



HOTEL ROYAL LIMITED

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

1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

The Directors of Hotel Royal Limited (the “Company”) are pleased to announce the following unaudited results of the Group for the third quarter and nine months ended 30 September 2014.

1(a) CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the third quarter and nine months ended 30 September

		<u>Group</u>					
		<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
		<u>2014</u>	<u>2013</u>	<u>+ / (-)</u>	<u>2014</u>	<u>2013</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	14,934	13,461	10.9	40,650	38,602	5.3
Cost of sales	2	(7,054)	(5,922)	19.1	(19,012)	(18,335)	3.7
Gross profit		7,880	7,539	4.5	21,638	20,267	6.8
Other income	3	14	267	(94.8)	644	1,424	(54.8)
Distribution costs	4	(388)	(200)	94.0	(896)	(692)	29.5
Administrative expenses	4	(3,147)	(2,865)	9.8	(8,209)	(7,642)	7.4
Other expenses	5	(19)	(37)	(48.6)	(135)	(209)	(35.4)
Finance cost	6	(1,092)	(742)	47.2	(2,575)	(2,265)	13.7
Profit before income tax	7	3,248	3,962	(18.0)	10,467	10,883	(3.8)
Income tax expense	8	(59)	(555)	(89.4)	(2,108)	(2,090)	0.9
Profit for the period attributable to owners of the Company		3,189	3,407	(6.4)	8,359	8,793	(4.9)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
for the third quarter and nine months ended 30 September

	<u>Group</u>					
	<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
	<u>2014</u>	<u>2013</u>	<u>+/-</u>	<u>2014</u>	<u>2013</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	3,189	3,407	(6.4)	8,359	8,793	(4.9)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Available-for-sale investments:						
Fair value gain recognised in fair value reserve	264	194	36.1	301	257	17.1
Transfer from fair value reserve to profit or loss upon disposal of available-for-sale investments	(34)	(25)	36.0	(313)	(218)	43.6
Exchange (loss) gain on translation of foreign operations	(3,583)	781	<i>n.m.</i>	(1,853)	13	<i>n.m.</i>
Total	(3,353)	950	<i>n.m.</i>	(1,865)	52	<i>n.m.</i>
Total comprehensive income (loss) for the period attributable to owners of the Company	(164)	4,357	<i>n.m.</i>	6,494	8,845	(26.6)

Notes

1. Revenue

Revenue comprises the following:

	<u>Group</u>					
	<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
	<u>2014</u>	<u>2013</u>	<u>+ / (-)</u>	<u>2014</u>	<u>2013</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	9,511	8,365	13.7	24,632	23,850	3.3
Food and beverages revenue	2,287	2,036	12.3	6,167	5,643	9.3
Spa revenue	183	-	100.0	183	-	100.0
Rental income from:						
Investment properties	1,764	1,941	(9.1)	6,082	5,689	6.9
Other properties	682	665	2.6	2,103	2,005	4.9
Car park revenue	315	296	6.4	950	899	5.7
Interest income from outside parties	44	26	69.2	106	131	(19.1)
Dividend income from:						
Quoted equity investments (gross)	75	123	(39.0)	323	275	17.5
Unquoted equity investments (gross)	28	-	100.0	28	24	16.7
Others	45	9	<i>n.m.</i>	76	86	(11.6)
Total	14,934	13,461	10.9	40,650	38,602	5.3

Room revenue

Group room revenue for third quarter and nine months ended 30 September 2014 increased by 13.7% and 3.3% respectively as compared to the corresponding periods in 2013. This was mainly due to additional revenue from the newly acquired Burasari Resort in July 2014 and upward adjustment of room rates in Malaysia hotels. The increase was offset by lower occupancy and lower room rates in Singapore hotels due to slow down in tourist arrivals and more room inventory coming on-stream.

Food and beverages revenue

The increase in food and beverage revenue for the third quarter and nine months ended 30 September 2014 as compared to the corresponding periods in 2013 was mainly due to additional contributions from the newly acquired Burasari Resort and higher banquet sales from Malaysia hotels offset by lower breakfast sales from a Singapore hotel.

Rental income from investment properties

Rental income from investment properties for nine month ended 30 September 2014 increased by 6.9% as compared to nine months ended 30 September 2013 due to increased occupancy for Singapore and Malaysia properties and appreciation of New Zealand dollar against Singapore dollar. The increase for the first 6 months was offset by lower rental income in third quarter 2014 as compared to third quarter 2013.

