

HL GLOBAL ENTERPRISES LIMITED

Company Registration No.: 196100131N

Unaudited Third Quarter and Nine Months Financial Statement Announcement for the period ended 30 September 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Note	Group					
	3Q 2014 \$'000	3Q 2013 \$'000 (Restated)	Change %	YTD 3Q 2014 \$'000	YTD 3Q 2013 \$'000 (Restated)	Change %
Revenue	3,622	1,417	155.6	6,475	4,640	39.5
Cost of sales	(1,388)	(309)	349.2	(2,349)	(1,884)	24.7
Gross profit	2,234	1,108	101.6	4,126	2,756	49.7
Other income	(i) 6,322	131	4,726.0	6,569	859	664.7
Selling and marketing expenses	(ii) (74)	(18)	311.1	(113)	(71)	59.2
Administrative expenses	(iii) (200)	(89)	124.7	(462)	(296)	56.1
Finance costs	(iv) (237)	(557)	(57.5)	(1,234)	(708)	74.3
Other operating expenses	(v) (1,450)	(1,318)	10.0	(3,180)	(7,098)	(55.2)
Share of results of associate and joint ventures (net of tax)	(vi) 22	693	(96.8)	(950)	(152)	525.0
Profit/(loss) before tax	6,617	(50)	NM	4,756	(4,710)	NM
Income tax	(vii) (151)	(160)	(5.6)	(380)	(434)	(12.4)
Profit/(loss) for the period	6,466	(210)	NM	4,376	(5,144)	NM
Profit/(loss) attributable to owners of the Company	6,466	(210)	NM	4,376	(5,144)	NM

Notes:**(i) Other income**

	Group					
	3Q 2014 \$'000	3Q 2013 \$'000 (Restated)	Change %	YTD 3Q 2014 \$'000	YTD 3Q 2013 \$'000 (Restated)	Change %
Interest income	71	52	36.5	173	147	17.7
Licence fee	61	59	3.4	195	138	41.3
Sundry income	3	20	(85.0)	14	40	(65.0)
Write-back of trade and other payables	-	-	-	-	81	NM
Forfeiture of tenant deposit	-	-	-	-	453	NM
Fair value gain on initial 45% equity interest in AHSB on Acquisition	3,734	-	NM	3,734	-	NM
Negative goodwill on Acquisition	600	-	NM	600	-	NM
Gain on deemed settlement of advances to AHSB	1,853	-	NM	1,853	-	NM
	6,322	131	4,726.0	6,569	859	664.7

At the completion of the acquisition of the remaining 55% equity interest in Augustland Hotel Sdn Bhd ("AHSB") (the "Acquisition") on 8 July 2014, the Group revalued its initial 45% equity interest in AHSB at fair value and recognised a gain of approximately \$3.7 million. The identified assets and liabilities being assumed in AHSB pursuant to the Acquisition were also measured at their fair value on the completion date. As the fair value exceeded the consideration, it resulted in a negative goodwill of \$0.6 million. Pursuant to paragraphs 51 and 52 of FRS 103 *Business Combinations*, the Group's advances to AHSB, a pre-existing relationship, were considered effectively settled on the date of Acquisition and the Group recorded a gain on deemed settlement of advances of \$1.9 million as of that date.

(ii) Selling and marketing expenses

The increase in selling and marketing expenses for 3Q 2014 and YTD 3Q 2014 was primarily due to the consolidation of the financial results of AHSB following the completion of the Acquisition.

(iii) Administrative expenses

The increase in administrative expenses for 3Q 2014 and YTD 3Q 2014 was mainly due to legal fee incurred for the Acquisition and expenses related to corporate exercise.

NM: Not meaningful

(iv) Finance costs

	Group					
	3Q 2014	3Q 2013	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2014	3Q 2013	%
		(Restated)		\$'000	\$'000	
		(Restated)			(Restated)	
Interest expense	(447)	(366)	22.1	(1,142)	(1,141)	0.1
Currency exchange gains/(losses)-net	210	(191)	NM	(92)	433	NM
	(237)	(557)	(57.5)	(1,234)	(708)	74.3

The net currency exchange gains of approximately \$0.2 million for 3Q 2014 was due to the revaluation of net foreign currency monetary assets and liabilities arising mainly from the strengthening of the Chinese Renminbi against the Singapore Dollar, whereas the net currency exchange losses of approximately \$92,000 for YTD 3Q 2014 was resulted mainly from the weakening of the Chinese Renminbi against the Singapore Dollar.

