

Unaudited Financial Statement for the Half Year Ended 30 June 2018

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 June 2018:

	Note	Quarter Ended 30 June			Half Year Ended 30 June		
		2018 S\$'000	2017 S\$'000 Restated	% Change	2018 S\$'000	2017 S\$'000 Restated	% Change
Revenue							
Hotel operations and management	1	33,678	34,030	-1%	69,210	69,311	0%
Rental income from investment properties		4,873	3,582	36%	9,774	7,050	39%
Total revenue		38,551	37,612	2%	78,984	76,361	3%
Other income		198	177	12%	269	223	21%
		38,749	37,789	3%	79,253	76,584	3%
Costs and expenses							
Staff costs		(11,482)	(10,931)	5%	(22,789)	(22,107)	3%
Depreciation and amortisation		(5,126)	(5,340)	-4%	(10,294)	(10,595)	-3%
Hotel operating expenses		(12,966)	(13,103)	-1%	(25,346)	(25,116)	1%
Total costs and expenses		(29,574)	(29,374)	1%	(58,429)	(57,818)	1%
Profit from operating activities		9,175	8,415	9%	20,824	18,766	11%
Interest expense		(665)	(1,186)	-44%	(1,330)	(2,377)	-44%
Interest income		1,047	1,360	-23%	2,154	2,703	-20%
Foreign exchange (loss)/gain		(311)	(81)	284%	(2,657)	436	n/m
Share of results of associates		(115)	(68)	69%	(209)	(222)	-6%
Profit before tax		9,131	8,440	8%	18,782	19,306	-3%
Income tax expense		(2,365)	(2,353)	1%	(5,306)	(5,256)	1%
Net profit attributable to owners of the parent		6,765	6,087	11%	13,476	14,051	-4%

n/m = Not meaningful

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

Note 1 The increase in rental income from investment properties in Q2 2018 was mainly due to the revenue contribution from the two new investment properties which were purchased in New Zealand in 2017.

1 (a)(iii) Consolidated Statement of Comprehensive Income for the Periods Ended 30 June 2018

	Quarter Ended 30 June			Half Year Ended 30 June		
	2018 S\$'000	2017 S\$'000 Restated	% Change	2018 S\$'000	2017 S\$'000 Restated	% Change
Profit net of tax	6,765	6,087	11%	13,476	14,051	-4%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Net (loss)/gain on fair value changes of financial assets at fair value through other comprehensive income	(1,167)	876	n/m	(909)	1,638	n/m
Foreign currency translation	(4,878)	1,363	n/m	(16,133)	4,221	n/m
	(6,045)	2,239	n/m	(17,042)	5,859	n/m
Other comprehensive income, net of tax	(6,045)	2,239	n/m	(17,042)	5,859	n/m
Total comprehensive income	720	8,326	-91%	(3,566)	19,910	n/m
Total comprehensive income attributable to:						
Owners of the parent	720	8,326	-91%	(3,566)	19,910	n/m
	720	8,326	-91%	(3,566)	19,910	n/m

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

Note 1 The foreign currency translation loss for Q2 2018 was principally due to the effects of the depreciation in the New Zealand dollar exchange rates on translating the net assets of the New Zealand subsidiaries to Singapore dollar as at 30 June 2018 compared to 31 Mar 2018.

