



HOTEL ROYAL LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No. 196800298G)

1 UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF-YEAR ENDED 30 JUNE 2017

The Directors of Hotel Royal Limited (the “Company”) are pleased to announce the following unaudited results of the Group for the second quarter and half-year ended 30 June 2017.

1(a) CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the second quarter and half-year ended 30 June

	Notes	Group					
		Second Quarter Ended 30 June			Half-Year Ended 30 June		
		<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Revenue	1	14,127	13,291	6.3	30,293	28,510	6.3
Cost of sales	2	(7,015)	(6,931)	1.2	(13,903)	(13,994)	(0.7)
Gross profit		7,112	6,360	11.8	16,390	14,516	12.9
Other income	3	457	51	>100	843	400	>100
Distribution costs	4	(305)	(188)	62.2	(595)	(328)	81.4
Administrative expenses	5	(2,562)	(3,788)	(32.4)	(5,954)	(7,615)	(21.8)
Other expenses	6	(1,313)	(284)	>100	(2,251)	(782)	>100
Finance costs	7	(1,118)	(1,165)	(4.0)	(2,194)	(2,434)	(9.9)
Profit before income tax	8	2,271	986	>100	6,239	3,757	66.1
Income tax expense	9	(987)	(517)	90.9	(1,770)	(1,109)	59.6
Profit for the period attributable to owners of the Company		1,284	469	>100	4,469	2,648	68.8

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
for the second quarter and half-year ended 30 June**

	<u>Group</u>					
	<u>Second Quarter Ended 30 June</u>			<u>Half-Year Ended 30 June</u>		
	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Profit for the period	1,284	469	>100	4,469	2,648	68.8
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Available-for-sale investments:						
Fair value gain (loss) recognised in fair value reserve	260	(188)	nm	914	(176)	nm
Transfer from fair value reserve to profit or loss upon disposal of available-for-sale investments	181	2	>100	318	27	>100
Exchange gain (loss) on translation of foreign operations	2,343	(350)	nm	1,053	(662)	nm
Total	2,784	(536)	nm	2,285	(811)	nm
Total comprehensive income (loss) income for the period attributable to owners of the Company	4,068	(67)	nm	6,754	1,837	>100

nm: not meaningful.

Notes

1. Revenue

Revenue comprises the following:

	<u>Group</u>					
	<u>Second Quarter Ended 30 June</u>			<u>Half-Year Ended 30 June</u>		
	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Room revenue	8,147	7,692	5.9	17,943	17,039	5.3
Food and beverages revenue	2,254	2,063	9.3	4,736	4,285	10.5
Spa revenue	298	233	27.9	630	512	23.0
Rental income from:						
Investment properties	2,064	2,068	(0.2)	4,280	4,140	3.4
Other properties	752	716	5.0	1,523	1,454	4.7
Car park revenue	328	277	18.4	658	664	(0.9)
Interest income from outside parties	20	34	(41.2)	50	64	(21.9)
Dividend income from quoted equity investments (gross)	147	144	2.1	187	184	1.6
Others	117	64	82.8	286	168	70.2
Total	14,127	13,291	6.3	30,293	28,510	6.3

Room revenue

Group room revenue for second quarter and first half-year of 2017 increased by 5.9% and 5.3% respectively as compared to the corresponding periods in 2016. This was mainly due to higher room occupancy in Hotel Royal Bangkok @ Chinatown. The strengthened Thai Baht against Singapore dollar also contributed to the increase.

Food and beverages revenue

The increase in food and beverages revenue for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 was mainly due to higher food and beverage sales in Hotel Royal Bangkok @ Chinatown.

Rental income from investment properties

Rental income from investment properties remained constant for second quarter and increased for first half-year of 2017 as compared to corresponding periods in 2016 mainly due to higher occupancy in New Zealand's investment properties. The strengthened New Zealand dollar against Singapore dollar also contributed to the increase.