(v) Other operating expenses

	Group					
	3Q 2014	3Q 2013	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2014	3Q 2013	%
		(Restated)		\$'000	\$'000	
		(Restated)			(Restated)	
Depreciation of property, plant and equipment	(553)	(238)	132.4	(1,027)	(703)	46.1
Wages/salaries/directors' fee/ other relevant staff costs	(513)	(394)	30.2	(1,348)	(1,188)	13.5
Loss on disposal of associate and joint venture	-	-	-	-	(4,048)	NM
Others	(384)	(686)	(44.0)	(805)	(1,159)	(30.5)
	(1,450)	(1,318)	10.0	(3,180)	(7,098)	(55.2)

The other operating expenses for 3Q 2014 were higher than 3Q 2013 except for "Others", primarily due to the consolidation of the financial results of AHSB. The expenses for "Others" was lower in 3Q 2014 as there was cost incurred for slope rehabilitation works at Cameron Highlands amounting to \$0.4 million in 3Q 2013 and no such cost was incurred in 3Q 2014.

(vi) Share of results of associate and joint ventures (net of tax)

For 3Q 2014, the results of Copthorne Hotel Qingdao Co Ltd ("CHQ") was at breakeven level, attributed mainly to the slowdown of the hospitality business in Qingdao. In addition, the results of AHSB was not reported under the share of results of joint ventures as AHSB has become a subsidiary of the Company on 8 July 2014. For 3Q 2013, the net profit after tax was contributed by AHSB and CHQ. Compared to YTD 3Q 2013, the increase in the share of net loss after tax in associate and joint ventures for YTD 3Q 2014 was primarily due to keen competition faced by CHQ.

(vii) Income tax

There was an over provision of deferred tax amounting to \$6,000 in respect of prior years for YTD 3Q 2014. (YTD 3Q 2013: There was an under provision of tax amounting to \$14,000 in respect of prior years.) The tax expense of \$0.4 million for YTD 3Q 2014 arose mainly from the income derived from overseas which could not be offset against the losses incurred by other entities within the Group.

(viii) Statement of comprehensive income

	Group					
	3Q 2014	3Q 2013	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2014	3Q 2013	%
		(Restated)		\$'000	\$'000	
		(Restated)			(Restated)	
Profit/(loss) for the period	6,466	(210)	NM	4,376	(5,144)	NM
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	527	(180)	NM	(243)	1,362	NM
Realisation of foreign currency translation reserves upon disposal of foreign operations	-	-	NM	-	4,997	NM
Realisation of foreign currency translation reserves on initial 45% equity interest in AHSB on Acquisition	(97)	-	NM	(97)	-	NM
Total comprehensive profit/(loss) for the period	6,896	(390)	NM	4,036	1,215	232.2
Total comprehensive profit/(loss) attributable to owners of the Company	6,896	(390)	NM	4,036	1,215	232.2

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

		Group 30/09/2014 \$'000	Group 31/12/2013 \$'000 (Restated)	Group 01/01/2013 \$'000 (Restated)	Company 30/09/2014 \$'000	Company 31/12/2013 \$'000
Non-current assets						
Property, plant and equipment	1	42,589	21,910	21,315	10	14
Subsidiaries		-	-	-	51,943	51,943
Associate		74	73	77	-	-
Joint ventures	2	4,470	6,089	6,285	-	-
Non-trade receivables	3	268	1,430	1,469	155	41
Deferred tax assets		-	7	-	-	-
		47,401	29,509	29,146	52,108	51,998
Current assets						
Inventories	1	120	-	-	-	-
Development properties		7,627	7,695	9,433	-	-
Trade and other receivables		1,754	1,700	3,530	2,311	255
Prepayment	1	217	104	131	41	20
Cash and bank balances	4	23,290	28,017	16,856	5,977	8,972
		33,008	37,516	29,950	8,329	9,247
Assets of disposal groups classified as held for sale		-	-	15,827	-	-
		33,008	37,516	45,777	8,329	9,247
Total assets		80,409	67,025	74,923	60,437	61,245
Equity						
Share capital		129,793	129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980	3,980
Reserves		(133,751)	(137,787)	(132,895)	(148,981)	(147,331)
Reserve of disposal groups classified as held for sale		-	-	(5,613)	-	-
Total equity		22	(4,014)	(4,735)	(15,208)	(13,558)
Non-current liabilities						
Other payables		-	-	-	2,857	2,368
Financial liabilities	1	25	-	-	-	-
Deferred tax liabilities		93	93	93	-	-
		118	93	93	2,857	2,368
Current liabilities						
Trade and other payables	1	3,819	2,676	4,165	4,778	4,423
Financial liabilities	1	76,114	68,000	75,000	68,000	68,000
Current tax payable		336	270	400	10	12
		80,269	70,946	79,565	72,788	72,435
Total liabilities		80,387	71,039	79,658	75,645	74,803
Total equity and liabilities		80,409	67,025	74,923	60,437	61,245