Rental income from other properties

The rental income from other properties for third quarter and nine months ended 30 September 2014 increased by 2.6% and 4.9% respectively as compared to corresponding periods in 2013 due to higher occupancy in a Singapore hotel and additional rental income from the newly acquired Burasari Resort.

2. Cost of sales

The increase in cost of sales for third quarter and nine months ended 30 September 2014 as compared to corresponding periods in 2013 was mainly due to cost from the newly acquired Burasari Resort.

3. Other income

Other income comprises mainly gain on disposal of available-for-sale investments, fair value gain on held-for-trading investments, foreign exchange gain and utility refunds.

The decrease in other income for the third quarter 2014 as compared to corresponding period in 2013 was mainly due to absence of foreign exchange gain which was present in 2013. The decrease for the nine months ended 30 September 2014 as compared to corresponding period in 2013 was due to lower foreign exchange gain and absence of utility refunds of S\$0.783 million which was present in 2013.

4. Distribution costs and administrative expenses

The increase in distribution costs for third quarter and nine months ended 30 September 2014 as compared to the corresponding periods in 2013 was mainly due to higher expenses from Burasari Resort which was acquired in July 2014 and higher sales and marketing expenses incurred by Singapore and Malaysia hotels.

The increase in administrative expenses for third quarter and nine months ended 30 September 2014 as compared to the corresponding periods in 2013 was mainly due to additional expenses from the newly acquired Burasari Resort and higher overhead expenses incurred by Malaysia hotels.

5. Other expenses

Other expenses comprise mainly allowance for doubtful debts and impairment loss on available-for-sale investments.

The decrease in other expenses for third quarter and nine months ended 30 September 2014 as compared to the corresponding periods in 2013 was mainly due to absence of doubtful debt provision by the Company in 2014, which was present in 2013. The decrease was also due to absence of foreign exchange loss in 2014.

6. Finance cost

The increase in finance costs for third quarter and nine months ended 30 September 2014 as compared to corresponding periods in 2013 was mainly due to increase in Group's borrowings from acquisition of Burasari Resort in July 2014..

7. Profit before income tax

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

	<u>Group</u>					
	<u>Third Quarter Ended 30 Sep</u>			<u>Nine Months Ended 30 Sep</u>		
	<u>2014</u>	<u>2013</u>	<u>+ / (-)</u>	<u>2014</u>	<u>2013</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Depreciation	1,670	1,351	23.6	4,435	3,934	12.7
Impairment loss on available-for-sale investments	85	-	100.0	85	55	54.5
Allowance for doubtful debts	13	8	62.5	50	70	(28.6)
Bad debts recovered	-	-	-	(38)	-	100.0
Fair value (gain) loss on held-for-trading investments	12	(116)	<i>n.m.</i>	(134)	(62)	<i>n.m.</i>
Foreign exchange adjustment gain	(9)	(57)	(84.2)	(30)	(169)	(82.2)
(Gain) loss on disposal of available-for-sale investments	(34)	(25)	36.0	(313)	(218)	43.6

n.m. : not meaningful

Depreciation

The increase in depreciation expense was mainly due to the newly acquired Burasari Resort. The increase was also due to renovation and upgrading works for Hotel Royal (Newton), Hotel Royal Kuala Lumpur and investment properties in New Zealand subsidiary.

Impairment loss on available-for-sale investments

The increase for third quarter and nine months ended 30 September 2014 as compared to corresponding periods in 2013 arose from higher impairment loss on available-for-sale investments incurred by a Singapore subsidiary.

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

The Group recorded higher fair value gain on held-for-trading investments for nine months ended 30 September 2014 as compared to the corresponding period in 2013. This was mainly due to the strengthened stock market conditions.

Foreign exchange adjustment gain

The strengthening of USD against SGD offset by the weakening of RM against SGD resulted in lower foreign exchange gain from investments in the third quarter and nine months ended 30 September 2014.

(Gain) loss on disposal of available-for-sale investments

The Group recorded higher gain on disposal of available-for-sale investments for third quarter and nine months ended 30 September 2014 as compared to corresponding periods in 2013. This was mainly due to strengthened stock market conditions.

8. Income tax expense

Income tax expense as a percentage of pre-tax profit remained fairly constant for nine months ended 30 September 2014 as compared to corresponding period in 2013. Lower income tax expense for third quarter 2014 was due to lower sales from Singapore hotels and reversal of overprovision for second quarter 2014.

