

GLOBAL PREMIUM HOTELS LIMITED
(Incorporated in the Republic of Singapore on 19 September 2011)
(Company registration no. 201128650E)

UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

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The initial public offering of Global Premium Hotels Limited was sponsored by Oversea-Chinese Banking Corporation Limited (the "Issue Manager").

The Issue Manager assumes no responsibility for the contents of this announcement.

INTRODUCTION

Global Premium Hotels Limited (“GPHL”) was incorporated as a private limited liability company on 19 September 2011 and listed on the Singapore Exchange Securities Trading Limited (“**SGX**”) on 26 April 2012.

GPHL and its subsidiaries (the “Group”) operate one of Singapore’s largest chains of hotels with 23 hotels, of which 22 hotels are operated under the “Fragrance” brand and one hotel under the “Parc Sovereign” brand. The Group provides economy-tier and mid-tier class of accommodation with 1,738 rooms in Singapore, as at 30 June 2013. The Group owns all its hotels save for Fragrance Hotel-Elegance.

The Group is principally engaged in the business of developing and operating economy-tier to mid-tier class hotels. Most of the Group’s hotels are located in the city or city-fringe areas. The established track record and reputation of providing affordable accommodation has led to the “Fragrance” brand of hotels becoming well-recognised in the local and regional hospitality industry.

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1(a)(i) Consolidated Statement of Comprehensive Income

	Group					
	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change	1H 2013 S\$'000	1H 2012 S\$'000	% Change
Revenue	15,373	15,224	1.0	29,924	30,091	(0.6)
Cost of sales	(1,997)	(1,992)	0.3	(3,933)	(3,871)	1.6
Gross profit	13,376	13,232	1.1	25,991	26,220	(0.9)
Other operating income	146	154	(5.2)	327	286	14.3
Administrative expenses	(5,452)	(6,763)	(19.4)	(11,050)	(11,689)	(5.5)
Finance costs	(1,933)	(1,761)	9.8	(3,884)	(2,388)	62.6
Profit before income tax	6,137	4,862	26.2	11,384	12,429	(8.4)
Income tax	(1,240)	(1,267)	(2.1)	(2,162)	(2,476)	(12.7)
Profit for the period	4,897	3,595	36.2	9,222	9,953	(7.3)

Other comprehensive income:

Transfer of depreciation on revaluation of leasehold land & hotel buildings to revaluation reserve	856	806	6.2	1,713	1,612	6.3
Net other comprehensive income	856	806	6.2	1,713	1,612	6.3
Total comprehensive income for the period	5,753	4,401	30.7	10,935	11,565	(5.4)

1a (ii) Profit before income tax is arrived at after charging/(crediting):

	Group					
	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change	1H 2013 S\$'000	1H 2012 S\$'000	% Change
Depreciation and amortisation	1,103	1,037	6.4	2,213	2,038	8.6
Plant and equipment written off	-	5	N.M.	-	5	N.M.
Finance costs	1,933	1,761	9.8	3,884	2,388	62.6
Interest income	(10)	(36)	(72.2)	(39)	(38)	2.6
Over provision of income tax in prior years	-	-	-	(1)	(30)	(96.7)
(Write back)/allowance for doubtful debts, net	(1)	8	N.M.	(1)	8	N.M.

N.M. – not meaningful

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1(b)(i) Statements of Financial Position as at 30 Jun 2013 vs 31 Dec 2012

	Group			Company		
	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	% Change	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	% Change
ASSETS						
Current assets						
Cash and cash equivalents	8,763	15,313	(42.8)	3,218	10,582	(69.6)
Trade receivables ¹	1,842	1,707	7.9	-	-	-
Other receivables ²	1,423	1,280	11.2	7	9	(22.2)
Amount due from subsidiaries	-	-	-	30,870	31,820	(3.0)
Total current assets	12,028	18,300	(34.3)	34,095	42,411	(19.6)
Non-current assets						
Property, plant and equipment ³	921,917	917,375	0.5	-	-	-
Investment in subsidiaries	-	-	-	595,736	586,028	1.7
Total non-current assets	921,917	917,375	0.5	595,736	586,028	1.7
Total assets	933,945	935,675	(0.2)	629,831	628,439	0.2
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	1,927	2,050	(6.0)	-	-	-
Other payables ⁴	5,379	7,311	(26.4)	1,179	2,944	(60.0)
Term loans ⁵	17,540	17,576	(0.2)	-	-	-
Income tax payable ⁶	8,067	8,867	(9.0)	7	-	N.M.
Amount due to subsidiaries	-	-	-	360,882	357,632	0.9
Total current liabilities	32,913	35,804	(8.1)	362,068	360,576	0.4
Non-current liabilities						
Term loans ⁵	462,238	461,362	0.2	-	-	-
Deferred tax liabilities	28,448	28,473	(0.1)	-	-	-
Other payables	-	-	-	2,348	2,205	6.5
Total non-current liabilities	490,686	489,835	0.2	2,348	2,205	6.5
Capital and reserves						
Share capital	263,692	263,692	-	263,692	263,692	-
Revaluation reserve	623,297	621,584	0.3	-	-	-
Merger reserve	(555,028)	(555,028)	-	-	-	-
Retained earnings	78,385	79,788	(1.8)	1,723	1,966	(12.4)
Total equity	410,346	410,036	0.1	265,415	265,658	(0.1)
Total liabilities and equity	933,945	935,675	(0.2)	629,831	628,439	0.2

