

**HL GLOBAL ENTERPRISES LIMITED**

Company Registration No.: 196100131N

**Unaudited Third Quarter and Nine Months Financial Statements Announcement for the period ended 30 September 2015****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**1(a) **A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	Group					
		3Q 2015 \$'000	3Q 2014 \$'000	Change %	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000	Change %
Revenue		3,730	3,622	3.0	9,622	6,475	48.6
Cost of sales		(1,404)	(1,388)	1.2	(3,865)	(2,349)	64.5
<b>Gross profit</b>		<b>2,326</b>	<b>2,234</b>	<b>4.1</b>	<b>5,757</b>	<b>4,126</b>	<b>39.5</b>
Other income	(i)	171	6,322	(97.3)	523	6,569	(92.0)
Selling and marketing expenses	(ii)	(94)	(74)	27.0	(269)	(113)	138.1
Administrative expenses	(iii)	(99)	(200)	(50.5)	(357)	(462)	(22.7)
Finance costs	(iv)	(20)	(237)	(91.6)	(1,483)	(1,234)	20.2
Other operating expenses	(v)	(1,362)	(1,450)	(6.1)	(4,203)	(3,180)	32.2
Share of results of associate and joint ventures (net of tax)	(vi)	(598)	22	NM	(1,919)	(950)	102.0
<b>Profit/(loss) before tax</b>		<b>324</b>	<b>6,617</b>	<b>(95.1)</b>	<b>(1,951)</b>	<b>4,756</b>	<b>NM</b>
Income tax	(vii)	(153)	(151)	1.3	(398)	(380)	4.7
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<b>171</b>	<b>6,466</b>	<b>(97.4)</b>	<b>(2,349)</b>	<b>4,376</b>	<b>NM</b>

**Notes:****(i) Other income**

	Group					
	3Q 2015 \$'000	3Q 2014 \$'000	Change %	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000	Change %
Interest income	94	71	32.4	200	173	15.6
Licence fee	68	61	11.5	218	195	11.8
Sundry income	9	3	200.0	29	14	107.1
Gain on liquidation of a joint venture	-	-	-	76	-	NM
Fair value gain on initial 45% equity interest in Augustland Hotel Sdn Bhd ("AHSB") on acquisition	-	3,734	NM	-	3,734	NM
Negative goodwill on acquisition	-	600	NM	-	600	NM
Gain on deemed settlement of advances to AHSB	-	1,853	NM	-	1,853	NM
	<b>171</b>	<b>6,322</b>	<b>(97.3)</b>	<b>523</b>	<b>6,569</b>	<b>(92.0)</b>

**(ii) Selling and marketing expenses**

The increase in selling and marketing expenses for YTD 3Q 2015 was primarily due to the consolidation of the financial results of AHSB following the completion of the acquisition of the remaining 55% equity interest in AHSB in July 2014.

**(iii) Administrative expenses**

The decrease in administrative expenses for 3Q 2015 and YTD 3Q 2015 compared to the same period of last year was due partly due to the legal fee incurred in 2014 on the acquisition of AHSB.

**(iv) Finance costs**

	Group					
	3Q 2015 \$'000	3Q 2014 \$'000	Change %	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000	Change %
Interest expense	(415)	(447)	(7.2)	(1,253)	(1,142)	9.7
Currency exchange gain/(losses)-net	395	210	88.1	(230)	(92)	150.0
	<b>(20)</b>	<b>(237)</b>	<b>(91.6)</b>	<b>(1,483)</b>	<b>(1,234)</b>	<b>20.2</b>

NM: Not meaningful

The net currency exchange gain of approximately \$0.4 million for 3Q 2015 was due to the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the strengthening of the Chinese Renminbi against the Singapore Dollar.

**(v) Other operating expenses**

	Group					
	3Q 2015	3Q 2014	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2015	3Q 2014	%
				\$'000	\$'000	
Depreciation of property, plant and equipment	(543)	(553)	(1.8)	(1,678)	(1,027)	63.4
Staff costs/directors' fee	(527)	(513)	2.7	(1,632)	(1,348)	21.1
Others	(292)	(384)	(24.0)	(893)	(805)	10.9
	<u>(1,362)</u>	<u>(1,450)</u>	<u>(6.1)</u>	<u>(4,203)</u>	<u>(3,180)</u>	<u>32.2</u>

Depreciation of property, plant and equipment, staff costs/directors' fee and others in YTD 3Q 2015 were higher than YTD 3Q 2014 primarily due to the consolidation of the financial results of AHSB.