Notes:

- The increase was mainly due to the consolidation of the results of AHSB which was acquired in July 2014.
- The decrease was largely due to the recognition of losses incurred by joint ventures and the de-recognition of investment in AHSB as a joint venture following the Acquisition.
- The decrease was mainly due to elimination of intercompany balances arising from the consolidation of AHSB.
- The decrease in cash and bank balances was mainly due to the payment for the Acquisition.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

- the amount repayable in one year or less, or on demand;
- the amount repayable after one year;
- whether the amounts are secured or unsecured; and
- details of any collaterals.

Amount repayable in one year or less, or on demand

	Group 30/09/2014 \$'000	Group 31/12/2013 \$'000 (Restated)	Group 01/01/2013 \$'000 (Restated)
Unsecured	68,020	68,000	75,000
Secured	8,094	-	-

The secured loan as at 30 September 2014 was secured on a subsidiary's freehold land and building.

Amount repayable after one year

	Group 30/09/2014 \$'000	Group 31/12/2013 \$'000 (Restated)	Group 01/01/2013 \$'000 (Restated)
Unsecured	25	-	-

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			
	3Q 2014 \$'000	3Q 2013 \$'000 (Restated)	YTD 3Q 2014 \$'000	YTD 3Q 2013 \$'000 (Restated)
Cash flows from operating activities				
Profit/(loss) before tax	6,617	(50)	4,756	(4,710)
Adjustments for:				
Bad debts written off	-	(30)	-	(28)
Depreciation of property, plant and equipment	553	238	1,027	703
Fair value gain on initial 45% equity interest in AHSB on Acquisition	(3,734)	-	(3,734)	-
Foreign exchange (gains)/losses-net	(210)	191	92	(433)
Gain on deemed settlement of advances to AHSB	(1,853)	-	(1,853)	-
Negative goodwill on Acquisition	(600)	-	(600)	-
Interest expense	447	366	1,142	1,141
Interest income	(71)	(52)	(173)	(147)
Loss on disposal of associate and joint venture	-	-	-	4,048
Property, plant and equipment written off	2	-	2	-
Provision for impairment of receivables	1	-	1	-
Share of results of associate and joint ventures, net of tax	(22)	(693)	950	152
Write-back of provision for impairment of receivables	-	1	-	-
Write-back of trade and other payables	-	-	-	(81)
Operating cash flows before changes in working capital	1,130	(29)	1,610	645
Development properties	-	(90)	122	686
Inventories	(33)	-	(34)	-
Trade and other payables	2,141	(25)	1,779	(1,098)
Trade and other receivables	(2,181)	223	(2,263)	674
Cash from operating activities	1,057	79	1,214	907
Income tax paid	(102)	(177)	(307)	(628)
Interest paid	(480)	(401)	(1,179)	(1,179)
Interest received	71	52	173	147
Net cash from/(used in) operating activities	546	(447)	(99)	(753)
Cash flows from investing activities				
Net cash outflow on acquisition of a subsidiary	(4,213)	-	(4,213)	-
Net cash inflow on disposal of equity interests in associate and compensation from joint venture partner-net	-	8,280	-	17,243
Dividend received from joint venture	-	214	53	1,771
Capital injection in investment in joint ventures	-	-	(95)	-
Proceeds from disposal of property, plant and equipment	2	-	2	-
Purchase of property, plant and equipment	(144)	(38)	(151)	(40)
Net cash (used in)/from investing activities	(4,355)	8,456	(4,404)	18,974
Cash flows from financing activities				
Repayment of borrowings	(243)	(7,000)	(243)	(7,000)
Payment of finance lease liabilities	(6)	-	(6)	-
Net cash used in financing activities	(249)	(7,000)	(249)	(7,000)
Net (decrease)/increase in cash and cash equivalents	(4,058)	1,009	(4,752)	11,221
Cash and cash equivalents at beginning of the period	27,211	27,203	28,017	16,856
Effect of exchange rate changes on balances held in foreign currencies	137	16	25	151
Cash and cash equivalents at end of the period	23,290	28,228	23,290	28,228