N.M. – not meaningful

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Footnotes:

1. Increase in trade receivables was mainly due to higher average occupancy rate (AOR) and revenue per available room (RevPAR) in 2013.
2. Increase in other receivables was mainly due to prepayment of hotel consumables.
3. Increase in property, plant and equipment was mainly due to the additional costs incurred on the construction of the hotel development property located at 165 and 167 Tyrwhitt Road.
4. Decrease in other payables was mainly due to payment of \$2.1 million accrued dividend.
5. Increase in term loans was mainly due to the progressive loan draw down pertaining to the construction of the new hotel development located at 165 and 167 Tyrwhitt Road which was partially offset by repayment of term loans.
6. Increase in income tax payable was mainly due to payment of income tax of \$3.0 million and partially offset by \$2.2 million accrued income tax payable in 1H 2013.

1(b)(ii) Aggregate amount of borrowings and debt securities

	Group		Company	
	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000
Secured borrowings				
- Amount repayable within one year	17,540	17,576	-	-
- Amount repayable after one year	462,238	461,362	-	-
(1)	479,778	478,938	-	-

Footnote:

1. The increase in the Group's borrowings as at 30 June 2013 was mainly due to additional loans draw down and offset by partial repayments.

Details of collaterals

The credit facilities for the Group are secured by the following:

- i) the legal mortgage of our hotels and hotel development property;
- ii) assignment of rental proceeds, construction contracts, performance bonds (if any), insurance policies and debentures; and
- iii) corporate guarantee by GPLH.

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1(c) Consolidated Statement of Cash Flows

	Group			
	2Q 2013 S\$'000	2Q 2012 S\$'000	1H 2013 S\$'000	1H 2012 S\$'000
Operating activities				
Profit before income tax	6,137	4,862	11,384	12,429
<i>Adjustments for:</i>				
Interest income	(10)	(36)	(39)	(38)
(Write back)/allowance for doubtful debts, net	(1)	8	(1)	8
Interest expense	1,933	1,761	3,884	2,388
Depreciation and amortisation	1,103	1,037	2,213	2,038
Plant and equipment written off	-	5	-	5
Operating cash flows before movements in working capital	9,162	7,637	17,441	16,830
Trade receivables	(92)	423	(134)	(335)
Other receivables	126	(190)	(142)	(630)
Trade payables	316	2,061	(123)	432
Other payables	(215)	992	230	890
Cash generated from operating activities	9,297	10,923	17,272	17,187
Interest paid ¹	(2,124)	(1,810)	(4,359)	(2,422)
Income tax paid	(2,948)	(3,306)	(2,987)	(3,309)
Net cash from operating activities	4,225	5,807	9,926	11,456
Investing activities				
Interest received	10	36	39	38
Proceeds from disposal of property, plant and equipment ²	-	28,210	-	28,210
Purchase of property, plant and equipment	(3,277)	(245)	(4,560)	(11,518)
Net cash (used in)/from investing activities	(3,267)	28,001	(4,521)	16,730
Financing activities				
Repayment to ultimate holding company	-	-	-	(382)
Proceeds from term loans	8,358	343,482	8,358	453,482
Repayment of term loans	(4,144)	(23,806)	(7,584)	(131,636)
Payment of transactions costs related to borrowings	-	(632)	-	(692)
Proceeds from issuance of new shares	-	130,520	-	130,520
Payment of share issue expenses	-	(3,760)	-	(3,760)
Dividend paid	(10,625)	-	(12,729)	-
Payment to ultimate holding company	-	(430,500)	-	(430,500)
Net cash (used in)/from financing activities	(6,411)	15,304	(11,955)	17,032
(Decrease)/increase in cash and cash equivalents	(5,453)	49,112	(6,550)	45,218
Cash and cash equivalents at beginning of period	14,216	11,745	15,313	15,639
Cash and cash equivalents at end of period	8,763	60,857	8,763	60,857

Footnotes:

1. Interest paid includes interest capitalised under property, plant and equipment.
2. In FY 2011, the Group has disposed of certain hotel properties, office premises and properties under development for \$96,299,000, out of which a total cash of \$68,089,000 was received in FY 2011 and \$28,210,000 was received in 2Q 2012.