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

The share of net loss after tax in associate and joint ventures was mainly due to slowdown of the hospitality business and keen competition faced by Copthorne Hotel Qingdao. In YTD 3Q 2014, the net profit of AHSB for first half of 2014 was reflected in the Group's share of results in associate and joint ventures, whereas the results of AHSB for first half of 2015 was consolidated in the Group's results in YTD 3Q 2015.

**(vii) Income tax**

There was an overprovision of taxation amounting to \$1,000 in respect of prior years for YTD 3Q 2015.

(YTD 3Q 2014: There was an over provision of deferred tax amounting to \$6,000.)

The tax expense of \$0.4 million for YTD 3Q 2015 arose mainly from the income derived from overseas which could not be offset against the losses incurred by other entities within the Group.

**(viii) Statement of comprehensive income**

	Group					
	3Q 2015	3Q 2014	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2015	3Q 2014	%
				\$'000	\$'000	
Profit/(loss) for the period	171	6,466	(97.4)	(2,349)	4,376	NM
<b>Other comprehensive income/(loss)</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation differences for foreign operations	(936)	527	NM	(654)	(243)	169.1
Realisation of foreign currency translation reserves upon disposal of foreign operations	-	-	NM	(64)	-	NM
Realisation of foreign currency translation reserves on deemed disposal of 45% equity interest in AHSB	-	(97)	NM	-	(97)	NM
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<u>(936)</u>	<u>430</u>	<u>NM</u>	<u>(718)</u>	<u>(340)</u>	<u>111.2</u>
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>	<u>(765)</u>	<u>6,896</u>	<u>NM</u>	<u>(3,067)</u>	<u>4,036</u>	<u>NM</u>

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

		Group 30/09/2015 \$'000	Group 31/12/2014 \$'000	Company 30/09/2015 \$'000	Company 31/12/2014 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	40,716	43,335	6	9
Subsidiaries		-	-	47,083	47,083
Associate	2	60	71	-	-
Joint ventures	3	2,103	4,190	-	-
Non-trade receivables	4	326	268	150	156
		<u>43,205</u>	<u>47,864</u>	<u>47,239</u>	<u>47,248</u>
<b>Current assets</b>					
Inventories		82	95	-	-
Development properties	2	5,792	6,640	-	-
Trade and other receivables	4	3,006	1,619	125	2,362
Prepayment	5	140	114	41	22
Cash and bank balances		21,802	23,288	5,068	5,722
		<u>30,822</u>	<u>31,756</u>	<u>5,234</u>	<u>8,106</u>
<b>Total assets</b>		<u>74,027</u>	<u>79,620</u>	<u>52,473</u>	<u>55,354</u>
<b>Equity</b>					
Share capital		129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(137,065)	(133,998)	(155,941)	(154,365)
<b>Total equity attributable to owners of the Company</b>		<u>(3,292)</u>	<u>(225)</u>	<u>(22,168)</u>	<u>(20,592)</u>
<b>Non-current liabilities</b>					
Other payables		-	-	2,191	2,857
Loans and borrowings	6a&c	4,582	74,259	-	68,000
Deferred tax liabilities		93	93	-	-
		<u>4,675</u>	<u>74,352</u>	<u>2,191</u>	<u>70,857</u>
<b>Current liabilities</b>					
Trade and other payables	7	3,364	3,853	4,439	5,076
Loans and borrowings	6a&b	68,972	1,407	68,000	-
Current tax payable	8	308	233	11	13
		<u>72,644</u>	<u>5,493</u>	<u>72,450</u>	<u>5,089</u>
<b>Total liabilities</b>		<u>77,319</u>	<u>79,845</u>	<u>74,641</u>	<u>75,946</u>
<b>Total equity and liabilities</b>		<u>74,027</u>	<u>79,620</u>	<u>52,473</u>	<u>55,354</u>

## Notes:

- 1 The decrease was mainly due to foreign currency translation differences and depreciation.
- 2 The decrease was mainly due to foreign currency translation differences.
- 3 The decrease was largely due to the recognition of losses incurred by joint ventures and the de-recognition of investment in Shanghai Equatorial Hotel Management Co., Ltd upon members' voluntary liquidation.
- 4 The increase was mainly due to advances to joint ventures.
- 5 The increase was due to prepayment made for insurance, trustee fee and listing fee.
- 6 The movement was due to:
  - a) reclassification of unsecured loan and secured loan totalling \$68.7 million from non-current liabilities to current liabilities;
  - b) repayment of secured loan of \$1 million; and
  - c) foreign currency translation gain of \$0.9 million on secured loan.
- 7 The decrease was due to payment for payroll related cost and creditors.
- 8 The increase was resulted from the accrual of withholding tax on overseas income.