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 June 2018

Note	Group			Company		
	30-Jun-18 S\$'000	31-Dec-17 S\$'000 (Restated)	1-Jan-17 S\$'000 (Restated)	30-Jun-18 S\$'000	31-Dec-17 S\$'000 (Restated)	1-Jan-17 S\$'000 (Restated)
Non-current assets						
Property, plant and equipment	1,017,314	1,027,625	1,049,214	266,868	267,942	270,038
Investment properties	269,673	277,820	208,852	-	-	-
Land use rights	1,073	1,092	1,199	-	-	-
Investment in subsidiaries	-	-	-	337,069	329,091	243,006
Investment in associates	8,809	8,879	10,413	10,867	10,867	11,574
Investment securities	14,062	13,624	10,358	14,062	13,624	10,358
Deferred tax assets	2,914	3,078	3,471	-	65	447
Goodwill	1,368	1,411	1,454	-	-	-
Intangible assets	83	85	90	-	-	-
	<u>1,315,296</u>	<u>1,333,614</u>	<u>1,285,051</u>	<u>628,866</u>	<u>621,589</u>	<u>535,423</u>
Current assets						
Inventories	747	834	832	17	16	32
Trade and other receivables	6,107	8,438	8,806	946	1,023	2,013
Land use rights	45	45	45	-	-	-
Prepaid operating expenses	3,318	2,829	2,453	63	86	109
Property held for sale	1,199	1,240	-	-	-	-
Due from subsidiaries	-	-	-	1,141	512	753
Short - term deposits	195,510	222,591	297,364	116,077	160,739	193,604
Cash and bank balances	35,672	38,411	45,692	7,973	6,860	8,674
	<u>242,598</u>	<u>274,388</u>	<u>355,192</u>	<u>126,217</u>	<u>169,236</u>	<u>205,185</u>
Current liabilities						
Trade and other payables	17,275	22,468	26,706	246	338	539
Accrued operating expenses	5,396	11,184	10,581	2,993	7,240	8,762
Deferred income	267	777	756	-	-	-
Derivatives	-	83	509	-	83	-
Due to subsidiaries	-	-	-	3,800	3,047	2,880
Due to associated companies	11	66	63	11	66	63
Income tax payable	4,168	5,478	12,845	-	-	20
Finance lease obligations	18	18	18	18	18	18
Loans and borrowings	4,615	40,048	8,533	-	35,300	-
	<u>31,750</u>	<u>80,122</u>	<u>60,011</u>	<u>7,068</u>	<u>46,092</u>	<u>12,282</u>
Net current assets	210,848	194,266	295,181	119,149	123,144	192,903
Non-current liabilities						
Derivatives	-	-	318	-	-	318
Finance lease obligations	38	47	65	38	47	65
Loans and borrowings	56,528	60,537	136,594	-	-	38,700
Deferred tax liabilities	144,289	145,346	142,557	5,224	4,597	4,438
Net assets	1,325,289	1,321,950	1,300,698	742,753	740,089	684,805
Equity attributable to owners of the parent						
Issued capital	455,922	455,922	421,997	455,922	455,922	421,997
Fair value reserve	2,650	3,559	663	2,650	3,559	663
Asset revaluation reserve	633,288	626,383	626,679	201,567	198,824	198,590
Translation reserve	(102,701)	(86,568)	(72,859)	-	-	-
Other reserve	1,432	1,432	1,432	-	-	-
Retained earnings	334,698	321,222	322,786	82,614	81,784	63,555
Total equity	1,325,289	1,321,950	1,300,698	742,753	740,089	684,805

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

Note 1 The reduction of trade and other receivables is mainly due to collections received after yearend.

Note 2 The reduction of accrued operating expenses is mainly due to payments to a building contractor after yearend.

Note 3 The current loan and borrowings for the Company was fully repaid in Q1 2018.

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 June 2018		As at 31 Dec 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
4,633	-	40,066	-

Amount repayable after one year

As at 30 June 2018		As at 31 Dec 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
56,566	-	60,584	-

Details of any collateral

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

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

Statement of Cash Flow for the Period Ended 30 June 2018:

