



# 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 2013

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 2013.

### 1(a) CONSOLIDATED PROFIT AND LOSS STATEMENT 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>2013</u>	<u>2012</u>	<u>+ / (-)</u>	<u>2013</u>	<u>2012</u>	<u>+ / (-)</u>
	<u>Notes</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Revenue	1	12,689	13,233	(4.1)	25,141	25,925	(3.0)
Cost of sales	2	(6,216)	(5,995)	3.7	(12,413)	(12,269)	1.2
Gross profit		6,473	7,238	(10.6)	12,728	13,656	(6.8)
Other income	3	847	119	611.8	1,157	393	194.4
Distribution costs	4	(348)	(180)	93.3	(492)	(307)	60.3
Administrative expenses	4	(2,333)	(2,613)	(10.7)	(4,777)	(5,065)	(5.7)
Other expenses	5	(130)	(566)	(77.0)	(172)	(641)	(73.2)
Finance cost	6	(755)	(812)	(7.0)	(1,523)	(1,631)	(6.6)
Profit before income tax	7	3,754	3,186	17.8	6,921	6,405	8.1
Income tax expense	8	(659)	(949)	(30.6)	(1,535)	(1,765)	(13.0)
Profit for the period attributable to owners of the Company		3,095	2,237	38.4	5,386	4,640	16.1

**CONSOLIDATED STATEMENT OF 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Profit for the period	<u>3,095</u>	<u>2,237</u>	<u>5,386</u>	<u>4,640</u>
Net fair value changes on available-for-sale financial assets	(431)	(573)	(130)	298
Exchange differences arising on consolidation	(2,601)	(1,732)	(768)	(534)
Other comprehensive income for the period	(3,032)	(2,305)	(898)	(236)
Total comprehensive income for the period attributable to owners of the Company	<u>63</u>	<u>(68)</u>	<u>4,488</u>	<u>4,404</u>

**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>2013</u>	<u>2012</u>	<u>+ / (-)</u>	<u>2013</u>	<u>2012</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	7,816	8,256	(5.3)	15,485	16,320	(5.1)
Food and beverages revenue	1,797	1,971	(8.8)	3,607	3,916	(7.9)
Rental income from:						
Investment properties	1,818	1,655	9.8	3,619	3,119	16.0
Other properties	734	730	0.5	1,340	1,480	(9.5)
Car park revenue	238	325	(26.8)	603	665	(9.3)
Interest income from outside parties	48	12	300.0	105	40	162.5
Dividend income from:						
Quoted equity investments (gross)	142	84	69.0	176	102	72.5
Others	96	200	(52.0)	206	283	(27.2)
<b>Total</b>	<b><u>12,689</u></b>	<b><u>13,233</u></b>	<b><u>(4.1)</u></b>	<b><u>25,141</u></b>	<b><u>25,925</u></b>	<b><u>(3.0)</u></b>

### ***Room revenue***

Group room revenue for second quarter and first half-year of 2013 decreased by 4.1% and 3.0% respectively as compared to the corresponding periods in 2012. This was mainly due to the temporary closure of Hotel Royal Bangkok @ Chinatown for major upgrading works since September 2012 and the decrease in average room rates and room occupancy from Singapore hotels due to keen competition with the increase in room inventory in Singapore and slow down in tourist arrivals. The decrease was offset by better performance by the Malaysia hotels.

### ***Food and beverages revenue***

The decrease in food and beverage revenue for the second quarter and first half-year of 2013 as compared to the corresponding periods in 2012 was mainly due to temporary closure of Hotel Royal Bangkok @ Chinatown for major upgrading works and lower breakfast sales from two Singapore hotels and one of the Malaysia hotel.

### ***Rental income from investment properties***

Rental income from investment properties for second quarter and first half-year of 2013 increased by 9.8% and 16.0% respectively as compared to the corresponding periods in 2012 mainly due to additional contribution from The Royal Residences and higher rental income contribution from the investment properties in the New Zealand subsidiary.

### ***Rental income from other properties***

The rental income from other properties for second quarter 2013 remained constant as compared to the corresponding quarter in 2012. However decrease for first half-year of 2013 as compared to the corresponding period in 2012 was mainly due to the temporary closure of Hotel Royal Bangkok @ Chinatown for major upgrading works and non-renewal of some tenancies in a Singapore hotel.

## **2. Cost of sales**

The increase in cost of sales for second quarter and first half-year of 2013 was mainly due to higher depreciation costs on buildings from a Singapore hotel and a Malaysia hotel.

## **3. Other income**

Other income comprise mainly utilities refund, foreign exchange gain and gain on disposal of available-for-sale investments.