2. Cost of sales

Cost of sales remained constant for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 mainly due to better cost control. The gross profit margin for first half-year of 2017 increased slightly from 51% to 54%.

3. Other income

Other income comprise mainly foreign exchange gain, gain on disposal of available-for-sale investments, fair value gain on held-for-trading investments and miscellaneous other income.

The increase in other income for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 was mainly due to higher gain on disposal of available-for-sale investments, higher fair value gain on held-for-trading investments, higher foreign exchange gain and higher miscellaneous other income.

4. Distribution costs

The increase in distribution costs was mainly due to higher sales commission expenses.

5. Administrative expenses

The decrease in administrative expenses for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 was mainly due to lower overhead expenses.

6. Other expenses

Other expenses comprise mainly miscellaneous other expenses, foreign exchange loss, impairment loss on available-for-sale investments and loss on disposal of property, plant and equipment.

The increase in other expenses for second quarter and first half-year of 2017 as compared to the corresponding periods in 2016 was mainly due to higher miscellaneous other expenses in some of the Group's hotels offset by lower impairment loss on available-for-sale investments.

7. Finance costs

The decrease in finance costs for second quarter and first half-year of 2017 as compared to the corresponding periods in 2016 was mainly due to repayment of bank loans.

8. Profit before income tax

Profit before income tax is arrived at after charging / (crediting):

	<u>Group</u>					
	<u>Second Quarter Ended 30 June</u>			<u>Half-Year Ended 30 June</u>		
	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-)</u>
<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Depreciation expense	2,202	2,614	(15.8)	4,312	4,694	(8.1)
Impairment loss on available-for-sale investments	7	49	(85.7)	7	225	(96.9)
Allowance for doubtful receivables	-	-	nm	1	-	100.0
Allowance for doubtful receivables no longer required	-	-	nm	-	(9)	(100.0)
Fair value gain on held-for-trading investments	(53)	(5)	>100	(81)	(8)	>100
Net foreign exchange (gain) loss	(224)	224	nm	(30)	230	nm
Gain on disposal of available-for-sale investments	(121)	(9)	>100	(262)	(37)	>100
Loss (Gain) on disposal of property, plant and equipment	9	(27)	nm	10	(26)	nm

nm: not meaningful.

Depreciation expense

The decrease for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 was mainly due to absence of overprovision of depreciation expense in second quarter 2017.

Net foreign exchange (gain) loss

The Group made net foreign exchange gain for second quarter and first half-year of 2017 mainly due to the strengthened Thai baht against Singapore dollar.

Gain on disposal of available-for-sale investments

The higher gain on disposal of available-for-sale investments for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 was mainly due to higher disposal of investments.

9. Income tax expense

Income tax expense increased for second quarter and first half-year of 2017 as compared to corresponding periods in 2016 mainly due higher taxable income in some of the Group's subsidiaries.