The Group and Company have negative working capital of \$41.8 million and \$67.2 million respectively as at 30 September 2015 resulting from the reclassification of unsecured loan of \$68 million from non-current liabilities to current liabilities as the unsecured loan will be expiring in July 2016. The Company is currently negotiating with the lender, Venture Lewis Limited to extend the unsecured loan.

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-
- (a) the amount repayable in one year or less, or on demand;
- (b) the amount repayable after one year;
- (c) whether the amounts are secured or unsecured; and
- (d) details of any collaterals.

**Amount repayable in one year or less, or on demand**

	Group 30/09/2015 \$'000	Group 31/12/2014 \$'000
Unsecured	68,010	17
Secured	962	1,390

**Amount repayable after one year**

	Group 30/09/2015 \$'000	Group 31/12/2014 \$'000
Unsecured	11	68,022
Secured	4,571	6,237

The secured loan as at 30 September 2015 was secured on a subsidiary's freehold land and building.

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

	Group			
	3Q 2015 \$'000	3Q 2014 \$'000	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	324	6,617	(1,951)	4,756
Adjustments for:				
Allowance for doubtful trade receivables	1	1	2	1
Depreciation of property, plant and equipment	543	553	1,678	1,027
Fair value gain on initial 45% equity interest in AHSB on acquisition	-	(3,734)	-	(3,734)
Gain on deemed settlement of advances to AHSB	-	(1,853)	-	(1,853)
Gain on liquidation of a joint venture	-	-	(76)	-
Interest expense	415	447	1,253	1,142
Interest income	(94)	(71)	(200)	(173)
Loss on disposal of property, plant and equipment	-	-	1	-
Negative goodwill on acquisition	-	(600)	-	(600)
Property, plant and equipment written off	1	2	3	2
Share of results of associate and joint ventures (net of tax)	598	(22)	1,919	950
Unrealised foreign exchange (gains)/losses-net	(455)	(210)	(113)	18
<b>Operating cash flows before changes in working capital</b>	1,333	1,130	2,516	1,536
Development properties	(28)	-	(28)	122
Inventories	(4)	(33)	(1)	(34)
Trade and other payables	145	2,141	(318)	1,779
Trade and other receivables	(1,367)	(2,199)	(1,626)	(2,273)
<b>Cash from operating activities</b>	79	1,039	543	1,130
Income tax paid	(126)	(102)	(334)	(307)
Interest paid	(403)	(480)	(1,245)	(1,179)
Interest received	120	71	282	173
<b>Net cash (used in)/from operating activities</b>	(330)	528	(754)	(183)

	Group			
	3Q 2015 \$'000	3Q 2014 \$'000	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000
<b>Cash flows from investing activities</b>				
Capital injection in joint ventures	(308)	-	(308)	(95)
Dividend received from a joint venture	260	-	260	53
Net cash inflow on liquidation of a joint venture	-	-	385	-
Net cash outflow on acquisition of a subsidiary	-	(4,213)	-	(4,213)
Proceeds from disposal of property, plant and equipment	-	2	-	2
Purchase of property, plant and equipment	(13)	(144)	(82)	(151)
<b>Net cash (used in)/from investing activities</b>	<b>(61)</b>	<b>(4,355)</b>	<b>255</b>	<b>(4,404)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(248)	(243)	(1,053)	(243)
Payment of finance lease liabilities	(3)	(6)	(14)	(6)
<b>Net cash used in financing activities</b>	<b>(251)</b>	<b>(249)</b>	<b>(1,067)</b>	<b>(249)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(642)</b>	<b>(4,076)</b>	<b>(1,566)</b>	<b>(4,836)</b>
Cash and cash equivalents at beginning of the period	22,524	27,211	23,288	28,017
Effect of exchange rate changes on balances held in foreign currencies	(80)	155	80	109
<b>Cash and cash equivalents at end of the period</b>	<b>21,802</b>	<b>23,290</b>	<b>21,802</b>	<b>23,290</b>