The increase in other income for second quarter and first half-year of 2013 was mainly due to higher utility refund received, higher foreign exchange gain and higher gain on disposal of available-for-sale investments. The increase was offset by the absence of fair value gain from held-for-trading investments which was present in 2012.

#### 4. Distribution costs and administrative expenses

The increase in distribution costs for second quarter and first half-year of 2013 as compared to the corresponding periods in 2012 was mainly due to higher sales and marketing expenses incurred by the Malaysia hotels. However, the decrease in administrative expenses for second quarter and first half-year of 2013 as compared to the corresponding periods in 2012 was mainly due to lower operating costs from a Singapore hotel and a Malaysia hotel.

#### 5. Other expenses

Other expenses comprise mainly allowance for doubtful debts, fair value loss on held-for-trading investments and impairment loss on available-for-sale investments.

The decrease in other expenses for second quarter and first half-year of 2013 as compared to the corresponding periods in 2012 was mainly due to absence of foreign exchange loss, which was present in 2012 and offset by the higher allowance for doubtful debts, fair value loss on held-for-trading investments and impairment loss on available-for-sale investments.

#### 6. Finance cost

The decrease in finance costs for second quarter and first half-year of 2013 as compared to the corresponding periods in 2012 was mainly due to repayments made to Group's borrowings.

#### 7. 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>2013</u>	<u>2012</u>	<u>+ / (-)</u>	<u>2013</u>	<u>2012</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Depreciation	1,286	1,070	20.2	2,583	2,162	19.5
Impairment loss on available-for-sale investments	55	-	100.0	55	-	100.0
Allowance for doubtful debts	20	16	25.0	62	39	59.0
Fair value loss (gain) on held-for-trading investments	115	102	12.7	54	(160)	n.m.
Net foreign exchange adjustment (gain) loss	(26)	582	n.m.	(112)	620	n.m.
Gain on disposal of available-for-sale investments	(76)	(125)	(39.2)	(193)	(127)	52.0
Net loss on disposal of property, plant and equipment	-	-	-	-	13	(100.0)

#### *Depreciation*

The increase in depreciation expense was mainly due to additional renovation costs in Hotel Royal (Newton) and Hotel Royal Kuala Lumpur.

*Fair value loss (gain) on held-for-trading investments*

The Group recorded higher fair value loss on held-for-trading investments in second quarter 2013 as compared to the same quarter in 2012 mainly due to the weakened stock market conditions. As a result, the Group recorded overall fair value loss on held-for-trading investments in first half-year of 2013 as opposed to fair value gain for the corresponding period in 2012.

*Net foreign exchange adjustment (gain) loss*

The strengthening of USD against SGD resulted in foreign exchange gain from investments in second quarter and first half-year of 2013.

*Gain on disposal of available-for-sale investments*

The Group recorded lower gain on disposal of available-for-sale investments in second quarter 2013 as compared to the same quarter in 2012 mainly due to weakened stock market conditions. However, the Group recorded higher gain on disposal on available-for-sale investments due to better performance from first quarter 2013.

**8. Income tax expense**

Income tax expense for second quarter and first half-year of 2013 decreased mainly due to lower deferred tax expense by a Singapore subsidiary offset by presence of deferred tax expense from the New Zealand subsidiary as opposed to deferred tax credits for the corresponding periods in 2012.