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Notes	<u>The Group</u>		<u>The Company</u>	
		<u>30 June 17</u>	<u>31 Dec 16</u>	<u>30 June 17</u>	<u>31 Dec 16</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>ASSETS</u>					
Current assets					
Cash and bank balances	10	17,346	14,721	2,040	2,291
Held-for-trading investments	11	7,727	6,268	965	599
Available-for-sale investments	12	8,853	8,119	1,927	1,720
Trade receivables	13	3,004	3,629	839	1,130
Other receivables, deposits and prepaid expenses		1,639	1,363	44	216
Inventories		907	770	132	45
Income tax recoverable		13	4	-	-
Total current assets		39,489	34,874	5,947	6,001
Non-current assets					
Subsidiaries		-	-	175,581	169,130
Available-for-sale investments	12	3,945	3,435	1,137	1,055
Other assets		1,198	1,147	-	-
Goodwill		1,874	1,829	-	-
Property, plant and equipment		595,203	590,216	243,207	243,772
Investment properties		93,962	94,390	23,829	24,022
Total non-current assets		696,182	691,017	443,754	437,979
Total assets		735,671	725,891	449,701	443,980
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Bank loans	14	11,456	13,805	-	-
Trade payables	15	5,199	3,587	1,629	2,036
Other payables	16	3,910	4,580	1,851	2,249
Current portion of finance lease		6	42	-	-
Income tax payable		2,466	2,591	632	1,156
Total current liabilities		23,037	24,605	4,112	5,441
Non-current liabilities					
Long-term bank loans	14	144,899	137,858	74,064	66,864
Retirement benefit obligations		700	663	-	-
Finance lease		-	-	-	-
Deferred tax liabilities		19,981	19,803	562	562
Other payables	16	1,633	95	23,653	23,274
Total non-current liabilities		167,213	158,419	98,279	90,700
Capital and reserves					
Share capital		100,438	100,438	100,438	100,438
Asset revaluation reserve		354,185	354,185	210,108	210,108
Employee benefit reserve		198	198	-	-
Fair value reserve	17	3,307	2,075	654	465
Translation reserve	18	(11,907)	(12,960)	-	-
Retained earnings		99,200	98,931	36,110	36,828
Total equity		545,421	542,867	347,310	347,839
Total liabilities and equity		735,671	725,891	449,701	443,980

10. Cash and bank balances

The increase in cash and bank balances was mainly due to higher revenue and better cost management.

11. Held-for-trading investments

The increase in held-for-trading investments was mainly due to higher purchase of investments.

12. Available-for-sale investments

Available-for-sale investments consist of current and non-current portion.

The increase in both current and non-current portion of available-for-sale investments was mainly due to higher purchase of investments and higher fair value gain from strengthened stock market conditions.

13. Trade receivables

The decrease in trade receivables was mainly due to lower room sales in some of the Group's hotels.

14. Bank loans

Bank loans consist of current bank loans and long-term bank loans.

The decrease in current bank loans was mainly due to repayment of bank loans in some of the Group's subsidiaries while the increase in long-term bank loans was mainly due to drawdown of new loans by the Company.

15. Trade payables

The increase in trade payables was mainly due to better management of purchases.

16. Other payables

Other payables consist of current and non-current portion.

The decrease for current portion of other payables was mainly due to lower accrued expenses and lower guest deposits on advance bookings while the increase for other payables (non-current liabilities) mainly arose from the RM 5 million to complete the transaction as mentioned below.

Baba Residences Sdn Bhd, a subsidiary of the Group, had entered into three year tenancy agreement with Riaplan Sdn Bhd on 6 February 2017. Baba Residences Sdn Bhd has an option to purchase the property or purchase the entire issued and paid up share capital of Riaplan Sdn Bhd for RM 15 million on 31 December 2018. The advance rental and rental deposits paid by Baba Residences Sdn Bhd amounting to RM 10 million will form part of the purchase consideration. An additional RM 5 million will be payable to complete the transaction.

17. Fair value reserve

The increase in fair value reserve mainly arose from fair value gain on available-for-sale investments resulted from strengthened stock market conditions.

18. Translation reserve

The decrease in negative translation reserve from S\$12.960 million as at 31 December 2016 to S\$11.907 million as at 30 June 2017 was mainly due to gain on translating the net assets of Thailand subsidiaries into Singapore dollar as Thai baht had strengthened against Singapore dollar offset by loss on translating the net assets of Malaysia subsidiaries into Singapore dollar as Malaysian ringgit had weakened against Singapore dollar.

1(b)(ii) GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand (in S\$'000)

<u>As at 30 June 2017</u>		<u>As at 31 Dec 2016</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
11,456	-	13,805	-

Amount repayable after one year (in S\$'000)

<u>As at 30 June 2017</u>		<u>As at 31 Dec 2016</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
144,899	-	137,858	-

Details of collaterals

The bank borrowings are secured by mortgages of some of the Company's and subsidiaries' freehold land and buildings and investment properties; and assignment of rental proceeds of certain subsidiaries' investment properties and a floating charge on certain Company's and subsidiaries' assets.