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

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Reserve of disposal groups classified as held for sale \$'000	Total equity \$'000
At 1 January 2014 (As previously stated)	129,790	3,980	3	8,529	(192)	1,922	(149,044)	-	(5,012)
Cumulative effects of adopting FRS 111	-	-	-	-	-	900	98	-	998
At 1 January 2014 (Restated)	129,790	3,980	3	8,529	(192)	2,822	(148,946)	-	(4,014)
Loss for the period	-	-	-	-	-	-	(2,090)	-	(2,090)
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	(770)	-	-	(770)
At 30 June 2014 and 1 July 2014	129,790	3,980	3	8,529	(192)	2,052	(151,036)	-	(6,874)
Profit for the period	-	-	-	-	-	-	6,466	-	6,466
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	527	-	-	527
Realisation of foreign currency translation reserves on initial 45% equity interest in AHSB on Acquisition	-	-	-	-	-	(97)	-	-	(97)
At 30 September 2014	129,790	3,980	3	8,529	(192)	2,482	(144,570)	-	22
Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Reserve of disposal groups classified as held for sale \$'000	Total equity \$'000
At 1 January 2013 (As previously stated)	129,790	3,980	3	8,529	(192)	673	(142,827)	(5,613)	(5,657)
Cumulative effects of adopting FRS 111	-	-	-	-	-	957	(35)	-	922
At 1 January 2013 (Restated)	129,790	3,980	3	8,529	(192)	1,630	(142,862)	(5,613)	(4,735)
Loss for the period	-	-	-	-	-	-	(4,934)	-	(4,934)
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	926	-	616	1,542
Transfer reserve of disposal groups classified as held for sale to profit & loss	-	-	-	-	-	-	-	4,997	4,997
At 30 June 2013	129,790	3,980	3	8,529	(192)	2,556	(147,796)	-	(3,130)

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Reserve of disposal groups classified as held for sale \$'000	Total equity \$'000
At 1 July 2013	129,790	3,980	3	8,529	(192)	2,556	(147,796)	-	(3,130)
Loss for the period	-	-	-	-	-	-	(210)	-	(210)
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	(180)	-	-	(180)
At 30 September 2013	129,790	3,980	3	8,529	(192)	2,376	(148,006)	-	(3,520)

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2014	129,790	3,980	3	12,471	(159,802)	(13,558)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(1,094)	(1,094)
At 30 June 2014 and 1 July 2014	129,790	3,980	3	12,471	(160,896)	(14,652)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(556)	(556)
At 30 September 2014	129,790	3,980	3	12,471	(161,452)	(15,208)

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2013	129,790	3,980	3	12,471	(165,741)	(19,497)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(1,110)	(1,110)
At 30 June 2013 and 1 July 2013	129,790	3,980	3	12,471	(166,851)	(20,607)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(570)	(570)
At 30 September 2013	129,790	3,980	3	12,471	(167,421)	(21,177)

- 1(d)(ii) Details of any changes in the company's share capital arising from rights 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

Movements in the Share Capital

During the three months ended 30 September 2014, there was no change in the Company's issued ordinary share capital and non-redeemable convertible cumulative preference share ("NCCPS") capital.

<u>Ordinary shares</u>	Number of shares	Share Capital \$'000
At 1 July 2014 and 30 September 2014 (as per Accounting and Corporate Regulatory Authority's records)	963,187,297 *	133,770
Trust Shares	(24,189,170)	(3,980)
At 1 July 2014 and 30 September 2014 (see note under 1(d)(iii))	938,998,127	129,790
	Number of shares	Share Capital \$'000
At 1 July 2014 and 30 September 2014	158,394	3

As at 30 September 2014, the maximum number of ordinary shares that may be issued upon full conversion of all the NCCPS is 158,394 ordinary shares (30 September 2013: 158,394 ordinary shares).