**1(b)(i) STATEMENTS OF FINANCIAL POSITION**

		<u>The Group</u>		<u>The Company</u>	
		<u>30 June 13</u>	<u>31 Dec 12</u>	<u>30 June 13</u>	<u>31 Dec 12</u>
	<u>Notes</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and bank balances		21,027	21,725	3,893	2,892
Held-for-trading investments	9	5,314	6,031	758	1,286
Available-for-sale investments	10	6,440	4,444	1,008	765
Trade receivables	11	3,602	4,455	1,092	1,694
Other receivables	12	1,464	890	62	43
Inventories		522	535	288	302
<b>Total current assets</b>		<b>38,369</b>	<b>38,080</b>	<b>7,101</b>	<b>6,982</b>
<b>Non-current assets</b>					
Subsidiaries		-	-	95,108	91,811
Available-for-sale investments	10	4,265	4,230	1,616	1,676
Other receivables	12	2,154	1,138	-	-
Property, plant and equipment		365,764	365,311	150,930	150,685
Investment properties		92,602	93,770	24,704	24,703
Lease incentives	13	1,862	1,649	-	-
Goodwill		123	123	-	-
Deferred tax assets	14	759	681	-	-
<b>Total non-current assets</b>		<b>467,529</b>	<b>466,902</b>	<b>272,358</b>	<b>268,875</b>
<b>Total assets</b>		<b>505,898</b>	<b>504,982</b>	<b>279,459</b>	<b>275,857</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Bank loans	15	26,290	24,184	18,750	15,750
Trade payables		4,275	3,559	2,909	2,041
Other payables	16	3,401	4,150	8,703	8,290
Hire purchase payables		12	8	-	-
Income tax payable		2,459	2,563	784	1,399
<b>Total current liabilities</b>		<b>36,437</b>	<b>34,464</b>	<b>31,146</b>	<b>27,480</b>
<b>Non-current liabilities</b>					
Retirement benefit obligations		564	555	-	-
Long-term bank loans	15	70,356	71,530	-	-
Deferred income tax		15,042	15,227	339	339
Hire purchase payables		21	16	-	-
<b>Total non-current liabilities</b>		<b>85,983</b>	<b>87,328</b>	<b>339</b>	<b>339</b>
<b>Capital and reserves</b>					
Share capital		100,438	100,438	100,438	100,438
Asset revaluation reserve		198,177	198,177	123,108	123,108
Fair value reserve		2,403	2,533	650	683
Translation reserve	17	(3,009)	(2,241)	-	-
Retained earnings		85,469	84,283	23,778	23,809
<b>Total equity</b>		<b>383,478</b>	<b>383,190</b>	<b>247,974</b>	<b>248,038</b>
<b>Total liabilities and equity</b>		<b>505,898</b>	<b>504,982</b>	<b>279,459</b>	<b>275,857</b>

**9. Held-for-trading investments**

The decrease in held-for-trading investments was mainly due to lower fair value resulting from weakening of stock market conditions.

**10. Available-for-sale investments**

Available-for-sale investments comprise of current assets and non-current assets.

The increase in available-for-sale investments from funds reported in current assets and quoted equity shares reported in non-current assets were mainly due to additional investments in available-for-sale financial instruments in second quarter 2013, which was offset by the weakened stock market conditions.

**11. Trade receivables**

The decrease in trade receivables was mainly due to prompt collection from trade debtors.

**12. Other receivables**

Other receivables consist of current assets and non-current assets.

The other receivables reported in current assets consist of other debtors, deposits and prepayments. The increase was mainly due to higher prepayments made for insurance expenses and property taxes.

The other receivables reported in non-current assets increased mainly due to additional deposits and prepayments made for renovation works of Hotel Royal Bangkok @ Chinatown.

**13. Lease incentives**

The lease incentives arose from the recognition of the rent free periods offered to tenants by the subsidiary in New Zealand. The lease incentives will be amortised over the lease period. The increase was mainly due to the addition of one new major tenant since first quarter 2013.

**14. Deferred tax assets**

The increase in deferred tax assets was mainly due to additional deferred tax assets recognised by Thailand subsidiary.

**15. Bank loans**

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

The increase in the Group's short term bank loans was mainly due to the additional drawdown of a short-term loan of S\$3.0 million in June 2013 offset by the loan repayments made.

The decrease in the Group's long-term bank loans was mainly due to repayment of bank loans. The decrease was offset by the depreciation of Singapore Dollar against Thai Baht for the bank loan denominated in Thai Baht.

The Company continued to rollover its existing revolving short term bank facilities for less than one year duration as the interest rates were more favourable for short term financing. Such rollover of short term bank facilities for less than one year duration contributed to the negative working capital of the Company as at 30 June 2013 and 31 December 2012. However, the Group has positive working capital as at 30 June 2013 and 31 December 2012.

**16. Other payables**

The decrease in other payables was mainly due to lower accrued expenses from Malaysia hotels offset by payments made.

**17. Translation reserve**

The movement in translation reserve from negative S\$2.241 million as at 31 December 2012 to negative S\$3.009 million as at 30 June 2013 was mainly due to loss on translating the net assets of Malaysian subsidiaries and New Zealand subsidiary into SGD as both RM and NZD had weakened against SGD in first-half year of 2013.