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1(d)(i) Statements of Changes in Equity

Group	Share capital	Revaluation reserve	Merger reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2013	263,692	621,584	(555,028)	79,788	410,036
Total comprehensive income for the period	-	857	-	4,325	5,182
Dividend	-	-	-	(10,625)	(10,625)
Balance as at 31 March 2013	263,692	622,441	(555,028)	73,488	404,593
Total comprehensive income for the period	-	856	-	4,897	5,753
Balance as at 30 June 2013	263,692	623,297	(555,028)	78,385	410,346
Balance as at 1 January 2012	27,100	512,545	-	65,547	605,192
Movement in reserve resulting from Restructuring Exercise ¹	(27,100)	-	(530,900)	-	(558,000)
Issuance of consideration shares ¹	137,500	-	-	-	137,500
Total comprehensive income for the period	-	806	-	6,358	7,164
Balance as at 31 March 2012	137,500	513,351	(530,900)	71,905	191,856
Issuance of new shares ²	130,520	-	-	-	130,520
Share issue expenses	(3,760)	-	-	-	(3,760)
Total comprehensive income for the period	-	806	-	3,595	4,401
Balance as at 30 June 2012	264,260	514,157	(530,900)	75,500	323,017

Footnotes:

- Pursuant to the Restructuring Agreement dated on 31 March 2012, the Company acquired six subsidiaries from its ultimate holding company FGL for purchase consideration of \$558.0 million. \$137.5 million was satisfied by issuance of 549,999,999 new shares at \$0.25 per share, credited as fully paid-up to FGL, which was issued on 17 April 2012.*
- Pursuant to the IPO, 450,000,000 new shares at issue price of \$0.26 were issued on 25 April 2012, and 52,000,000 new shares at \$0.26 per share pursuant to the exercise of the over-allotment option by the Stabilising Manager (as defined in the Prospectus) on 25 May 2012.*

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	Share capital	Retained earnings/ (Accumulated losses)	Total
<u>Company</u>	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2013	263,692	1,966	265,658
Total comprehensive income for the period	-	10,573	10,573
Dividend	-	(10,625)	(10,625)
Balance as at 31 March 2013	263,692	1,914	265,606
Total comprehensive income for the period	-	(191)	(191)
Balance as at 30 June 2013	263,692	1,723	265,415
Balance as at 1 January 2012	*	(6)	(6)
Issuance of consideration shares ¹	137,500	-	137,500
Total comprehensive income for the period	-	(2)	(2)
Balance as at 31 March 2012	137,500	(8)	137,492
Issuance of new shares ²	130,520	-	130,520
Share issue expenses	(3,760)	-	(3,760)
Total comprehensive income for the period	-	(1,454)	(1,454)
Balance as at 30 June 2012	264,260	(1,462)	262,798

* - <\$1,000

Footnotes:

1. Pursuant to the Restructuring Agreement dated on 31 March 2012, the Company acquired six subsidiaries from its ultimate holding company FGL for purchase consideration of \$558.0 million. \$137.5 million was satisfied by issuance of 549,999,999 new shares at \$0.25 per share, credited as fully paid-up to FGL, which was issued on 17 April 2012.
2. Pursuant to the IPO, 450,000,000 new shares at issue price of \$0.26 were issued on 25 April 2012, and 52,000,000 new shares at \$0.26 per share pursuant to the exercise of the over-allotment option by the Stabilising Manager (as defined in the Prospectus) on 25 May 2012.

1(d)(ii) Details of any changes in the Company's issued Share Capital

	Company	
	No of shares	Capital S\$'000
As at 1 January 2013 & as at 30 June 2013	1,052,000,000	263,692

There was no movement in the issued and paid-up capital of the Company since 31 December 2012.

1(d)(iii) Treasury Shares

The Company did not hold any treasury shares as at 30 June 2013 and 31 December 2012.

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, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 June 2013.

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

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

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

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2012, except for the adoption of new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2013.

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

Please refer to Item 4 above.