The Company did not hold any treasury shares as at 30 September 2014 and 30 September 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Total number of issued shares	
	30/09/2014	31/12/2013
Ordinary shares	963,187,297 *	963,187,297 *
NCCPS	158,394	158,394

The Company did not hold any treasury shares as at 30 September 2014 and as at 31 December 2013.

* The ordinary shares issued includes 24,189,170 ordinary shares held as Trust Shares by Amicorp Trustees (Singapore) Limited as trustee of the Trust established by the Company to facilitate the implementation of the HL Global Enterprises Share Option Scheme 2006 (the "Share Option Scheme").

Pursuant to the terms of the Trust Deed, the Trustee will, *inter alia*, acquire and hold existing shares in the capital of the Company (collectively, the "Trust Shares") for the benefit of participants who are employees of the Company and/or its subsidiaries and who have been granted share options under the Share Option Scheme (the "Beneficiaries") and transfer such Trust Shares to the Beneficiaries upon the exercise of their share options under the Share Option Scheme.

- 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, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 September 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 by the auditors.

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

Not applicable.

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 Item 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements.

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.

Financial Reporting Standard ("FRS") 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 uses the principle of control in FRS 110 *Consolidated Financial Statements* to define joint control and removes the option to account for joint ventures using proportionate consolidation. Accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the parties a right to the underlying assets and obligations is accounted for by recognising the share of those assets and obligations. Joint ventures that give the parties a right to the net assets is accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The adoption of FRS 111 has resulted in the Group having to revise its method of accounting for its joint arrangement. Investment in jointly controlled entity had been previously consolidated proportionately. Under FRS 111, this arrangement is classified as joint venture to be equity accounted.

The change in accounting policy has been applied in accordance with FRS 111. The initial investment was measured as the aggregate of the carrying amounts of the assets and liabilities that the Group previously proportionately consolidated. The effects of adoption on the financial statements are as follows:

	Group As at 31/12/2013 \$'000	Group As at 01/01/2013 \$'000
Increase/(decrease) in:		
<u>Consolidated balance sheet</u>		
Non-current assets		
Property, plant and equipment	(26,593)	(26,904)
Joint ventures	6,089	6,285
Non-trade receivables	467	600
Current assets		
Inventories	(160)	(176)
Trade and other receivables	259	2,175
Prepayment	(77)	(62)
Assets of disposal groups classified as held for sale	-	(5,260)
Cash and bank balances	(2,749)	(3,265)

Increase/(decrease) in:	Group As at 31/12/2013 \$'000	Group As at 01/01/2013 \$'000
<u>Consolidated balance sheet</u>		
Equity		
Net liabilities	(998)	(922)
Non-current liabilities		
Financial liabilities	(17,766)	(4,097)
Current liabilities		
Trade and other payables	(1,803)	(2,007)
Financial liabilities	(4,147)	(17,637)
Current tax payable	(46)	(17)
Liabilities directly associated with disposal groups classified as held for sale	-	(3,771)

Increase/(decrease) in:	Group YTD 3Q 2013 \$'000
<u>Consolidated income statement</u>	
Revenue	(8,919)
Cost of sales	(4,749)
Other income	(48)
Selling and marketing expenses	(374)
Administrative expenses	(27)
Finance costs	(712)
Other operating expenses	(3,311)
Share of loss of joint ventures (net of tax)	151
Income tax	(49)

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

	3Q 2014 ¢	Group 3Q 2013 ¢ (Restated)	YTD 3Q 2014 ¢	YTD 3Q 2013 ¢ (Restated)
Basic earnings/(loss) per share attributable to owners of the Company (Based on the weighted average number of ordinary shares in issue) (3Q 2014, 3Q 2013, YTD 3Q 2014 and YTD 3Q 2013: 938,998,127)	0.69	(0.02)	0.47	(0.55)
Diluted earnings/(loss) per share attributable to owners of the Company (Based on the weighted average number of ordinary shares in issue) (3Q 2014 and YTD 3Q 2014: 939,156,521; 3Q 2013 and YTD 3Q 2013: 938,998,127)	0.69	(0.02)	0.47	(0.55)