**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 2013</u>		<u>As at 31 Dec 2012</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
26,290	-	24,184	-

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

<u>As at 30 June 2013</u>		<u>As at 31 Dec 2012</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
70,356	-	71,530	-

**Details of collaterals**

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



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

	<b>Group</b>			
	<b>Second Quarter Ended 30</b>		<b>Half-Year Ended 30</b>	
	<b>June</b>		<b>June</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>				
Profit before income tax	3,754	3,186	6,921	6,405
Adjustments for:				
Depreciation expense	1,286	1,070	2,583	2,162
Impairment loss on available-for-sale investments	55	-	55	-
Dividend income	(142)	(84)	(176)	(102)
Interest income	(48)	(12)	(105)	(40)
Interest expense	755	812	1,523	1,631
Allowance for doubtful debts	20	16	62	39
Gain on disposal of available-for-sale investments	(76)	(125)	(193)	(127)
Net loss on disposal of property, plant and equipment	-	-	-	13
Net fair value loss (gain) on held-for-trading investments	115	102	54	(160)
Operating cash flows before movements in working capital	5,719	4,965	10,724	9,821
Available-for-sale investments	1,065	(1,429)	(73)	(1,947)
Held-for-trading investments	346	1,269	663	674
Trade and other receivables	161	859	(1,400)	157
Inventories	11	42	13	39
Trade and other payables	(254)	(510)	(24)	(692)
Cash generated from operations	7,048	5,196	9,903	8,052
Interest paid	(755)	(812)	(1,523)	(1,631)
Interest received	48	12	105	40
Dividend received	142	84	176	102
Income tax paid – net of refund	(1,090)	(686)	(1,849)	(1,976)
Net cash from operating activities	5,393	3,794	6,812	4,587
<b>Investing activities:</b>				
Purchase of available-for-sale investments	(4,662)	(690)	(4,662)	(690)
Proceeds from disposal of property, plant & equipment	-	1	-	3
Proceeds from disposal of available-for-sale investments	2,712	649	2,712	1,180
Purchase of property, plant and equipment	(1,147)	(879)	(3,195)	(1,189)
Addition to investment properties	(281)	(851)	(325)	(1,240)
Net cash used in investing activities	(3,378)	(1,770)	(5,470)	(1,936)

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

	<b>Group</b>			
	<b>Second Quarter Ended 30</b>		<b>Half-Year Ended 30</b>	
	<b>June</b>		<b>June</b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Financing activities:</b>				
Proceeds from bank loans	3,000	6,063	3,000	25,343
Repayment of bank loans	(716)	(3,427)	(2,418)	(22,812)
Additions to finance lease	13	-	13	-
Repayment of finance lease	(3)	(2)	(4)	(4)
Dividends paid	(4,200)	(4,200)	(4,200)	(4,200)
Net cash used in financing activities	(1,906)	(1,566)	(3,609)	(1,673)
Net increase (decrease) in cash and cash equivalents	109	458	(2,267)	978
Cash and cash equivalents at beginning of period	21,255	19,992	21,725	19,436
Effect of currency exchange adjustment	(337)	174	1,569	210
<b>Cash and cash equivalents at end of period</b>	<b>21,027</b>	<b>20,624</b>	<b>21,027</b>	<b>20,624</b>

Cash and cash equivalents consist of:

	<b><u>As at 30 June</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
Cash on hand	124	124
Cash at bank	17,501	18,565
Fixed deposits	3,402	1,935
Total	21,027	20,624

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

	<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>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 2012	100,438	158,977	1,671	(1,406)	74,738	334,418
Total comprehensive income for the period	-	-	871	1,198	2,403	4,472
<b>Balance at 31 March 2012</b>	100,438	158,977	2,542	(208)	77,141	338,890
Dividend	-	-	-	-	(4,200)	(4,200)
Total comprehensive (expense) income for the period	-	-	(573)	(1,732)	2,237	(68)
<b>Balance at 30 June 2012</b>	100,438	158,977	1,969	(1,940)	75,178	334,622
Balance at 1 January 2013	100,438	198,177	2,533	(2,241)	84,283	383,190
Total comprehensive income for the period	-	-	301	1,833	2,291	4,425
<b>Balance at 31 March 2013</b>	100,438	198,177	2,834	(408)	86,574	387,615
Dividend	-	-	-	-	(4,200)	(4,200)
Total comprehensive (expense) income for the period	-	-	(431)	(2,601)	3,095	63
<b>Balance at 30 June 2013</b>	100,438	198,177	2,403	(3,009)	85,469	383,478

**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>
<b>The Company</b>					
Balance at 1 January 2012	100,438	115,908	284	19,699	236,329
Total comprehensive income for the period	-	-	229	1,491	1,720
<b>Balance at 31 March 2012</b>	100,438	115,908	513	21,190	238,049
Dividend	-	-	-	(4,200)	(4,200)
Total comprehensive (expense) income for the period	-	-	(43)	1,419	1,376
<b>Balance at 30 June 2012</b>	100,438	115,908	470	18,409	235,225
Balance at 1 January 2013	100,438	123,108	683	23,809	248,038
Total comprehensive income for the period	-	-	93	1,515	1,608
<b>Balance at 31 March 2013</b>	100,438	123,108	776	25,324	249,646
Dividend	-	-	-	(4,200)	(4,200)
Total comprehensive (expense) income for the period	-	-	(126)	2,654	2,528
<b>Balance at 30 June 2013</b>	100,438	123,108	650	23,778	247,974