**1 (c) CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half-year ended 30 June**

	<u>Group</u>			
	<u>Second Quarter Ended</u>		<u>Half-Year Ended</u>	
	<u>30 June</u>		<u>30 June</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Operating activities:				
Profit before income tax	2,271	986	6,239	3,757
Adjustments for:				
Depreciation expense	2,202	2,614	4,312	4,694
Dividend income	(147)	(144)	(187)	(184)
Interest income	(20)	(34)	(50)	(64)
Interest expense	1,118	1,165	2,194	2,434
Allowance for doubtful receivables	-	-	1	-
Allowance for doubtful receivables no longer required	-	-	-	(9)
Impairment loss on available-for-sale investments	7	49	7	225
Gain on disposal of available-for-sale investments	(121)	(9)	(262)	(37)
Fair value gain on held-for-trading investments	(53)	(5)	(81)	(8)
Loss (Gain) on disposal of property, plant and equipment	9	(27)	10	(26)
	<hr/>	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working capital	5,266	4,595	12,183	10,782
Available-for-sale investments	48	19	187	188
Held-for-trading investments	(436)	(2,521)	(1,377)	(2,775)
Trade and other receivables	522	987	298	482
Inventories	21	(49)	(137)	2
Trade and other payables	(303)	5	2,480	(374)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash generated from operations	5,118	3,036	13,634	8,305
Interest paid	(1,118)	(1,165)	(2,194)	(2,434)
Interest received	20	34	50	64
Dividend received	147	144	187	184
Income tax paid – net of refund	(925)	(578)	(1,399)	(1,748)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash from operating activities	3,242	1,471	10,278	4,371
Investing activities:				
Purchase of available-for-sale investments	(22)	(301)	(1,249)	(684)
Proceeds from disposal of available-for-sale investments	862	47	1,306	442
Purchase of property, plant and equipment	(1,286)	(2,151)	(6,575)	(3,207)
Addition to investment properties	(20)	(280)	(29)	(314)
Proceeds from disposal of property, plant and equipment	10	43	13	43
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(456)	(2,642)	(6,534)	(3,720)

1 (c) CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half-year ended 30 June (Continued)

	<u>Group</u>			
	<u>Second Quarter Ended</u>		<u>Half-Year Ended</u>	
	<u>30 June</u>		<u>30 June</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financing activities:				
Proceeds from bank loans	4,332	1,838	8,529	2,691
Repayment of bank loans	(1,612)	(1,417)	(4,022)	(4,290)
Repayment of finance lease	(18)	(6)	(36)	(10)
Dividends paid	(4,200)	(4,200)	(4,200)	(4,200)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash (used in) from financing activities	(1,498)	(3,785)	271	(5,809)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net increase (decrease) in cash and cash equivalents	1,288	(4,956)	4,015	(5,158)
Cash and cash equivalents at beginning of period	17,155	17,737	14,721	17,037
Effect of currency exchange adjustment	(1,097)	(890)	(1,390)	12
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at end of period	17,346	11,891	17,346	11,891
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Cash and cash equivalents consist of:

	<u>As at 30 June</u>	
	<u>2017</u>	<u>2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash on hand	254	377
Cash at bank	16,194	10,102
Fixed deposits	898	1,412
	<u> </u>	<u> </u>
Total	17,346	11,891
	<u> </u>	<u> </u>