6 Earnings per share ("EPS") based on profit after tax & non-controlling interest attributable to the equity holders of the Company

In computing the EPS, the weighted average number of shares as at the end of each period is used for the computation. The diluted EPS is the same as the basic EPS as there are no dilutive instruments in issue during the period.

	Group			
	2Q 2013	2Q 2012	1H 2013	1H 2012
Weighted average number of shares in issue	1,052,000,000	902,461,539	1,052,000,000	726,230,770
Earnings per share ("EPS")¹				
Based on weighted average number of shares in issue	0.47¢	0.40¢	0.88¢	1.37¢
Based on fully diluted basis	0.47¢	0.40¢	0.88¢	1.37¢
Adjusted EPS ²	-	0.34¢	-	0.95¢
Number of shares in issue at end of period	1,052,000,000	1,052,000,000	1,052,000,000	1,052,000,000

Footnotes:

- EPS for the period is calculated based on profit attributable to the equity holders of the Company.*
- In computing the adjusted EPS, 1,052,000,000 Shares had been used in the computation on the assumption that the Restructuring Exercise, the issuance of new Shares pursuant to the IPO and the exercise of the over-allotment option of 52,000,000 new Shares had all been completed as at the beginning of the earliest period presented in the consolidated financial statements.*

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7 Net asset value (“NAV”) per share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
NAV per share	39.01¢	38.98¢	25.23¢	25.25¢

The NAV per share as at 30 Jun 2013 and 31 December 2012 were calculated based on 1,052,000,000 shares in issue.

8 Review of the performance

<u>Group</u>	2Q 2013	2Q 2012	%	1Q 2013	%
	S\$'000	S\$'000	Change	S\$'000	Change
Hotel room revenue	15,127	14,940	1.3	14,300	5.8
Rental income	246	284	(13.4)	251	(2.0)
Total revenue	15,373	15,224	1.0	14,551	5.6
Cost of sales	(1,997)	(1,992)	0.3	(1,936)	3.2
Gross profit	13,376	13,232	1.1	12,615	6.0
Other operating income	146	154	(5.2)	181	(19.3)
Administrative expenses	(5,452)	(6,763)	(19.4)	(5,598)	(2.6)
Finance costs	(1,933)	(1,761)	9.8	(1,951)	(0.9)
Profit before income tax	6,137	4,862	26.2	5,247	17.0
Income tax	(1,240)	(1,267)	(2.1)	(922)	34.5
Profit for the period	4,897	3,595	36.2	4,325	13.2

2Q 2013 vs 2Q 2012

Hotel room revenue for 2Q 2013 increased by \$0.2 million, or 1.3% over 2Q 2012. This was mainly due to higher AOR of 93.1% and RevPAR of \$95.7 in 2Q 2013 as compared to AOR of 89.7% and RevPAR of \$93.5 in 2Q 2012.

Rental income for 2Q 2013 decreased by 13.4% over 2Q 2012. This was due to the completion of disposals of Changi Road Property and Pasir Panjang Commercial Property in 2Q 2012; and recognition of lower rental income from two commercial units within the hotels.

Cost of sales remained relatively stable at \$2.0 million in 2Q 2013 and 2Q 2012.

Other operating income for 2Q 2013 decreased by 5.2% over 2Q 2012 due to lesser interest income earned from lower fixed deposits balance placed with financial institutions and partially offset by higher income from hotels' auxiliary services.

Administrative expenses for 2Q 2013 decreased by \$1.3 million, or 19.4% over 2Q 2012. This was mainly due to recognition of one-off IPO expenses of \$1.4 million in 2Q 2012.

Finance costs for 2Q 2013 increased by \$0.2 million, or 9.8% over 2Q 2012. This was mainly due to restructuring exercise undertaken by the Company pursuant to the IPO on 26 April 2012.

Income tax remained relatively stable at \$1.2 million and \$1.3 million in 2Q 2013 and 2Q 2012 respectively.

2Q 2013 vs 1Q 2013

Hotel room revenue for 2Q 2013 increased by \$0.8 million, or 5.8% over 1Q 2013. This was mainly due to higher AOR of 93.1% and RevPAR of \$95.7 in 2Q 2013 as compared to AOR of 89.6% and RevPAR of \$91.4 in 1Q 2013.

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Cost of sales for 2Q 2013 was relatively stable at \$2.0 million and \$1.9 million in 2Q 2013 and 1Q 2013 respectively.

Other operating income for 2Q 2013 decreased by 19.3% over 1Q 2013 due to lesser interest income earned from lower fixed deposit balances placed with financial institutions.

Administrative expenses were relatively stable at \$5.5 million and \$5.6 million in 2Q 2013 and 1Q 2013 respectively.