**1(d)(ii) SHARE CAPITAL**

	<u>30 June 2013</u>	<u>31 Dec 2012</u>	<u>30 June 2013</u>	<u>31 Dec 2012</u>
	<u>Number of ordinary shares</u>		<u>\$'000</u>	<u>\$'000</u>
	<u>'000</u>			
<b>Issued and paid-up capital:</b>				
Balance at beginning and end of period	<u>84,000</u>	<u>84,000</u>	<u>100,438</u>	<u>100,438</u>

There are no changes in the share capital since the end of the previous period reported on.

**1(d)(iii) TREASURY SHARES**

There are no treasury shares.

**2 AUDIT**

The financial statements 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 2012.

**5 CHANGES IN ACCOUNTING POLICIES**

Not applicable.

## 6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Group</u>		<u>Group</u>	
	<u>Second Quarter Ended 30 June</u>		<u>Half-Year Ended 30 June</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
EPS (based on consolidated profit after taxation)				
- on weighted average number of shares	3.68 cents	2.66 cents	6.41 cents	5.52 cents
- on a fully diluted basis	<u>3.68 cents</u>	<u>2.66 cents</u>	<u>6.41 cents</u>	<u>5.52 cents</u>

Basic earnings per share for the second quarter and half year are calculated on the Group profit after taxation of S\$3.095 million and S\$5.386 million respectively (2012: S\$2.237 million and S\$4.640 million respectively) divided by weighted average number of ordinary shares of 84,000,000 (2012: 84,000,000).

Diluted earnings per ordinary share is 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 2013</u>	<u>31 Dec 2012</u>	<u>30 June 2013</u>	<u>31 Dec 2012</u>
NAV per share based on issued number of shares as at the end of the respective period	<u>S\$4.57</u>	<u>S\$4.56</u>	<u>S\$2.95</u>	<u>S\$2.95</u>

The NAV per share as at 30 June 2013 and 31 December 2012 were calculated based on the number of shares in issue of 84 million ordinary shares.

## **8 REVIEW OF GROUP PERFORMANCE**

### Second quarter 2013 vs. second quarter 2012

The Group's revenue for second quarter 2013 was S\$12.689 million as compared with S\$13.233 million for the corresponding quarter last year. The decrease of 4.1% or S\$0.544 million was mainly due to lower room revenue and lower food and beverage sales. The decrease was offset by the higher rental income contribution from the Group's investment properties in both Singapore and New Zealand and better performance from Malaysia hotels.

Profit after income tax increased by 38.4% from S\$2.237 million to S\$3.095 million mainly due to lower operation and finance costs incurred and higher other income arising from utility refund received for the second quarter 2013 as compared to the corresponding quarter in 2012.

### First half-year 2013 vs. first half-year 2012

The Group's revenue for first half-year 2013 was S\$25.141 million as compared to the corresponding period in 2012 of S\$25.925 million. The decrease of 3.0% or S\$0.784 million was mainly due to lower room revenue and lower food and beverage sales. The decrease was offset by the higher rental income contribution from the Group's investment properties in both Singapore and New Zealand and better performance from Malaysia hotels.

Profit after income tax increased by 16.1% from S\$4.640 million to S\$5.386 million. This was mainly due to lower operation and finance costs incurred and higher other income arising from utility refund received for the first half-year of 2013 as compared to the corresponding period in 2012.

In the opinion of the Directors, no transaction has arisen between 30 June 2013 and the date of this report which would materially affect the results of the Group and the Company for the quarter just ended.

## **9 VARIANCE FROM A FORECAST OR PROSPECT STATEMENT**

Not applicable.

## **10 OUTLOOK**

Tourism sector growth prospect in Singapore had slow down amidst recovery of the global economy. In view of the growing market competitions from emerging new hotels, we will continue to monitor our room occupancy and room rates for the Group's hotel segment in order to have a greater market share.

The Group will continue to actively market its vacant premises in Grand Complex in New Zealand, so as to maximize rental income.

In addition to the above, the Group's profitability will continue to be influenced by the performance of the NZD, USD, RM against the SGD, the changes in the market value of our investment trading portfolio and the investment income from our total investment portfolio.

**11 DIVIDEND**

**(a) Current Financial Period Reported On**

No interim dividend is recommended for the current period ended 30 June 2013.

**(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 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 2013 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Sharon Yeoh  
Company Secretary

12 August 2013