1(b)(i) STATEMENTS OF FINANCIAL POSITION

		<u>The Group</u>		<u>The Company</u>	
		<u>30 Sep 14</u>	<u>31 Dec 13</u>	<u>30 Sep 14</u>	<u>31 Dec 13</u>
	<u>Notes</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	9	11,099	20,100	1,359	3,061
Held-for-trading investments	10	6,237	5,144	780	534
Available-for-sale investments		7,957	7,940	1,530	2,028
Trade receivables	11	5,490	4,018	1,527	1,239
Other receivables, deposits and prepaid expenses	12	2,454	2,118	209	683
Inventories	13	800	494	240	258
Total current assets		34,037	39,814	5,645	7,803
Non-current assets					
Deferred tax assets		54	53	-	-
Subsidiaries		-	-	149,410	97,912
Available-for-sale investments		4,189	4,024	1,398	1,348
Other assets	14	3,304	3,751	-	-
Goodwill	15	3,378	123	-	-
Property, plant and equipment	16	548,364	485,494	237,767	236,336
Investment properties		95,953	96,687	25,617	24,529
Total non-current assets		655,242	590,132	414,192	360,125
Total assets		689,279	629,946	419,837	367,928
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Bank loans	17	17,745	26,678	-	18,750
Trade payables	18	4,714	5,519	2,838	3,220
Other payables	19	4,201	2,949	4,451	10,737
Current portion of finance lease		13	12	-	-
Income tax payable	20	1,128	2,812	95	1,351
Total current liabilities		27,801	37,970	7,384	34,058
Non-current liabilities					
Amount due to subsidiary companies		-	-	24,427	-
Retirement benefit obligations		395	363	-	-
Long-term bank loans	17	131,198	67,206	52,666	-
Finance lease		5	14	-	-
Deferred tax liabilities	21	19,711	16,518	432	432
Total non-current liabilities		151,309	84,101	77,525	432
Capital and reserves					
Share capital		100,438	100,438	100,438	100,438
Asset revaluation reserve		317,502	317,502	206,108	206,108
Employee benefit reserve		171	171	-	-
Fair value reserve		2,748	2,760	596	656
Translation reserve	22	(4,574)	(2,721)	-	-
Retained earnings		93,884	89,725	27,786	26,236
Total equity		510,169	507,875	334,928	333,438
Total liabilities and equity		689,279	629,946	419,837	367,928

9. Cash and bank balances

The decrease in cash and bank balances was mainly due to payments made for the acquisition of Burasari Resort in July 2014 and renovation works of Hotel Royal Bangkok @ Chinatown.

10. Held-for-trading investments

The increase in held-for-trading investments was mainly due to higher fair value resulting from strengthening of stock market conditions.

11. Trade receivables

The increase was mainly due to receivables from the newly acquired Burasari Resort and higher revenue from New Zealand subsidiary and Malaysia hotels.

12. Other receivables, deposits and prepaid expenses

The increase in other receivables, deposits and prepaid expenses was mainly due to the newly acquired Burasari Resort, higher prepaid insurance premium in New Zealand subsidiary and higher prepaid property taxes in Malaysia subsidiaries.

13. Inventories

The increase in inventories was mainly due to the newly acquired Burasari Resort.

14. Other assets

Other assets comprise non-current lease incentives and prepayments.

The decrease was due to lower prepayments made for renovation works in Hotel Royal Bangkok @ Chinatown and decrease in lease incentives in New Zealand subsidiary.

The lease incentives arose from the recognition of the rent free periods offered to tenants by the subsidiary in New Zealand. The lease incentives are amortised over the lease period.

15. Goodwill

The increase in goodwill arose from the acquisition of Burasari Resort in July 2014.

16. Property, plant and equipment

The increase was mainly due to additional costs from the newly acquired Burasari Resort in July 2014 and major upgrading and renovation works for Hotel Royal Bangkok @ Chinatown.

17. Bank loans

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

The decrease in the Group's short-term bank loans was due to restructuring of some short-term bank loans to long-term bank loans and repayments made. The Group's long-term bank loans increased due to restructuring of some short-term bank loans to long-term bank loans during the nine months ended 30 September 2014; and the acquisition of Burasari Resort in July 2014.

18. Trade payables

The decrease was mainly due to prompt payments made to trade creditors offset by liabilities of Burasari Resort which was acquired in July 2014.

