



**HOTEL ROYAL LIMITED**  
(Incorporated in the Republic of Singapore)  
(Co. Reg. No. 196800298G)

**1 UNAUDITED RESULTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020**

The Directors of Hotel Royal Limited (the “Company”) are pleased to announce the following unaudited results of the Group for the first half-year ended 30 June 2020.

**1(a) CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
for the first half-year ended 30 June 2020**

		<b>Group</b>		
		<b>First Half-Year Ended 30 June</b>		
		<b>2020</b>	<b>2019</b>	<b>+ / (-)</b>
	<b>Notes</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	1	17,421	27,914	(37.6)
Cost of sales	2	(11,234)	(13,941)	(19.4)
Gross profit		6,187	13,973	(55.7)
Other income	3	396	762	(48.0)
Distribution costs	4	(512)	(654)	(21.7)
Administrative expenses	5	(5,898)	(7,270)	(18.9)
Other expenses	6	(1,197)	(1,268)	(5.6)
Finance costs	7	(1,665)	(2,141)	(22.2)
(Loss) Profit before income tax	8	(2,689)	3,402	n.m.
Income tax expense	9	(320)	(1,036)	(69.1)
(Loss) Profit for the period attributable to owners of the Company		(3,009)	2,366	n.m.

n.m.: not meaningful

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

	<u>Group</u>		
	<u>First Half-Year Ended 30 June</u>		
	<u>2020</u>	<u>2019</u>	<u>+ / (-)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
(Loss) Profit for the period	(3,009)	2,366	n.m.
Other comprehensive (loss) income:			
<i>Items that will not be reclassified subsequently profit or loss</i>			
Net fair value (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(776)	1,209	n.m.
Re-measurement of defined benefit obligations	(11)	(19)	(42.1)
Total	<u>(787)</u>	<u>1,190</u>	<u>n.m.</u>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange (loss) gain on translation of foreign operations	<u>(1,302)</u>	<u>1,712</u>	<u>n.m.</u>
<b>Other comprehensive (loss) income for the period, net of tax</b>	<u>(2,089)</u>	<u>2,902</u>	<u>n.m.</u>
<b>Total comprehensive (loss) income for the period attributable to owners of the Company</b>	<u>(5,098)</u>	<u>5,268</u>	<u>n.m.</u>

## Notes

### 1. Revenue

Revenue comprises the following:

	<u>Group</u>		
	<u>First Half-Year Ended 30 June</u>		
	<u>2020</u>	<u>2019</u>	<u>+ / (-)</u>
	<u>SS'000</u>	<u>SS'000</u>	<u>%</u>
Room revenue	9,972	17,327	(42.4)
Food and beverage revenue	1,737	4,327	(59.9)
Spa revenue	176	498	(64.7)
Rental income from:			
Investment properties	3,732	3,457	8.0
Within premises	936	1,464	(36.1)
Car park revenue	539	650	(17.1)
Interest income from outside parties	2	24	(91.7)
Dividend income from:			
Quoted equity investments (gross)	150	123	22.0
Others	177	44	>100
Total	<u>17,421</u>	<u>27,914</u>	<u>(37.6)</u>

#### ***Room revenue***

Group room revenue decreased by 42.4% for 1H 2020 as compared to corresponding period in 2019 mainly due to lower room occupancy and lower room rates in the Group's hotel. Due to Covid-19, Burasari Resort, Phuket, Hotel Royal Bangkok and Hotel Royal Penang were temporarily closed during 2Q 2020.

#### ***Food and beverage revenue***

The decrease in food and beverage revenue for 1H 2020 as compared to 1H 2019 was mainly due to lower breakfast sales.

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

The 8% increase in rental income from investment properties for 1H 2020 as compared to 1H 2019 was mainly due to higher contributions from investment properties in both the Company and the New Zealand subsidiary.

#### ***Rental income from within premises***

The 36.1% decrease in rental income from within premises for half-year ended 30 June 2020 as compared to half-year ended 30 June 2019 was mainly due to rental rebates granted to tenants due to Covid-19.