	Notes	Quarter Ended 30 June		Half Year Ended 30 June	
		2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Operating activities					
Profit before tax		9,131	8,440	18,782	19,306
Adjustments for :-					
Depreciation of property, plant and equipment		5,114	5,329	10,271	10,573
Amortisation of land use rights		12	11	23	22
Net gain on disposal of investment securities		-	-	(19)	-
Fair value gain on derivatives		-	(129)	(83)	(247)
Finance costs		665	1,186	1,330	2,377
Interest income		(1,047)	(1,360)	(2,154)	(2,703)
Share of results of associates		115	68	209	222
Operating cash flows before changes in working capital		13,990	13,545	28,359	29,550
Decrease/(increase) in inventories		30	(24)	62	24
Decrease in trade and other receivables		1,619	4,251	2,168	3,219
Increase in prepaid operating expenses		(930)	(633)	(574)	(581)
Decrease in trade and other payables		(249)	(3,345)	(2,736)	(6,669)
Cash flows generated from operations		14,460	13,794	27,279	25,543
Interest received		1,047	1,360	2,154	2,703
Finance costs		(665)	(1,186)	(1,330)	(2,377)
Tax paid	1	(4,238)	(13,079)	(6,248)	(14,831)
Net cash flows generated from operating activities		10,604	889	21,855	11,038
Investing activities					
Dividend income from associated companies		317	299	317	299
Additions to investment property		(52)	(1,744)	(52)	(1,744)
Proceeds from disposal of investment securities		8	-	207	-
Purchase of investment securities		(1,438)	(3)	(1,535)	(25)
Purchase of property, plant and equipment	2	(9,963)	(972)	(11,041)	(2,368)
Net cash flows used in investing activities		(11,128)	(2,420)	(12,104)	(3,838)
Financing activities					
Repayments of loans and borrowings		(1,598)	(1,156)	(37,607)	(9,948)
Repayment of obligations under finance lease		(5)	(5)	(9)	(9)
Net cash flows used in financing activities		(1,603)	(1,161)	(37,616)	(9,957)
Decrease in cash and cash equivalents		(2,127)	(2,692)	(27,865)	(2,757)
Effect of exchange rate changes on cash and cash equivalents		(538)	14	(1,955)	1,058
Cash and cash equivalents at beginning of period		233,847	344,035	261,002	343,056
Cash and cash equivalents at end of period		231,182	341,357	231,182	341,357

1 (c)(i) Notes to the Statements of Cash Flow

Note 1 Paid for Q2 2017 included tax paid of S\$10.90 million on the gain on disposal of the hotel in Surfers Paradise.

Note 2 Purchase of property, plant and equipment in Q2 2018 included a piece of land in Auckland city for a hotel redevelopment.

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 June 2018

Group

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 April 2018	455,922	3,817	626,383	(97,823)	1,432	332,530	1,322,261
Effects of adopting SFRS (I)1	-	-	-	-	-	(4,597)	(4,597)
Opening balance at 1 April 2018 (Restated)	455,922	3,817	626,383	(97,823)	1,432	327,933	1,317,664
Profit net of tax	-	-	-	-	-	6,765	6,765
Other comprehensive income for the period:							
Net loss on fair value changes of financial assets at fair value through other comprehensive income	-	(1,167)	-	-	-	-	(1,167)
Reduction of development cost accruals for completed hotels in Singapore	-	-	6,905	-	-	-	6,905
Foreign currency translation	-	-	-	(4,878)	-	-	(4,878)
Total comprehensive income for the period	-	(1,167)	6,905	(4,878)	-	6,765	7,625
Closing balance at 30 June 2018 (Restated)	455,922	2,650	633,288	(102,701)	1,432	334,698	1,325,289
Opening balance at 1 April 2017	421,997	1,425	626,679	(70,001)	1,432	335,227	1,316,759
Effects of adopting SFRS (I)1	-	-	-	-	-	(4,478)	(4,478)
Opening balance at 1 April 2017 (Restated)	421,997	1,425	626,679	(70,001)	1,432	330,749	1,312,281
Profit net of tax	-	-	-	-	-	6,087	6,087
Other comprehensive income for the period:							
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	876	-	-	-	-	876
Foreign currency translation	-	-	-	1,363	-	-	1,363
Total comprehensive income for the period	-	876	-	1,363	-	6,087	8,326
Closing balance at 30 June 2017 (Restated)	421,997	2,301	626,679	(68,638)	1,432	336,836	1,320,607

Company

	Share Capital \$'000	Fair Value Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 April 2018	455,922	3,817	198,824	85,629	744,192
Effects of adopting SFRS (I)1	-	-	-	(4,597)	(4,597)
Opening balance at 1 April 2018 (Restated)	455,922	3,817	198,824	81,032	739,595
Profit net of tax	-	-	-	1,582	1,582
<u>Other comprehensive income for the period:</u>					
Net loss on fair value changes of financial assets at fair value through other comprehensive income	-	(1,167)	-	-	(1,167)
Reduction of development cost accruals for completed hotel	-	-	2,743	-	2,743
Total comprehensive income for the period	-	(1,167)	2,743	1,582	3,158
Closing balance at 30 June 2018 (Restated)	<u>455,922</u>	<u>2,650</u>	<u>201,567</u>	<u>82,614</u>	<u>742,753</u>
Opening balance at 1 April 2017	421,997	1,425	198,590	70,032	692,044
Effects of adopting SFRS (I)1	-	-	-	(4,478)	(4,478)
Opening balance at 1 April 2017 (Restated)	421,997	1,425	198,590	65,554	687,566
Profit net of tax	-	-	-	1,728	1,728
<u>Other comprehensive income for the period:</u>					
Net gain on fair value changes of financial assets at fair value through other comprehensive income	-	876	-	-	876
Total comprehensive income for the period	-	876	-	1,728	2,604
Closing balance at 30 June 2017 (Restated)	<u>421,997</u>	<u>2,301</u>	<u>198,590</u>	<u>67,282</u>	<u>690,170</u>