1(d)(i) STATEMENTS OF CHANGES IN EQUITY

The Group	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Employee benefit reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Translation reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Balance at 1 January 2016	100,438	352,360	171	1,730	(14,623)	95,396	535,472
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,179	2,179
Other comprehensive income for the period	-	-	-	37	(312)	-	(275)
Total	-	-	-	37	(312)	2,179	1,904
Balance at 31 March 2016	100,438	352,360	171	1,767	(14,935)	97,575	537,376
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	469	469
Other comprehensive income for the period	-	-	-	(186)	(350)	-	(536)
Total	-	-	-	(186)	(350)	469	(67)
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
Balance at 30 June 2016	100,438	352,360	171	1,581	(15,285)	93,844	533,109

1(d)(i) STATEMENTS OF CHANGES IN EQUITY (Continued)

The Group	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Employee benefit reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Translation reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Balance at 1 January 2017	100,438	354,185	198	2,075	(12,960)	98,931	542,867
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,185	3,185
Other comprehensive income for the period	-	-	-	791	(1,290)	-	(499)
Total	-	-	-	791	(1,290)	3,185	2,686
Balance at 31 March 2017	100,438	354,185	198	2,866	(14,250)	102,116	545,553
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,284	1,284
Other comprehensive income for the period	-	-	-	441	2,343	-	2,784
Total	-	-	-	441	2,343	1,284	4,068
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
Balance at 30 June 2017	100,438	354,185	198	3,307	(11,907)	99,200	545,421

1(d)(i) STATEMENTS OF CHANGES IN EQUITY (Continued)

	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
The Company					
Balance at 1 January 2016	100,438	210,108	460	34,066	345,072
Total comprehensive income for the period					
Profit for the period	-	-	-	1,804	1,804
Other comprehensive income for the period	-	-	11	-	11
Total	-	-	11	1,804	1,815
Balance at 31 March 2016	100,438	210,108	471	35,870	346,887
Total comprehensive income for the period					
Profit for the period	-	-	-	1,187	1,187
Other comprehensive income for the period	-	-	28	-	28
Total	-	-	28	1,187	1,215
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
Balance at 30 June 2016	100,438	210,108	499	32,857	343,902

1(d)(i) STATEMENTS OF CHANGES IN EQUITY (Continued)

	<u>Share capital</u> <u>S\$'000</u>	<u>Asset revaluation reserve</u> <u>S\$'000</u>	<u>Fair value reserve</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
The Company					
Balance at 1 January 2017	100,438	210,108	465	36,828	347,839
Total comprehensive income for the period					
Profit for the period	-	-	-	1,609	1,609
Other comprehensive income for the period	-	-	183	-	183
Total	-	-	183	1,609	1,792
Balance at 31 March 2017	100,438	210,108	648	38,437	349,631
Total comprehensive income for the period					
Profit for the period	-	-	-	1,873	1,873
Other comprehensive income for the period	-	-	6	-	6
Total	-	-	6	1,873	1,879
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
Balance at 30 June 2017	100,438	210,108	654	36,110	347,310

1(d)(ii) SHARE CAPITAL

	<u>30 June 2017</u>	<u>31 Dec 2016</u>	<u>30 June 2017</u>	<u>31 Dec 2016</u>
	<u>Number of ordinary shares</u> <u>'000</u>		<u>\$'000</u>	<u>\$'000</u>
Issued and paid-up capital:				
Balance at beginning and end of period	<u>84,000</u>	<u>84,000</u>	<u>100,438</u>	<u>100,438</u>

There was no change in the share capital since the end of the previous period reported on.

1(d)(iii) TREASURY SHARES

There are no treasury shares.

1(d)(iv) A STATEMENT SHOWING ALL SALES, TRANSFERS, CANCELLATION AND/OR USE OF SUBSIDIARY HOLDINGS AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2 AUDIT

The financial statements for the current financial period have not been audited or reviewed by the Company's auditors.

3 AUDITORS' REPORT

Not applicable.

4 ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recently audited annual financial statements as at 31 December 2016.

5 CHANGES IN ACCOUNTING POLICIES

There has been no change in accounting policy which has a material effect on the results and financial position of the Group and of the Company for the current and the previous financial periods.