### 2. Cost of sales

The decrease in cost of sales for first half-year ended 30 June 2020 as compared to corresponding period in 2019 was mainly due to lower operation costs in the Group's hotels, in line with lower revenue.

### 3. Other income

Other income comprises mainly foreign exchange gain, fair value gain on financial assets at fair value through profit or loss, time deposit interest income and miscellaneous other income.

The decrease of 48% in other income for 1H 2020 as compared to 1H 2019 was mainly due to lower foreign exchange gain from the Thailand subsidiaries, absence of fair value gain on financial assets at fair value through profit or loss and lower time deposit interest income.

### 4. Distribution costs

The decrease in distribution costs for 1H 2020 as compared to the same period in 2019 was mainly due to lower sales and marketing expenses, from travel agents and online reservation portals, in the Group's hotels.

### 5. Administrative expenses

The decrease in administrative expenses for 1H 2020 as compared to corresponding period in 2019 was mainly due to lower overhead expenses such as repair and maintenance, utilities and payroll costs in the Group's hotels. The Group had been taking steps to reduce expenses and defer non-urgent repair and maintenance when possible.

### 6. Other expenses

Other expenses comprise mainly foreign exchange loss, fair value loss on financial assets at fair value through profit or loss and miscellaneous other expenses.

The decrease in other expenses for 1H 2020 as compared to 1H in 2019 was mainly due to absence of foreign exchange loss from Malaysia subsidiaries and lower miscellaneous other expenses, offset by higher fair value loss on financial assets at fair value through profit or loss.

### 7. Finance costs

The decrease in finance costs for 1H 2020 as compared to the corresponding period in 2019 was mainly due to lower interest rates and repayment of bank loans in both the Malaysia and Thailand subsidiaries.

### 8. (Loss) Profit before income tax

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

	<b>Group</b>		
	<b>First Half-Year Ended 30 June</b>		
	<b>2020</b>	<b>2019</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Depreciation	3,999	4,064	(1.6)
Net fair value loss (gain) on financial assets at fair value through profit or loss	318	(98)	n.m.
Net foreign exchange adjustment gain	(259)	(265)	(2.3)
Write back of allowance for doubtful receivables no longer required	-	(3)	(100.0)
Loss on disposal of property, plant and equipment	9	2	>100

*Net Fair value loss (gain) on financial assets at fair value through profit or loss*

The Group had net fair value loss on financial assets at fair value through profit or loss for 1H 2020 as opposed to net fair value gain in 1H 2019 mainly due to weaker stock market conditions amidst Covid-19 Pandemic.

*Net foreign exchange adjustment loss (gain)*

The Group had lower net foreign exchange adjustment gain for 1H 2020 as compared to 1H 2019 mainly due to weakened New Zealand dollar and Malaysian ringgit against Singapore dollar, offset by strengthened Thai baht against Singapore dollar.

## 9. Income tax expense

The decrease in income tax expense for 1H 2020 as compared to the same period in 2019 was mainly due to lower income tax expenses as there were lower taxable income in the Group's hotels and properties.