Net asset disposed on liquidation of a joint venture was follows:

	Group			
	3Q 2015 \$'000	3Q 2014 \$'000	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000
Cash	-	-	373	-
Net asset disposed	-	-	373	-
Gain on liquidation of a joint venture	-	-	76	-
Realisation of foreign currency translation reserves upon liquidation of a foreign operation	-	-	(64)	-
Net cash inflow on liquidation of a joint venture	-	-	385	-

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2015</b>	129,790	3,980	3	8,529	(192)	3,039	(145,374)	(225)
Loss for the period	-	-	-	-	-	-	(2,520)	(2,520)
<u>Other comprehensive income/(loss), net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	282	-	282
Realisation of foreign currency translation reserves upon liquidation of a foreign operation	-	-	-	-	-	(64)	-	(64)
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218</b>	<b>-</b>	<b>218</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218</b>	<b>(2,520)</b>	<b>(2,302)</b>
<b>At 30 June 2015 and 1 July 2015</b>	<b>129,790</b>	<b>3,980</b>	<b>3</b>	<b>8,529</b>	<b>(192)</b>	<b>3,257</b>	<b>(147,894)</b>	<b>(2,527)</b>

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Profit for the period	-	-	-	-	-	-	171	171
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(936)	-	(936)
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	-	-	(936)	171	(765)
<b>At 30 September 2015</b>	<b>129,790</b>	<b>3,980</b>	<b>3</b>	<b>8,529</b>	<b>(192)</b>	<b>2,321</b>	<b>(147,723)</b>	<b>(3,292)</b>

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2014</b>								
- as previously stated	129,790	3,980	3	8,529	(192)	1,922	(149,044)	(5,012)
- restatement	-	-	-	-	-	900	98	998
As restated	129,790	3,980	3	8,529	(192)	2,822	(148,946)	(4,014)
Loss for the period	-	-	-	-	-	-	(2,090)	(2,090)
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(770)	-	(770)
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	(770)	(2,090)	(2,860)
<b>At 30 June 2014 and 1 July 2014</b>	<b>129,790</b>	<b>3,980</b>	<b>3</b>	<b>8,529</b>	<b>(192)</b>	<b>2,052</b>	<b>(151,036)</b>	<b>(6,874)</b>
Profit for the period	-	-	-	-	-	-	6,466	6,466
<u>Other comprehensive income/(loss), net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	527	-	527
Realisation of foreign currency translation reserves on deemed disposal of 45% equity interest in AHSB	-	-	-	-	-	(97)	-	(97)
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	-	430	-	430
<b>Total comprehensive income for the period</b>	-	-	-	-	-	430	6,466	6,896
<b>At 30 September 2014</b>	<b>129,790</b>	<b>3,980</b>	<b>3</b>	<b>8,529</b>	<b>(192)</b>	<b>2,482</b>	<b>(144,570)</b>	<b>22</b>

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>At 1 January 2015</b>	129,790	3,980	3	12,471	(166,836)	(20,592)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(1,062)	(1,062)
<b>At 30 June 2015 and 1 July 2015</b>	129,790	3,980	3	12,471	(167,898)	(21,654)
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(514)	(514)
<b>At 30 September 2015</b>	129,790	3,980	3	12,471	(168,412)	(22,168)

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

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

#### **Movements in the Share Capital**

During the three months ended 30 September 2015, there was no change in the Company's issued ordinary share capital and non-redeemable convertible cumulative preference share ("NCCPS") capital.

	Number of shares	Share Capital \$'000
<b><u>Ordinary Shares</u></b>		
At 1 July 2015 and 30 September 2015 (as per Accounting and Corporate Regulatory Authority's records)	96,318,419*	133,770
Trust Shares	(2,418,917)*	(3,980)
At 1 July 2015 and 30 September 2015 (see note under 1(d)(iii))	93,899,502*	129,790

<b>NCCPS</b>	<b>Number of shares</b>	<b>Share Capital \$'000</b>
At 1 July 2015 and 30 September 2015	158,394	3

As at 30 September 2015, the maximum number of ordinary shares that may be issued upon full conversion of all the NCCPS is 15,839 ordinary shares following the Share Consolidation (see note under 1(d)(iii)). (30 September 2014: 158,394 ordinary shares before the Share Consolidation).