The diluted loss per share for 3Q 2013 and YTD 3Q 2013 were shown as the same amounts as the respective basic loss per share as the preference shares were considered anti-dilutive and disregarded in the computation of diluted loss per share.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group 30/09/2014 \$	Group 31/12/2013 \$ (Restated)	Group 01/01/2013 \$ (Restated)	Company 30/09/2014 \$	Company 31/12/2013 \$
Net liabilities value per existing issued share, excluding Trust Shares	#	##	(0.01)	(0.02)	(0.01)

Note:

less than 0.01

less than -0.01

The net liabilities value per existing issued share, excluding Trust Shares is computed based on 938,998,127 issued ordinary shares as at 30 September 2014, 31 December 2013 and 1 January 2013.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

3 months ended 30 September 2014 ("3Q 2014")

Effective from financial year 2014, the Group has adopted FRS 111 whereby the interest in joint ventures is accounted for using the equity method instead of proportionate consolidation. Other than recognising the net profit or loss after tax of the joint ventures, the underlying revenues and expenses as well as assets and liabilities of the joint ventures will not be proportionately consolidated in the Group's financial statements. The effect of adopting the aforesaid accounting policies are accordingly disclosed in Item 5.

The Group reported a higher revenue of \$3.6 million for 3Q 2014 compared to \$1.4 million (restated) for the 3 months ended 30 September 2013 ("**3Q 2013**"). The improvement was primarily due to the consolidation of the financial results of Augustland Hotel Sdn Bhd ("**AHSB**") following the completion of the Group's acquisition of the remaining 55% equity interest in AHSB (the "**Acquisition**") on 8 July 2014 (the "**Completion Date**"). AHSB owns Copthorne Hotel Cameron Highlands.

For the quarter under review, as a result of the higher revenue, the Group reported an operating profit of \$0.5 million before the share of results of associate and joint ventures, other income and finance costs *vis-a-vis* an operating loss of \$0.3 million (restated) for the same period a year ago.

The Group's share of net profit after tax in associate and joint ventures dropped from \$693,000 in 3Q 2013 to \$22,000 in 3Q 2014, mainly attributed to the slowdown of the hospitality business in Qingdao.

The substantial increase in other income was mainly due to:

1. the recognition of a gain of approximately \$3.7 million upon completion of the Acquisition arising from the Group's revaluation of its initial 45% equity interest in AHSB at fair value;
2. the identified assets and liabilities being assumed in AHSB pursuant to the Acquisition were also measured at their fair value on the Completion Date and as the fair value exceeded the consideration, it resulted in a negative goodwill amounting to \$0.6 million; and
3. the gain on the deemed settlement of the Group's advances to AHSB which amounted to \$1.9 million on the date of the Acquisition. Pursuant to paragraphs 51 and 52 of FRS 103, the Group's advances to AHSB, a pre-existing relationship, were considered effectively settled on the date of Acquisition.

During 3Q 2014, the Group continued to incur interest expense of \$0.4 million. The Group also recognised an exchange gain of \$0.2 million which was largely attributable to the revaluation of net foreign currency monetary assets and liabilities arising from the strengthening of the Chinese Renminbi against the Singapore Dollar.

The net profit attributable to shareholders of the Company was \$6.5 million for 3Q 2014 compared to a loss of \$0.2 million for 3Q 2013.

9 months ended 30 September 2014 ("YTD 3Q 2014")

Similarly, compared to the 9 months ended 30 September 2013 ("YTD 3Q 2013"), the Group's revenue increased from \$4.6 million (restated) to \$6.5 million in YTD 3Q 2014, primarily due to the Acquisition. However, the revenue generated from the property development segment declined by \$0.7 million to \$0.3 million for YTD 3Q 2014 as a result of lower sales of apartment units at Cameron Highlands.

For YTD 3Q 2014, the Group registered an operating profit of \$0.4 million before the share of results of associate and joint ventures, other income and finance costs against an operating loss of \$0.7 million (restated) (excluding the net foreign currency translation loss on sale of equity in Shanghai International Equatorial Hotel Company Ltd and Scientex Park (M) Sdn Bhd amounting to \$4 million (restated) (the "Disposal")) for the corresponding period of last year. The operating profit for the hospitality segment increased from \$0.7 million (restated) (excluding the Disposal) to \$1.6 million for the period under review, but the profit was partially offset by corporate overheads and the loss incurred by the property development segment.