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

		<u>Group</u>		<u>Company</u>	
		<u>30 June 20</u>	<u>31 Dec 19</u>	<u>30 June 20</u>	<u>31 Dec 19</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	10	18,120	20,903	9,606	7,732
Financial assets at fair value through profit or loss	11	3,748	3,725	1,452	1,566
Financial assets at fair value through other comprehensive income	12	6,192	6,378	575	1,068
Trade receivables	13	2,929	2,755	780	647
Other receivables, deposits and prepaid expenses		8,987	9,270	150	352
Inventories		1,060	1,106	272	276
Income tax recoverable		23	4	-	-
<b>Total current assets</b>		<u>41,059</u>	<u>44,141</u>	<u>12,835</u>	<u>11,641</u>
<b>Non-current assets</b>					
Subsidiaries		-	-	201,994	198,956
Financial assets at fair value through other comprehensive income	12	17,666	18,332	15,364	15,470
Other assets		559	503	87	74
Goodwill		2,057	2,057	-	-
Property, plant and equipment		669,444	671,464	273,186	273,975
Investment properties		103,251	102,077	22,683	22,876
<b>Total non-current assets</b>		<u>792,977</u>	<u>794,433</u>	<u>513,314</u>	<u>511,351</u>
<b>Total assets</b>		<u>834,036</u>	<u>838,574</u>	<u>526,149</u>	<u>522,992</u>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Bank loans	14	7,981	9,374	-	-
Trade payables	15	4,702	5,837	2,335	2,206
Other payables	16	4,085	4,780	2,701	2,781
Income tax payable		2,790	2,796	1,530	1,543
<b>Total current liabilities</b>		<u>19,558</u>	<u>22,787</u>	<u>6,566</u>	<u>6,530</u>

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

	<u>Notes</u>	<u>Group</u>		<u>Company</u>	
		<u>30 June 20</u> <u>S\$'000</u>	<u>31 Dec 19</u> <u>S\$'000</u>	<u>30 June 20</u> <u>S\$'000</u>	<u>31 Dec 19</u> <u>S\$'000</u>
<b>Non-current liabilities</b>					
Other payables		54	53	27,795	28,070
Retirement benefit obligations		915	895	-	-
Long-term bank loans		109,855	106,020	40,664	37,601
Deferred tax liabilities	17	20,383	20,450	1,020	1,020
<b>Total non-current liabilities</b>		<u>131,207</u>	<u>127,418</u>	<u>69,479</u>	<u>66,691</u>
<b>Capital and reserves</b>					
Share capital		150,665	150,665	150,665	150,665
Asset revaluation reserve		424,469	424,469	244,108	244,108
Employee benefit reserve		144	155	-	-
Fair value reserve	18	15,838	16,536	13,952	14,082
Translation reserve	19	2,487	3,789	-	-
Retained earnings		89,668	92,755	41,379	40,916
<b>Total equity</b>		<u>683,271</u>	<u>688,369</u>	<u>450,104</u>	<u>449,771</u>
<b>Total liabilities and equity</b>		<u>834,036</u>	<u>838,574</u>	<u>526,149</u>	<u>522,992</u>

**Notes**

**10. Cash and bank balances**

The decrease in cash and bank balances was mainly due to lower revenue amidst Covid-19 pandemic.

**11. Financial assets at fair value through profit or loss**

The increase in financial assets at fair value through profit or loss was mainly due to higher purchase of investments.

**12. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income consist of current and non-current portion.

The decrease in both current and non-current portion of financial assets at fair value through other comprehensive income were mainly due to fair value loss arising from weakened stock market conditions amidst Covid-19.

**13. Trade receivables**

The increase in trade receivables was mainly due to slower repayment from trade receivables as most businesses were badly affected by Covid-19 in 1H 2020. The Singapore government giving tenants a six month's grace period to repay outstanding rental also contributed to the increase in trade receivables.

**14. Bank loans (current liabilities)**

The decrease in bank loans (current liabilities) was mainly due to bank loan repayments made in both Malaysia and Thailand subsidiaries.

**15. Trade payables**

The decrease in trade payables was mainly due to lower purchases and one lump sum insurance premium payment in the New Zealand subsidiary.

**16. Other payables (current liabilities)**

The decrease in other payables (current liabilities) was mainly due to lower other creditors and accruals in both Malaysia and Thailand subsidiaries.

**17. Deferred tax liabilities**

The decrease in deferred tax liabilities was mainly due to lower deferred tax recognized in the New Zealand subsidiary and translation loss in the New Zealand subsidiary arising from depreciation of New Zealand dollar against Singapore dollar.

**18. Fair value reserve**

The decrease in fair value reserve was mainly due to the fair value loss on financial assets at fair value through other comprehensive income arising from weakened stock market conditions amidst Covid-19 situation.