Finance costs were relatively stable at \$1.9 million and \$2.0 million in 2Q 2013 and 1Q 2013 respectively.

Income tax for 2Q 2013 increased by \$0.3 million, or 34.5% over 1Q 2013 mainly due to increase in profit before income tax.

1H 2013 vs 1H 2012

<u>Group</u>	1H 2013 S\$'000	1H 2012 S\$'000	% Change
Hotel room revenue	29,427	29,398	0.1
Rental income	497	693	(28.3)
Total revenue	29,924	30,091	(0.6)
Cost of sales	(3,933)	(3,871)	1.6
Gross Profit	25,991	26,220	(0.9)
Other operating income	327	286	14.3
Administrative expenses	(11,050)	(11,689)	(5.5)
Finance costs	(3,884)	(2,388)	62.6
Profit before income tax	11,384	12,429	(8.4)
Income tax	(2,162)	(2,476)	(12.7)
Profit for the period	9,222	9,953	(7.3)

Hotel room revenue increased by 0.1% mainly due to higher AOR of 91.4% and RevPAR of \$93.6 in 1H 2013 as compared to AOR of 90.7% and RevPAR of \$92.3 in 1H 2012. The increase was partially offset by lower hotel room related services in 1H 2013 as compared to 1H 2012.

Rental income for 1H 2013 decreased by \$0.2 million, or 28.3% over 1H 2012. This was due to the completion of disposal of Changi Road Property and Pasir Panjang Commercial Property in 2Q 2012; and recognition of lower rental income from two commercial units within the hotels.

Cost of sales remained relatively stable at \$3.9 million in 1H 2013 and 1H 2012.

Other operating income for 1H 2013 increased by 14.3% mainly due to the increase in income from by higher income from hotels' auxiliary services.

Administrative expenses for 1H 2013 decreased by \$0.6 million, or 5.5% over 1H 2012. This was mainly due to recognition of one-off IPO expenses of \$1.4 million in 2Q 2012. The decrease was partially offset by increase in staff costs in relation to the general increase in wages and higher depreciation expenses due to increase in fair value gain on leasehold land and hotel buildings.

Finance costs for 1H 2013 increased by \$1.5 million, or 62.6% over 1H 2012. This was mainly due to restructuring exercise undertaken by the Company pursuant to the IPO on 26 April 2012.

Income tax for 1H 2013 decreased by \$0.3 million, or 12.7% over 1H 2012. This was mainly due to decrease in profit before income tax.

9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

The current results are broadly in line with the prospects statement made in the first quarter 2013 financial results announcement.

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10 Commentary on 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

Visitor arrivals for 1Q 2013 increase by 6.4%¹ year-on-year (“yoy”), a positive indication that the Singapore Tourism Board’s forecast of 14.8 million to 15.5 million² tourist arrivals for 2013 will likely to be met. Helping to keep up this momentum will be the new attractions such as the Marine Life Park, the Gardens by the Bay and River Safari which may potentially enhance Singapore as a key holiday destination among regional travelers.

However, the uncertainties in the global economy and the potential supply of 2,806 new hotel rooms¹ in 2013 in Singapore are factors that may lead to a more competitive hospitality environment which will in turn add pressure on room rates. Nevertheless, the Group is cautiously optimistic of its economy and mid-tier hotel operations to be resilient enough to face up the challenge with Singapore fast becoming a regional hub for low-cost airlines.

Barring any unforeseen circumstances, the Group expects to remain profitable in 2013.

Footnotes:

1. Source: OCBC Investment Research – Singapore Hospitality dated 21 June 2013
2. Source: Speech by Mr S Iswaran, Second Minister for Trade & Industry on 11 March 2013

11 Dividend

11(a) Current Financial Period

Any dividend declared for the current financial period? No.

11(b) Corresponding period of the preceding financial period

Any dividend declared for the corresponding period of the immediate preceding financial period? Yes

Name of Dividend	Interim (ordinary)
Dividend Type	Cash
Dividend Amount per share	\$0.002
No. of shares in issue (excluding treasury shares)	1,052,000,000
Total Dividend Amount	\$2,104,000/-
Tax Rate	Tax-exempt (one-tier tax) dividend
Date of payment	30 October 2012

11(c) Date payable : Not applicable

11(d) Book closure date : Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statement of financial position and the result of business, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 June 2013, to be false or misleading in any material respect.

On behalf of the Board

Mr Koh Wee Meng
Chairman

Mr Lim Chee Chong
Chief Executive Officer

2 August 2013

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.