- 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 690,314,991 shares since the end of the last financial year.

The Company does not have any treasury shares as at 30 June 2018. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 June 2018.

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**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards(International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board(IASB).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017 except for the adoption of the SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I)(1) First - Time Adoption of Singapore Financial Reporting Standards(International)
- SFRS(I)(9) Financial Instruments
- SFRS(I)(15) Revenue from Contracts with Customers

a) Application of SFRS(I) (1)

Under the transition requirements of SFRS(I)1 First-time Adoption of Singapore Financial Reporting Standards(international), the date of transition is on 1 January 2017 and accordingly the statement of financial position has been restated from 1 January 2017.

On transition to SFRS(I), the Group recognised deferred tax liabilities of \$4,438,622 arising from unremitted foreign-sourced interest income with the corresponding entry recognised in opening retained earnings as at 1 January 2017.

The effects of adopting SFRS(I)(1) are as follow:

(Decrease)/increase in:

Consolidated balance sheet

	Group and Company	
	31-Dec-17	1-Jan-17
	S\$'000	S\$'000
Deferred tax liabilities	4,597	4,438
Retained earnings	(4,597)	(4,438)

Consolidated income statement

	Group
	Period ended
	30 June 2017
Increase in:	
Income tax expense	40

b) Application of SFRS(I) (9)

SFRS(I)(9) introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) (9) on the Group's financial statements.

SFRS(I)(9) requires the Group to record expected credit losses on all its loans and trade receivables. The Group adopts the simplified approach and does not have a significant impact on the Group's financial statements.

c) Application of SFRS(I) (15)

SFRS(I)(15) establishes a new comprehensive framework for determining whether, how much and when revenue is recognised. Under this standard, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption of SFRS(I)(15) does not have a material impact on the Group's 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**

Please refer to item 4 above.

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

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

Quarter Ended 30 June	
2018	2017
	Restated
0.98 cents	0.92 cents
0.98 cents	0.92 cents

Half Year Ended 30 June	
2018	2017
	Restated
1.95 cents	2.12 cents
1.95 cents	2.12 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-Jun-18	31-Dec-17
	Restated
S\$ 1.92	S\$ 1.92

Company	
30-Jun-18	31-Dec-17
	Restated
S\$ 1.08	S\$ 1.07

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the Group during the current financial period reported on**

A) Group Revenue Commentary

The increase in the Group's revenue in Q2 2018 was mainly due to the increase in rental income from investment properties due to the two new investment properties in Christchurch and Hamilton, New Zealand respectively.

B) Group Profit Commentary

The increase in the Group's net profit in Q2 2018 was mainly due to the increase in the Group's revenue during the period.

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**

Subject to the sustained improvement in the global economic growth and barring unforeseen circumstances, the hotel markets where the Group primarily operates in are generally expected to improve in 2018.

The outlook in the Australia hotels is expected to be stable in 2018. In Singapore, the Group's hotels are expected to operate in a competitive market due to the increases in hotel room supply in recent years. The Wellington hotel is expected to perform lower than last year due to a refurbishment project being carried out in the hotel.

In addition, the Group's two new investment properties in New Zealand are expected to contribute a full year's contribution to 2018 earnings compared to a partial year contribution to 2017 earnings.

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 June 2018.

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

13. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

N.A.

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

N.A.

15. **A breakdown of revenue**

N.A.

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

Total annual dividend, net of tax

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

17. **Interested Person Transactions**

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

18. **Confirmation By Directors**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the period ended 30 June 2018 to be false or misleading.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary
14 August 2018