19. Other payables

The increase was due to higher retention fee payable for major upgrading works in Hotel Royal Bangkok @ Chinatown; higher insurance cost payable by New Zealand subsidiary; and the payables of Burasari Resort.

20. Income tax payables

The decrease was mainly due to payments made and lower income tax provision in third quarter 2014 due to lower sales from Singapore hotels and reversal of overprovision for second quarter 2014.

21. Deferred tax liabilities

The increase in deferred tax liabilities arose from inclusion of deferred tax liabilities of the Burasari Resort amounting to S\$3.255 million (THB 85.670 million).

22. Translation reserve

The net unfavourable change in translation reserve from negative S\$2.721 million as at 31 December 2013 to negative S\$4.574 million as at 30 September 2014 was mainly due to loss on translating the net assets of Malaysia subsidiaries and Thailand subsidiaries into Singapore dollar as both Malaysia ringgit and Thai baht had weakened against Singapore dollar; partially offset by gains on translating the net assets of New Zealand subsidiary into Singapore dollar as New Zealand dollar had strengthened 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 Sep 2014</u>		<u>As at 31 Dec 2013</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
17,745	-	26,678	-

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

<u>As at 30 Sep 2014</u>		<u>As at 31 Dec 2013</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
131,198	-	67,206	-

Details of collaterals

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

1 (c) CONSOLIDATED STATEMENT OF CASH FLOWS
for the third quarter and nine months ended 30 Sep

	<u>Group</u>			
	<u>Third Quarter Ended 30</u>		<u>Nine Months Ended 30</u>	
	<u>Sep</u>		<u>Sep</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Operating activities:				
Profit before income tax	3,248	3,962	10,467	10,883
Adjustments for:				
Depreciation expense	1,670	1,351	4,435	3,934
Impairment loss on available-for-sale investments	85	-	85	55
Dividend income	(103)	(123)	(351)	(299)
Interest income	(44)	(26)	(106)	(131)
Interest expense	1,092	742	2,575	2,265
Allowance for doubtful debts	13	8	50	70
Bad debts recovered	-	-	(38)	-
Gain on disposal of available-for-sale investments	(34)	(25)	(313)	(218)
Fair value loss (gain) on held-for-trading investments	12	(116)	(134)	(62)
Operating cash flows before movements in working capital	5,939	5,773	16,670	16,497
Available-for-sale investments	288	(2)	297	(75)
Held-for-trading investments	(405)	377	(959)	1,040
Trade and other receivables	(594)	1,028	(1,374)	(372)
Inventories	(326)	32	(306)	46
Trade and other payables	1,339	(87)	479	(111)
Cash generated from operations	6,241	7,121	14,807	17,025
Interest paid	(1,092)	(742)	(2,575)	(2,265)
Interest received	44	26	106	131
Dividend received	103	123	351	299
Income tax paid – net of refund	(2,394)	(1,201)	(4,408)	(3,050)
Net cash from operating activities	2,902	5,327	8,281	12,140
Investing activities:				
Purchase of available-for-sale investments	(1,556)	(1,031)	(3,995)	(5,693)
Proceeds from disposal of available-for-sale investments	1,099	759	3,731	3,471
Purchase of property, plant and equipment	(7,514)	(2,660)	(15,790)	(5,842)
Addition to investment properties	(264)	(280)	(2,917)	(605)
Acquisition of Burasari Resort	(30,288)	-	(35,136)	-
Net cash used in investing activities	(38,523)	(3,212)	(54,107)	(8,669)

1 (c) CONSOLIDATED STATEMENT OF CASH FLOWS
for the third quarter and nine months ended 30 Sep *(Continued)*

	<u>Group</u>			
	<u>Third Quarter Ended 30</u>		<u>Nine Months Ended 30</u>	
	<u>Sep</u>		<u>Sep</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financing activities:				
Proceeds from bank loans	63,305	-	85,935	3,000
Repayment of bank loans	(33,727)	(597)	(45,597)	(3,015)
Repayment of finance lease	(4)	(2)	(8)	(6)
Dividends paid	-	-	(4,200)	(4,200)
Addition to finance lease	-	-	-	-
Net cash from (used in) financing activities	29,574	(599)	36,130	(4,221)
Net (decrease) increase in cash and cash equivalents	(6,047)	1,516	(9,696)	(750)
Cash and cash equivalents at beginning of period	16,049	21,027	20,100	21,725
Effect of currency exchange adjustment	1,097	(397)	695	1,171
Cash and cash equivalents at end of period	11,099	22,146	11,099	22,146