The share of net loss after tax in associate and joint ventures increased to \$1 million from \$0.2 million (restated) in YTD 3Q 2013. This was primarily due to keen competition faced by Copthorne Hotel Qingdao ("CHQ") and the slowdown of its overall business.

Other income consisted of mainly fair value gain on the initial 45% equity interest in AHSB, negative goodwill and gain on deemed settlement of advances to AHSB amounting to \$3.7 million, \$0.6 million and \$1.9 million respectively arising from the Acquisition. The Group continued to incur interest expense of \$1.1 million. It also recognised an exchange loss of \$0.1 million largely due to the revaluation of net foreign currency monetary assets and liabilities which resulted from the weakening of the Chinese Renminbi against the Singapore Dollar in YTD 3Q 2014.

The net profit attributable to shareholders of the Company was \$4.4 million for YTD 3Q 2014 compared to a net loss of \$5.1 million for YTD 3Q 2013 (Restated).

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

The Group's performance for the period under review is in line with its expectations as disclosed in the Company's announcement of its results for the first half year ended 30 June 2014.

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 highly competitive hospitality market in Shanghai and Qingdao continues to give pressure to the operations of CHQ and Elite Residences.

With the implementation of the goods and services tax ("GST") in Malaysia that will come into effect on 1 April 2015, Copthorne Hotel Cameron Highlands ("CHCH") will need to assess the impact of GST on its operations as well as its marketing and pricing strategies in order to mitigate the impact on CHCH's performance. GST, being a broad-based consumption tax, may have an effect on the disposable income of average Malaysians who form the bulk of CHCH's client base. CHCH will also face competition from a newly opened 200-room hotel in its vicinity.

As the Group's assets are substantially located overseas, it will continue to be exposed to currency fluctuation risks.

The Group will continue its effort to explore opportunities to grow its earning base.

**11 If a decision regarding dividend has been made:-
(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

**(b)(i) Amount per share cents
(ii) Previous corresponding period cents**

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend is declared (recommended) for the period under review.

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.

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
9 months ended 30 September 2014				
Revenue				
- external revenue	-	6,198	289	6,487
- inter-segment revenue	-	-	(12)	(12)
	-	6,198	277	6,475
Elimination				-
				6,475
Reportable segment results	(840)	1,582	(371)	371
Other income (excluding interest income)	204	6,188	4	6,396
Interest income	30	40	103	173
Interest expense	(1,012)	(130)	-	(1,142)
Exchange gain/(loss)	20	(172)	60	(92)
Share of results of associate and joint ventures	-	(947)	(3)	(950)
(Loss)/profit before income tax	(1,598)	6,561	(207)	4,756
Income tax expense				(380)
Net profit				4,376

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
9 months ended 30 September 2013 (Restated)				
Revenue				
- external revenue	-	3,681	959	4,640
- inter-segment revenue	-	-	-	-
	-	3,681	959	4,640
Elimination				-
				4,640
Reportable segment results				
- operation	(796)	690	(555)	(661)
- loss on disposal of equity interests in associate and joint venture	-	(3,525)	(523)	(4,048)
Other income (excluding interest income)	201	490	21	712
Interest income	22	53	72	147
Interest expense	(1,141)	-	-	(1,141)
Exchange gain/(loss)	108	479	(154)	433
Share of results of joint ventures	-	(151)	(1)	(152)
Loss before income tax	(1,606)	(1,964)	(1,140)	(4,710)
Income tax expense				(434)
Net loss				(5,144)

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 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.**

Not applicable.

- 15 A breakdown of sales as follows:**

Not applicable.

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

(a) Ordinary
(b) Preference
(c) Total

Not applicable.

- 17 Interested persons transactions**

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Aw Siew Yen, Patricia
Yeo Swee Gim, Joanne
Company Secretaries

Singapore
5 November 2014

Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited interim financial results for the period ended 30 September 2014 to be false or misleading.

On behalf of the Board of Directors

Gan Khai Choon
Chairman

Philip Ting Sii Tien
Director

Singapore
5 November 2014