The Company did not hold any treasury shares as at 30 September 2015 and as at 30 September 2014.

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

	<b>Total number of issued shares</b>	
	<b>After Share Consolidation 30/09/2015</b>	<b>Before Share Consolidation 31/12/2014</b>
	Ordinary shares	96,318,419 *
NCCPS	158,394	158,394

The Company undertook a share consolidation of every ten (10) existing issued ordinary shares in the share capital of the Company into one (1) consolidated ordinary share, which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 21 April 2015 (the "Share Consolidation").

Following the completion of the Share Consolidation, which became effective on 14 May 2015, the number of ordinary shares of the Company as at 30 September 2015 was reduced to 96,318,419 ordinary shares as per the Accounting and Corporate Regulatory Authority's records, after disregarding any fractions of ordinary shares arising from the Share Consolidation. Holders of the 158,394 outstanding non-redeemable convertible cumulative preference shares ("NCCPS") shall be entitled to convert all or any of their NCCPS into ordinary shares at the adjusted NCCPS conversion ratio of one (1) new ordinary share for every ten (10) NCCPS. No notice of the said conversion had been received since the end of September 2015.

The Company did not hold any treasury shares as at 30 September 2015 and as at 31 December 2014.

\* Includes ordinary shares (2,418,917 ordinary shares after Share Consolidation and 24,189,170 ordinary shares before Share Consolidation) held as Trust Shares by Amicorp Trustees (Singapore) Limited as trustee of the Trust established by the Company to facilitate the implementation of the HL Global Enterprises Share Option Scheme 2006 (the "Share Option Scheme").

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

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 September 2015.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

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

Not applicable.



**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

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

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There has been no change in the accounting policies and methods of computation adopted by the Group.

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

	Group			
	3Q 2015 ¢	3Q 2014 ¢ (Restated)	YTD 3Q 2015 ¢	YTD 3Q 2014 ¢ (Restated)
Earnings/(loss) per share				
(Based on the weighted average number of ordinary shares in issue)				
- Basic	0.18	6.89	(2.50)	4.66
(3Q 2015, YTD 3Q 2015: 93,899,502 (after Share Consolidation) and 3Q 2014 and YTD 3Q 2014: 93,899,502 (Restated))				
- Diluted	0.18	6.88	(2.50)	4.66
(3Q 2015: 93,915,341, YTD 3Q 2015: 93,899,502 (after Share Consolidation) and 3Q 2014 and YTD 3Q 2014: 93,915,341 (Restated))				

The diluted loss per share for YTD 3Q 2015 was shown as the same amount as the basic loss per share as the preference shares were considered anti-dilutive and disregarded in the computation of diluted loss per share.

For meaningful comparison, the weighted average number of ordinary shares in issue for YTD 3Q 2014 was restated to 93,899,502 (assuming the ordinary shares were consolidated in YTD 3Q 2014).

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-  
(a) current financial period reported on; and  
(b) immediately preceding financial year.**

	Group 30/09/2015 \$	Group 31/12/2014 \$ (Restated)	Company 30/09/2015 \$	Company 31/12/2014 \$ (Restated)
	Net liabilities value per issued share, excluding Trust Shares	(0.04)	#	(0.24)

Note:

# less than (0.01)

The net liabilities value per issued share, excluding Trust Shares is computed based on 93,899,502 issued ordinary shares (after Share Consolidation) as at 30 September 2015 and 93,899,502 (Restated) issued ordinary shares as at 31 December 2014.

For meaningful comparison, the issued ordinary shares excluding Trust Shares as at 31/12/2014 was restated to 93,899,502 (assuming the ordinary shares were consolidated as at YTD 3Q 2014).

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

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

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

### **3 months ended 30 September (“3Q”) 2015**

The Group’s revenue for 3Q 2015 was \$3.7 million compared to \$3.6 million for 3Q 2014. The increase was mainly contributed from the serviced apartment, Elite Residences Shanghai (“Elite Residences”).

For the quarter under review, the Group’s operating profit before the share of results of associate and joint ventures, other income and finance costs increased to \$0.8 million from \$0.5 million for the same period a year ago. The improvement came from the increased revenue of Elite Residences and Copthorne Hotel Cameron Highlands. The property development segment also contributed to the increase in the Group’s operating profit as a result of its lower administrative and operating expenses in 3Q 2015.