Cash and cash equivalents consist of:

	<u>As at 30 Sep</u>	
	<u>2014</u>	<u>2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash on hand	169	271
Cash at bank	9,537	19,128
Fixed deposits	1,393	2,747
Total	11,099	22,146

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 2013	100,438	198,177	-	2,533	(2,241)	84,283	383,190
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,291	2,291
Other comprehensive income for the period	-	-	-	301	1,833	-	2,134
Total	-	-	-	301	1,833	2,291	4,425
Balance at 31 March 2013	100,438	198,177	-	2,834	(408)	86,574	387,615
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,095	3,095
Other comprehensive income for the period	-	-	-	(431)	(2,601)	-	(3,032)
Total	-	-	-	(431)	(2,601)	3,095	63
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
Balance at 30 June 2013	100,438	198,177	-	2,403	(3,009)	85,469	383,478
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,407	3,407
Other comprehensive income for the period	-	-	-	169	781	-	950
Total	-	-	-	169	781	3,407	4,357
Balance at 30 September 2013	100,438	198,177	-	2,572	(2,228)	88,876	387,835

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 2014	100,438	317,502	171	2,760	(2,721)	89,725	507,875
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,560	2,560
Other comprehensive income for the period	-	-	-	(313)	2,094	-	1,781
Total	-	-	-	(313)	2,094	2,560	4,341
Balance at 31 March 2014	100,438	317,502	171	2,447	(627)	92,285	512,216
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,610	2,610
Other comprehensive income for the period	-	-	-	71	(364)	-	(293)
Total	-	-	-	71	(364)	2,610	2,317
Transactions with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(4,200)	(4,200)
Balance at 30 June 2014	100,438	317,502	171	2,518	(991)	90,695	510,333
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,189	3,189
Other comprehensive income for the period	-	-	-	230	(3,583)	-	(3,353)
Total	-	-	-	230	(3,583)	3,189	(164)
Balance at 30 September 2014	100,438	317,502	171	2,748	(4,574)	93,884	510,169

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 2013	100,438	123,108	683	23,809	248,038
Total comprehensive income for the period					
Profit for the period	-	-	-	1,515	1,515
Other comprehensive income for the period	-	-	93	-	93
Total	-	-	93	1,515	1,608
Balance at 31 March 2013	100,438	123,108	776	25,324	249,646
Total comprehensive income for the period					
Profit for the period	-	-	-	2,654	2,654
Other comprehensive income for the period	-	-	(126)	-	(126)
Total	-	-	(126)	2,654	2,528
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
Balance at 30 June 2013	100,438	123,108	650	23,778	247,974
Total comprehensive income for the period					
Profit for the period	-	-	-	1,227	1,227
Other comprehensive income for the period	-	-	29	-	29
Total	-	-	29	1,227	1,256
Balance at 30 September 2013	100,438	123,108	679	25,005	249,230

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

	Share capital <u>S\$'000</u>	Asset revaluation reserve <u>S\$'000</u>	Fair value reserve <u>S\$'000</u>	Retained earnings <u>S\$'000</u>	Total <u>S\$'000</u>
The Company					
Balance at 1 January 2014	100,438	206,108	656	26,236	333,438
Total comprehensive income for the period					
Profit for the period	-	-	-	1,729	1,729
Other comprehensive income for the period	-	-	(19)	-	(19)
Total	-	-	(19)	1,729	1,710
Balance at 31 March 2014	100,438	206,108	637	27,965	335,148
Total comprehensive income for the period					
Profit for the period	-	-	-	2,048	2,048
Other comprehensive income for the period	-	-	(69)	-	(69)
Total	-	-	(69)	2,048	1,979
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(4,200)	(4,200)
Balance at 30 June 2014	100,438	206,108	568	25,813	332,927
Total comprehensive income for the period					
Profit for the period	-	-	-	1,973	1,973
Other comprehensive income for the period	-	-	28	-	28
Total	-	-	28	1,973	2,001
Balance at 30 September 2014	100,438	206,108	596	27,786	334,928

1(d)(ii) SHARE CAPITAL

	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>	<u>30 Sep 2014</u>	<u>31 Dec 2013</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 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 2013.