6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Group</u>			
	<u>Second Quarter Ended 30 June</u>		<u>Half-Year Ended 30 June</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
EPS (based on consolidated profit after income tax expense)				
- on weighted average number of shares	1.53 cents	0.56 cents	5.32 cents	3.15 cents
- on a fully diluted basis	1.53 cents	0.56 cents	5.32 cents	3.15 cents

Basic earnings per share is calculated on the Group's profit of S\$1.284 million and S\$4.469 million respectively (2016: S\$0.469 million and S\$2.648 million respectively) after income tax expense divided by 84 million (2016: 84 million) ordinary shares.

Diluted earnings per ordinary share are the same as basic earnings per ordinary shares as there are no dilutive potential ordinary shares.

7 NET ASSET VALUE (NAV)

	<u>Group</u>		<u>Company</u>	
	<u>30 June 2017</u>	<u>31 Dec 2016</u>	<u>30 June 2017</u>	<u>31 Dec 2016</u>
NAV per share based on issued number of shares as at the end of the respective period	S\$6.49	S\$6.46	S\$4.13	S\$4.14

The NAV per share as at 30 June 2017 and 31 December 2016 were calculated based on the number of shares in issue of 84 million ordinary shares.

8 REVIEW OF GROUP PERFORMANCE

Second quarter 2017 vs Second quarter 2016

The Group's revenue for the second quarter increased by 6.3% or S\$0.836 million from S\$13.291 million in 2016 to S\$14.127 million in 2017 mainly due to higher room revenue and higher food and beverage sales in Hotel Royal Bangkok @ Chinatown.

The Group made a profit after income tax of S\$1.284 million in second quarter 2017 as compared to S\$0.469 million in second quarter 2016. The increase was mainly due to higher revenue offset by higher income tax expenses. The strengthened Thai baht against Singapore dollar also contributed to the increase.

First half-year of 2017 vs First half-year of 2016

The Group's revenue for first half-year increased by 6.3% or S\$1.783 million from S\$28.510 million in 2016 to S\$30.293 million in 2017 mainly due to higher room revenue and higher food and beverage sales in Hotel Royal Bangkok @ Chinatown.

The Group made a profit after income tax of S\$4.469 million in first half-year 2017 as compared to S\$2.648 million in first half-year 2016. The increase was mainly due to higher revenue offset by higher income tax expenses. The strengthened Thai baht against Singapore dollar also contributed to the increase.

In the opinion of the Directors, no transaction has arisen between 30 June 2017 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

9 VARIANCE FROM A FORECAST OR PROSPECT STATEMENT

Not applicable.

10 OUTLOOK

In view of rising competitions and challenges among hospitality industry in Singapore, Malaysia and Thailand, the Group will continue to enhance its hotel assets, service quality and customers' experience so as to expand its customer base and market share. The Group will thus continue to effectively monitor its room occupancy and room rates.

The Group will also continue to actively upgrade its investment properties in New Zealand in order to maximize their rental income through improve occupancy and average rental rate.

The Group's managed fund portfolio will be affected by world events such as BREXIT and political uncertainties in U.S. and Europe.

In addition to the above, the Group's profitability will continue to be influenced by fluctuations in exchange rates of currencies such as the New Zealand dollar, United States dollar, Malaysian ringgit and Thai baht against Singapore dollar, mark-to-market gains or losses in our investment portfolio.

11 DIVIDEND

(a) Current Financial Period Reported On

No interim dividend is recommended for the current period ended 30 June 2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

No interim dividend was recommended for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 INTERESTED PERSON TRANSACTIONS

There were no interested person transactions of S\$100,000 or more for the period under review. The Group does not have a general mandate from its shareholders for interested person transactions.

13 CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**14 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS
 UNDER SGX LISTING RULE 705 (5) OF THE LISTING MANUAL**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the second quarter and half-year ended 30 June 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Sin Chee Mei
Company Secretary

11 August 2017