**19. Translation reserve**

The decrease in translation reserve to S\$2.487 million as at 30 June 2020 from S\$3.789 million as at 31 December 2019 was mainly due to translation loss on translating the net assets of both New Zealand and Malaysia subsidiaries into Singapore dollar as both the New Zealand dollar and Malaysian ringgit had weakened against the Singapore dollar.

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

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

<u>As at 30 June 2020</u>		<u>As at 31 Dec 2019</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
7,981	-	9,374	-

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

<u>As at 30 June 2020</u>		<u>As at 31 Dec 2019</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
109,855	-	106,020	-

**Details of collaterals**

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

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

	<b><u>Group</u></b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Operating activities:</b>		
(Loss) Profit before income tax	(2,689)	3,402
Adjustments for:		
Depreciation expense	3,999	4,064
Dividend income	(150)	(123)
Interest income	(2)	(24)
Interest expense	1,665	2,141
Write back of allowance for doubtful receivables no longer required	-	(3)
Fair value loss (gain) on financial assets at fair value loss through profit or loss	318	(98)
Loss on disposal of property, plant and equipment	9	2
	<hr/>	<hr/>
Operating cash flows before movements in working capital	3,150	9,361
Financial assets at fair value through other comprehensive income	-	(11)
Financial assets at fair value through profit or loss	(341)	(370)
Trade and other receivables	53	(63)
Inventories	47	(182)
Trade and other payables	(1,829)	(1,805)
	<hr/>	<hr/>
Cash generated from operations	1,080	6,930
Interest paid	(1,665)	(2,141)
Interest received	2	24
Dividend received	150	123
Income tax paid - net of refund	(206)	(1,344)
	<hr/>	<hr/>
Net cash (used in) from operating activities	(639)	3,592
<b>Investing activities:</b>		
Deposit payment made for the proposed acquisition of the Royale Chulan Bukit Bintang Hotel in Kuala Lumpur, Malaysia	-	(6,540)
Purchase of financial assets at fair value through other comprehensive income	(742)	(87)
Proceed from disposal of financial assets at fair value through other comprehensive income	818	1,139
Purchase of property, plant and equipment	(2,994)	(2,988)
Addition to investment properties	(2,693)	(3,908)
Proceeds from disposal of property, plant and equipment	-	-
	<hr/>	<hr/>
Net cash used in investing activities	(5,611)	(12,384)

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

	<u>Group</u>	
	<u>2020</u>	<u>2019</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<b>Financing activities:</b>		
Fixed deposits pledged to banks	10	10
Proceeds from bank loans	4,659	9,261
Repayment of bank loans	(2,049)	(1,523)
Dividends paid	-	(6,042)
	<hr/>	<hr/>
Net cash from financing activities	2,620	1,706
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(3,630)	(7,086)
Cash and cash equivalents at beginning of period	19,850	28,189
Effect of currency exchange adjustment	857	(807)
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	<u>17,077</u>	<u>20,296</u>

Cash and cash equivalents consist of:

	<u>As at 30 June</u>	
	<u>2020</u>	<u>2019</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash on hand	98	142
Cash at bank	14,199	18,735
Fixed deposits	3,823	2,489
	<hr/>	<hr/>
Total cash and bank balances (Note 10)	18,120	21,366
Less: Fixed deposits pledged to banks	(1,043)	(1,070)
	<hr/>	<hr/>
Total cash and cash equivalents	<u>17,077</u>	<u>20,296</u>

