings was mainly due to a reclassification of the non-current loans and borrowings relating to HGCPL to liabilities of disposal group held for sale (see Note 6 above). The decrease was partly offset by additional loan drawdowns to finance the construction costs of the freehold Orchard Road hotel.
- Note 8 The increase in the issued capital was due to the completion of the scrip dividend exercise in Q2 2014.

1(b)(iii) Aggregate amount of group's borrowings and debts securities**Amount repayable in one year or less, or on demand**

As at 30 Sep 2014		As at 31 December 2013	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
17,595	-	21,323	-

Amount repayable after one year

As at 30 Sep 2014		As at 31 December 2013	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
102,036	-	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

	Quarter Ended 30 Sep		Nine Months Ended 30 Sep	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Operating activities				
Profit before taxation including share of results of associates	1,117	6,651	19,176	14,481
Adjustments for :-				
Depreciation of property, plant and equipment	3,579	4,430	12,765	13,766
Fair value (gain)/loss on derivatives	(17)	44	(12)	10
Net gain on disposal of fixed asset	(30)	-	(1,059)	-
Interest expense	743	549	2,136	1,735
Interest income	(1,101)	(1,114)	(3,091)	(3,450)
Share of results of associates	70	(2)	(35)	(451)
Operating cash flows before changes in working capital	4,361	10,558	29,880	26,091
(Increase)/decrease in inventories	(55)	(8)	(23)	92
(Increase)/decrease in trade and other receivables	(734)	(5,868)	282	(5,217)
Increase/(decrease) in prepaid operating expenses	304	(100)	(880)	(954)
Increase/(decrease) in trade and other payables	3,222	907	(823)	341
Cash flows from operations	7,098	5,489	28,436	20,353
Interest received	1,101	1,114	3,091	3,450
Interest paid	(743)	(549)	(2,136)	(1,735)
Tax paid	(3,644)	(2,832)	(8,872)	(7,106)
Net cash flows from operating activities	3,812	3,222	20,519	14,962
Investing activities				
Dividend received from investment in associates	-	-	724	754
Proceeds from disposal of property, plant and equipment	60	-	17,582	-
Receipt from other long-term receivables	24	19	84	78
Purchase of investment property	(1,589)	-	(3,098)	(7)
Purchase of investment securities	(347)	(46)	(465)	(46)
Purchase of property, plant and equipment	(17,012)	(7,026)	(34,324)	(18,658)
Net cash flows used in investing activities	(18,864)	(7,053)	(19,497)	(17,879)
Financing activities				
Cash dividends paid on ordinary shares	-	-	(3,328)	(2,136)
Proceeds from loans and borrowings	35,270	4,200	49,170	11,600
Repayments of loans and borrowings	(21,175)	(1,539)	(27,519)	(4,657)
(Repayment of)/proceeds from obligations under finance lease	(2)	1	(7)	3
Net cash flows from financing activities	14,093	2,662	18,316	4,810
Net (decrease)/ increase in cash and cash equivalents	(959)	(1,169)	19,338	1,893
Effect of exchange rate changes on cash and cash equivalents	(3,745)	729	(1,829)	(3,163)
Cash and cash equivalents at beginning of period	154,235	162,189	132,022	163,019
Cash and cash equivalents at end of period	149,531	161,749	149,531	161,749
Cash and cash equivalents at end of period comprise:				
Cash and bank balances	21,798	22,897	21,798	22,897
Cash and bank balances from assets of disposal group held for sale	3,075	-	3,075	-
Short - term deposits	124,658	138,852	124,658	138,852
	149,531	161,749	149,531	161,749

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 30 Sep 2014

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Reserve of Disposal Group Held For Sale \$'000	Retained Earnings \$'000	Total Equity \$'000
Group								
Opening balance at 1 July 2014	369,764	723	279,489	(23,080)	1,432	83,018	172,199	883,545
Total comprehensive income for the period	-	94	-	(25,909)	-	-	(404)	(26,219)
Closing balance at 30 Sep 2014	369,764	817	279,489	(48,989)	1,432	83,018	171,795	857,326
Opening balance at 1 Jul 2013	343,260	810	372,764	(33,109)	1,432	0	166,066	851,223
Total comprehensive income for the period	-	74	-	3,622	-	-	4,788	8,484
Closing balance at 30 Sep 2013	343,260	884	372,764	(29,487)	1,432	-	170,854	859,707
Company								
Opening balance at 1 July 2014	369,764	723	69,325	-	-	-	7,371	447,183
Total comprehensive income for the period	-	94	-	-	-	-	(5,443)	(5,349)
Closing balance at 30 Sep 2014	369,764	817	69,325	-	-	-	1,928	441,834
Opening balance at 1 July 2013	343,260	810	69,325	-	-	-	21,477	434,872
Total comprehensive income for the period	-	74	-	-	-	-	2,662	2,736
Closing balance at 30 Sep 2013	343,260	884	69,325	-	-	-	24,139	437,608

- 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 an increase in the number of issued shares in the capital of the Company due to the issuance of scrip dividends in the second quarter of 2014 of 25,133,735 new ordinary shares. The number of issued shares in the capital of the Company stood at 621,775,091 shares as at 30 Sep 2014.

The Company does not have any treasury shares as at 30 Sep 2014. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 Sep 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

Quarter Ended 30 Sep	
2014	2013
(0.07) cents	0.83 cents
(0.07) cents	0.83 cents

Nine Months Ended 30 Sep	
2014	2013
2.33 cents	1.39 cents
2.33 cents	1.39 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	
30-Sep-14	31-Dec-13
S\$ 1.38	S\$ 1.43

Company	
30-Sep-14	31-Dec-13
S\$ 0.71	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 Q3 2014 was mainly due to additional revenue from the 300 Flinders Street and contribution from the hotel at Palm Cove which were purchased in 2013.

The Group recorded a net loss for Q3 2014 of (\$0.40 million) as compared to a net profit of \$4.79 million in Q3 2013.

The Group's net loss was mainly due to unrealized exchange loss of (\$5.37 million) compared to a exchange gain of \$1.40 million in last year's corresponding period.

The Group's net loss in Q3 2014 was partly offset by additional profit 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 exert downward pressure on room occupancy and average room rates. In addition, the hotels in Brisbane and Palm Cove are currently facing weak trading 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 30 Sep 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 30 Sep 2014 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 November 2014