However, the Group shared a net loss after tax of \$0.6 million from associate and joint ventures in 3Q 2015 against a profit of \$22,000 in 3Q 2014, due to the higher operating and exchange loss incurred by Copthorne Hotel Qingdao (“CHQ”).

Other income decreased from \$6.3 million for 3Q 2014 to \$0.2 million for 3Q 2015. The higher amount of other income recorded for 3Q 2014 was due to the gain of \$6.2 million from the acquisition of Augustland Hotel Sdn Bhd (“AHSB”) which was completed in July 2014. For 3Q 2015, other income consisted of mainly licence fee and interest income. The Group continued to incur interest expense of \$0.4 million for the quarter under review. The Group also recognised an exchange gain of \$0.4 million which was largely attributable to the revaluation of net foreign currency monetary assets and liabilities arising from the strengthening of the Chinese Renminbi against the Singapore Dollar.

The net profit attributable to shareholders of the Company was \$0.2 million for 3Q 2015 compared to \$6.5 million for 3Q 2014 which included the one-off gain of \$6.2 million from the acquisition of AHSB.

### **9 months ended 30 September (“YTD 3Q”) 2015**

The Group achieved a higher revenue of \$9.6 million for YTD 3Q 2015 compared to \$6.5 million for YTD 3Q 2014. The increase was primarily due to the full 9-month revenue contribution from AHSB for YTD 3Q 2015 arising from the consolidation of the financial results of AHSB which became the Group’s wholly-owned subsidiary in July 2014.

As a result of the higher revenue, the Group posted an operating profit of \$0.9 million before the share of results of associate and joint ventures, other income and finance costs for YTD 3Q 2015 against \$0.4 million for the previous corresponding period.

Share of net loss after tax in associate and joint ventures for YTD 3Q 2015 increased to \$1.9 million from \$1 million for YTD 3Q 2014, mainly due to the highly competitive hospitality market and the consequent slowdown of CHQ’s business.

For YTD 3Q 2015, interest expense increased slightly by \$0.1 million to \$1.3 million following the consolidation of the interest expense of AHSB. The Group also recognised an exchange loss of \$0.2 million in YTD 3Q 2015 which was largely due to the revaluation of net foreign currency monetary assets and liabilities which resulted from the weakening of the Malaysian Ringgit and strengthening of the Chinese Renminbi against the Singapore Dollar.

The net loss attributable to shareholders of the Company was \$2.3 million for YTD 3Q 2015 compared to a net profit of \$4.4 million for YTD 3Q 2014 which included the one-off gain of \$6.2 million from the acquisition of AHSB.

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

None.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's hospitality business is expected to remain tough amid the slower China economy and the oversupply of hotel rooms in Shanghai, Qingdao and Cameron Highlands, Malaysia.

As the Group's assets are substantially located overseas, it will continue to be exposed to currency fluctuation risks. The Group will continue to explore sustainable and viable business opportunities.

**11 If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

**(b)(i) Amount per share ..... cents**

**(ii) Previous corresponding period ..... cents**

Not applicable.

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

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

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

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

	Investments and others	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
<b>9 months ended 30 September 2015</b>				
Revenue				
- external revenue	-	9,559	63	9,622
- inter-segment revenue	-	-	38	38
	-	9,559	101	9,660
Elimination				(38)
				<u>9,622</u>
Reportable segment results	(868)	2,083	(287)	928
Other income (excluding interest income)	229	86	8	323
Interest income	38	95	67	200
Interest expense	(943)	(310)	-	(1,253)
Exchange gain/(losses)	3	499	(732)	(230)
Share of results of associate and joint ventures	-	(1,916)	(3)	(1,919)
Loss/(profit) before tax	(1,541)	537	(947)	(1,951)
Income tax expense				(398)
<b>Loss for the period</b>				<u>(2,349)</u>

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

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

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

Not applicable.

**15 A breakdown of sales as follows:**

Not applicable.

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

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

Not applicable.

**17 Interested persons transactions**

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

**BY ORDER OF THE BOARD**

Yeo Swee Gim, Joanne  
Company Secretary

Singapore  
4 November 2015

**Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited interim financial results for the period ended 30 September 2015 to be false or misleading.

On behalf of the Board of Directors

Gan Khai Choon  
Chairman

Philip Ting Sii Tien  
Director

Singapore  
4 November 2015