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

	<u>Share capital</u>	<u>Asset revaluation reserve</u>	<u>Employee benefit reserve</u>	<u>Fair value reserve</u>	<u>Translation reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Group</b>							
Balance as at 1 January 2019	150,665	407,913	190	16,755	123	93,704	669,350
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,366	2,366
Other comprehensive income for the period	-	-	(19)	1,209	1,712	-	2,902
<b>Total</b>	-	-	(19)	1,209	1,712	2,366	5,268
Transactions with owners, recognized directly in equity							
Dividends	-	-	-	-	-	(6,042)	(6,042)
<b>Balance as at 30 June 2019</b>	<b>150,665</b>	<b>407,913</b>	<b>171</b>	<b>17,964</b>	<b>1,835</b>	<b>90,028</b>	<b>668,576</b>
Balance as at 1 January 2020	150,665	424,469	155	16,536	3,789	92,755	688,369
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(3,009)	(3,009)
Other comprehensive (loss) for the period	-	-	(11)	(698)	(1,302)	(78)	(2,089)
<b>Total</b>	-	-	(11)	(698)	(1,302)	(3,087)	(5,098)
<b>Balance as at 30 June 2020</b>	<b>150,665</b>	<b>424,469</b>	<b>144</b>	<b>15,838</b>	<b>2,487</b>	<b>89,668</b>	<b>683,271</b>

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

<b>Company</b>	<b><u>Share capital</u></b> <b><u>S\$'000</u></b>	<b><u>Asset revaluation reserve</u></b> <b><u>S\$'000</u></b>	<b><u>Fair value reserve</u></b> <b><u>S\$'000</u></b>	<b><u>Retained earnings</u></b> <b><u>S\$'000</u></b>	<b><u>Total</u></b> <b><u>S\$'000</u></b>
Balance as at 1 January 2019	150,665	234,208	15,608	41,317	441,798
Total comprehensive income for the period					
Profit for the period	-	-	-	3,288	3,288
Other comprehensive income for the period	-	-	94	232	326
Total	-	-	94	3,520	3,614
Transactions with owners, recognized directly in equity Dividends	-	-	-	(6,042)	(6,042)
<b>Balance as at 30 June 2019</b>	<b>150,665</b>	<b>234,208</b>	<b>15,702</b>	<b>38,795</b>	<b>439,370</b>
Balance as at 1 January 2020	150,665	244,108	14,082	40,916	449,771
Total comprehensive income for the period					
Profit for the period	-	-	-	541	541
Other comprehensive (loss) for the period	-	-	(130)	(78)	(208)
Total	-	-	(130)	463	333
<b>Balance as at 30 June 2020</b>	<b>150,665</b>	<b>244,108</b>	<b>13,952</b>	<b>41,379</b>	<b>450,104</b>

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

	<u>30 June</u> <u>2020</u>	<u>31 Dec</u> <u>2019</u>	<u>30 June</u> <u>2020</u>	<u>31 Dec</u> <u>2019</u>
	<u>Number of ordinary shares</u> <u>'000</u>		<u>S\$'000</u>	<u>S\$'000</u>
<b>Issued and paid-up capital:</b>				
Balance at beginning and end of period	<u>100,800</u>	<u>100,800</u>	<u>150,665</u>	<u>150,665</u>

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

Use of the Rights Issue's Proceeds

Balance unutilized as at 30 June 2020 was \$4.985 million.

There was no utilization of the balance of the rights issue's proceeds in 1H 2020.

\$4.985 million was set aside for working capital as at 30 June 2020.

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

There are no treasury shares.

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

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

**2 AUDIT**

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

**3 AUDITORS' OPINION**

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

#### 4 ACCOUNTING POLICIES

The same accounting policies and methods of computation have been applied in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2019.

#### 5 CHANGES IN ACCOUNTING POLICIES

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

#### 6 EARNINGS PER ORDINARY SHARE (EPS)

	<u>Group</u>	
	<u>First Half-Year Ended 30 June</u>	
	<u>2020</u>	<u>2019</u>
EPS (based on consolidated (loss) profit after taxation)		
- on weighted average number of shares	(2.99) cents	2.35 cents
- on a fully diluted basis	(2.99) cents	2.35 cents

Basic earnings per share is calculated based on the Group's (loss) profit for first half-year ended 30 June 2020 of (S\$3.009) million (2019: S\$2.366 million) after income tax expense divided by 100.8 million (2019: 100.8 million) ordinary shares.