5 CHANGES IN ACCOUNTING POLICIES

Not applicable.

6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Third Quarter Ended 30</u>		<u>Group</u>	<u>Nine Months Ended 30</u>	
	<u>Sep</u>			<u>Sep</u>	
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
EPS (based on consolidated profit after income tax expense)					
- on weighted average number of shares	3.80 cents	4.06 cents		9.95 cents	10.47 cents
- on a fully diluted basis	3.80 cents	4.06 cents		9.95 cents	10.47 cents

Basic earnings per share is calculated based on the Group's profit of S\$3.189 million and S\$8.359 million respectively (2013: S\$3.407 million and S\$8.793 million respectively) after income tax expense divided by 84 million (2013: 84 million) ordinary shares.

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 Sep 2014</u>	<u>31 Dec 2013</u>	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>
NAV per share based on issued number of shares as at the end of the respective period	S\$6.07	S\$6.05	S\$3.99	S\$3.97

8 REVIEW OF GROUP PERFORMANCE

Third quarter 2014 vs. Third quarter 2013

The Group's revenue for the third quarter increased by 10.9% or S\$1.473 million from S\$13.461 million in 2013 to S\$14.934 million in 2014 was mainly due to additional contribution from the newly acquired Burasari Resort in July 2014 and higher room revenue and food and beverage sales from Malaysia hotels offset by lower contribution from Singapore hotels.

Group profit after income tax for third quarter 2014 decreased by 6.4% or S\$0.218 million as compared to third quarter 2013. The decrease was mainly due to higher operating expenses and finance costs arising from acquisition of the Burasari Resort in July 2014. The decrease was offset by lower income tax provision in the third quarter 2014 due to lower sales from Singapore hotels and reversal of overprovision for second quarter 2014.

Nine months ended 2014 vs. Nine months ended 2013

The Group's revenue for nine months ended 30 September 2014 increased by 5.3% or S\$2.048 million from S\$38.602 million in 2013 to S\$40.650 million in 2014 mainly due to higher room revenue and higher food and beverage sales from Malaysia hotels; and higher rental income from investment properties in Singapore and Malaysia.

The Group made a profit after income tax of S\$8.359 million in the first three quarters of 2014 as compared to S\$8.793 million in 2013. Excluding non comparable items relating to new subsidiaries in Thailand and utility refund in Singapore, profit after income tax for the nine months ended 30 September 2014 is S\$8.230 million which is S\$0.220 million higher than the S\$8.010 million for the nine months ended 30 September 2013.

	<u>2014</u> <u>S\$'000</u>	<u>2013</u> <u>S\$'000</u>	<u>+/-</u> <u>S\$'000</u>	<u>+/-</u> <u>%</u>
Profit after income tax	8,359	8,793	(434)	(4.9)
Adjusted for:				
(Profit) loss of new Thailand subsidiaries:				
- Panali Co., Ltd (acquired in July 2014)	(139)	-	(139)	100.0
- Excellent Hotel (Thailand) Co., Ltd (incorporated in February 2014)	10	-	10	100.0
Utility refund received in 2013 but not in 2014	-	(783)	783	(100.0)
Adjusted profit after income tax	<u>8,230</u>	<u>8,010</u>	<u>220</u>	<u>2.7</u>

In the opinion of the Directors, no transaction has arisen between 30 September 2014 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

The Group expects to meet more challenges in the year ahead, and will continue with its strategy of competitive pricing and progressive upgrade of our hotel properties and facilities. We will closely monitor our room occupancy and room rates in order to maintain and enlarge our share of tourists' arrivals.

The Group will continue to actively upgrade and market its investment properties in New Zealand so as to maximize rental income.

The current instability in the Middle East will also have an impact on the Group's managed fund portfolio.

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

11 DIVIDEND

(a) Current Financial Period Reported On

No interim dividend is recommended for the current period ended 30 September 2014.

(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 third quarter and nine months ended 30 September 2014 to be false or misleading in any material aspect.

14 SUBSEQUENT EVENT

The Group had incorporated a new Malaysia subsidiary in October 2014 and had entered into agreements through the new subsidiary to acquire The Baba House and its business in Melaka, Malaysia. The Baba House is a 97-room boutique hotel. The total purchase consideration for the proposed acquisition is RM 26.1 million which will be financed by internal funds and bank borrowings.

BY ORDER OF THE BOARD

Sharon Yeoh
Company Secretary

10 November 2014