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

#### 7 NET ASSET VALUE (NAV)

	<u>Group</u>		<u>Company</u>	
	<u>30 June 2020</u>	<u>31 Dec 2019</u>	<u>30 June 2020</u>	<u>31 Dec 2019</u>
NAV per share based on issued number of shares as at the end of the respective period	S\$6.78	S\$6.83	S\$4.47	S\$4.46

The NAV per share as at 30 June 2020 and 31 December 2019 were calculated based on the number of shares in issue of 100.8 million ordinary shares.

#### 8 REVIEW OF GROUP PERFORMANCE

The Group's revenue decreased by 37.6% or S\$10.493 million to S\$17.421 million for first half-year ended 30 June 2020 mainly due to lower room, food, beverages and spa revenue in the Group's hotels. The Covid-19 had a severe impact on the Group's performance in 1H 2020.

The Group had loss after income tax of S\$3.009 million for 1H 2020 as compared to profit after income tax of S\$2.366 million in 2019 mainly due to lower revenue, offset by lower operating expenses and lower income tax expenses.

In the opinion of the Directors, no transaction has arisen between 30 June 2020 and the date of this report which would materially affect the results of the Group and the Company for the first-half year just ended.

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

Not applicable.

## **10 OUTLOOK**

Since January 2020, the COVID-19 outbreak has severely disrupted the hospitality industry as countries imposed travel restrictions and closed down their borders. Tourist arrivals to Singapore, Malaysia and Thailand have dried out. The worsening environment for the hotel industry has reduced sharply demand for rooms at the Group's hotels. This is an industry-wide trend which will continue in the near future.

The recent Covid-19 virus outbreak has very adversely affected room and food and beverages sales in the Group's hotels with room cancellations from China's guests as well as for other nationalities. Visitors' arrivals fell drastically in Singapore, Malaysia and Thailand, mainly due to various countries closing their borders. International visitors came to a complete halt in Thailand and Malaysia. In Singapore, we are relying on accommodating Malaysian workers in second quarter 2020.

The Group's operations and financial performance will depend on the global recovery from the Covid-19 pandemic, whether vaccine will be developed and marketed to the public and the border will be opened to resume international travelling into Singapore, Malaysia and Thailand, in the second half of year 2020 and into 2021.

The Group has actively monitored the virus outbreak and taken precautions to protect staff and guests. Hotel Royal Newton and Hotel Royal @ Queens have obtained the SG Clean Certification in July 2020 and received the SG Clean quality mark. The hotels have satisfied the hygiene audit and this will lessen visitors' concerns about health safety and getting ready for the post-coronavirus times when travellers and room occupancy are expected to increase.

The Group's managed fund portfolio will continue to be affected by the Covid-19 virus outbreak, global economic condition, geopolitical and trade tensions.

In addition to the above, the Group's performance will also continue to be influenced by fluctuations in exchange rates of currencies such as the New Zealand dollar, United States dollar, Malaysian ringgit and Thai baht against Singapore dollar.

## **11 DIVIDEND**

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

No interim dividend is recommended for the current first half-year ended 30 June 2020.

### **(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.

**(e) Dividend Declaration**

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

The Group's practice is to consider declaring dividend on an annual basis. Therefore, there was no interim dividend declared for the first half-year ended 30 June 2020.

**12 INTERESTED PERSON TRANSACTIONS**

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

**13 CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS**

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

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

The directors confirm that, to the best of their knowledge, nothing has come to attention of the Board of Directors which may render the unaudited interim financial results for the first half-year ended 30 June 2020 to be false or misleading in any material aspect.

**15 CHANGE TO HALF-YEARLY REPORTING FOLLOWING AMENDMENTS TO SGX LISTING RULE 705(2) OF THE LISTING MANNUAL**

With effect from 7 February 2020, the Company will not be required to release its unaudited financial statements on a quarterly basis ("Quarterly Reporting").

Sin Chee Mei  
Company Secretary

7 August 2020