



**Interim Financial Statements  
for the six months period ended  
30 June 2023**

**HOTEL ROYAL LIMITED**

Incorporated in the Republic of Singapore

Company Registration Number - 196800298G

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## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	<u>The Group</u>		<u>The Company</u>	
		<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and bank balances		40,335	47,023	26,655	33,444
Financial assets at fair value through profit or loss	4	4,860	3,834	2,844	1,866
Financial assets at fair value through other comprehensive income	5	6,864	6,190	842	777
Trade receivables	6	1,214	1,925	292	356
Other receivables, deposits and prepaid expenses	7	1,988	1,758	139	154
Inventories		740	716	97	95
Income tax recoverable		65	83	-	-
<b>Total current assets</b>		<b>56,066</b>	<b>61,529</b>	<b>30,869</b>	<b>36,692</b>
<b>Non-current assets</b>					
Subsidiaries		-	-	236,854	227,769
Financial assets at fair value through other comprehensive income	5	18,565	18,581	15,481	15,500
Other assets		714	740	57	53
Property, plant and equipment	8	639,169	644,157	239,201	239,863
Investment properties	9	98,428	101,318	21,977	22,027
<b>Total non-current assets</b>		<b>756,876</b>	<b>764,796</b>	<b>513,570</b>	<b>505,212</b>
<b>Total assets</b>		<b>812,942</b>	<b>826,325</b>	<b>544,439</b>	<b>541,904</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Bank loans	10	26,133	21,375	720	720
Trade payables		3,032	4,074	1,782	2,188
Other payables	11	4,111	4,723	2,299	2,708
Income tax payable		1,651	1,195	833	842
<b>Total current liabilities</b>		<b>34,927</b>	<b>31,367</b>	<b>5,634</b>	<b>6,458</b>
<b>Non-current liabilities</b>					
Other payables	11	28	35	11,126	14,602
Retirement benefit obligations		347	359	-	-
Long-term bank loans	10	146,948	152,930	78,810	70,947
Deferred tax liabilities		10,351	10,515	812	723
<b>Total non-current liabilities</b>		<b>157,674</b>	<b>163,839</b>	<b>90,748</b>	<b>86,272</b>
<b>Capital and reserves</b>					
Share capital	12	190,836	190,836	190,836	190,836
Asset revaluation reserve		372,300	372,300	214,508	214,508
Employee benefit reserve		58	15	-	-
Fair value reserve		16,835	16,217	14,581	14,540
Foreign currency translation reserve		(24,442)	(14,133)	-	-
Retained earnings		64,754	65,884	28,132	29,290
<b>Total equity</b>		<b>620,341</b>	<b>631,119</b>	<b>448,057</b>	<b>449,174</b>
<b>Total liabilities and equity</b>		<b>812,942</b>	<b>826,325</b>	<b>544,439</b>	<b>541,904</b>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the six months period ended 30 June**

	<u>Note</u>	<u>The Group</u>		
		<u>First Half-Year Ended 30 June</u>		
		<u>2023</u>	<u>2022</u>	<u>+/(-)</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
<b>Revenue</b>	13	27,541	16,815	63.8
<b>Cost of sales</b>		(14,316)	(10,877)	31.6
<b>Gross profit</b>		13,225	5,938	>100
Other income	14	2,450	389	>100
Distribution and marketing expense		(550)	(355)	54.9
Administrative expenses		(7,818)	(5,320)	47.0
Other expenses		(60)	(2,705)	(97.8)
Finance costs	15	(4,230)	(2,368)	78.6
<b>Profit (Loss) before income tax</b>	16	3,017	(4,421)	n.m.
Income tax (expense) credit	17	(1,061)	562	n.m.
<b>Profit (Loss) for the period, attributable to owners of the Company</b>		1,956	(3,859)	n.m.

n.m. : not meaningful

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**For the six months period ended 30 June**

	<b>The Group</b>		
	<b>First Half-Year Ended 30 June</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>+ / (-)</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>%</u></b>
<b>Profit (Loss) for the period</b>	1,956	(3,859)	n.m.
<b>Other comprehensive income (loss):</b>			
<i><u>Items that will not be reclassified subsequently to profit or loss</u></i>			
Net fair value gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	556	(1,943)	n.m.
Re-measurement of defined benefit obligations	43	(2)	n.m.
Total	<u>599</u>	<u>(1,945)</u>	n.m.
<i><u>Items that may be reclassified subsequently to profit or loss</u></i>			
Exchange differences on translation of foreign operations	<u>(10,309)</u>	<u>(6,394)</u>	<u>61.2</u>
<b>Other comprehensive loss for the period</b>	<u>(9,710)</u>	<u>(8,339)</u>	<u>16.4</u>
<b>Total comprehensive loss for the period, attributable to owners of the Company</b>	<u>(7,754)</u>	<u>(12,198)</u>	<u>(36.4)</u>

n.m. : not meaningful

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**For the six months period ended 30 June**

<u>The Group</u>	<u>Share capital</u> <u>\$'000</u>	<u>Asset revaluation reserve</u> <u>\$'000</u>	<u>Employee benefit reserve</u> <u>\$'000</u>	<u>Fair value reserve</u> <u>\$'000</u>	<u>Foreign currency translation reserve</u> <u>\$'000</u>	<u>Retained earnings</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
Balance at 1 January 2022	150,665	338,010	32	17,645	(2,232)	57,050	561,170
<i>Total comprehensive income (loss) for the period:</i>							
Loss for the period	-	-	-	-	-	(3,859)	(3,859)
Other comprehensive income (loss) for the year	-	-	(2)	(2,040)	(6,394)	97	(8,339)
Total	-	-	(2)	(2,040)	(6,394)	(3,762)	(12,198)
<i>Transactions with owners, recognised directly in equity:</i>							
Final dividends	-	-	-	-	-	(2,520)	(2,520)
Balance at 30 June 2022	<u>150,665</u>	<u>338,010</u>	<u>30</u>	<u>15,605</u>	<u>(8,626)</u>	<u>50,768</u>	<u>546,452</u>
Balance at 1 January 2023	190,836	372,300	15	16,217	(14,133)	65,884	631,119
<i>Total comprehensive income (loss) for the period:</i>							
Profit for the period	-	-	-	-	-	1,956	1,956
Other comprehensive income (loss) for the year	-	-	43	618	(10,309)	(62)	(9,710)
Total	-	-	43	618	(10,309)	1,894	(7,754)
<i>Transactions with owners, recognised directly in equity:</i>							
Final dividends	-	-	-	-	-	(3,024)	(3,024)
Balance at 30 June 2023	<u>190,836</u>	<u>372,300</u>	<u>58</u>	<u>16,835</u>	<u>(24,442)</u>	<u>64,754</u>	<u>620,341</u>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Continued)**  
**For the six months period ended 30 June**

	<u>Share capital</u> \$'000	<u>Asset revaluation reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
<i>The Company</i>					
Balance as at 1 January 2022	150,665	194,308	14,435	16,583	375,991
<i>Total comprehensive income (loss) for the year:</i>					
Profit for the period	-	-	-	683	683
Other comprehensive income (loss) for the period	-	-	(457)	128	(329)
Total	-	-	(457)	811	354
<i>Transactions with owners, recognised directly in equity:</i>					
Final dividends	-	-	-	(2,520)	(2,520)
Balance at 30 June 2022	150,665	194,308	13,978	14,874	373,825
Balance as at 1 January 2023	190,836	214,508	14,540	29,290	449,174
<i>Total comprehensive income (loss) for the year:</i>					
Profit for the period	-	-	-	1,871	1,871
Other comprehensive income (loss) for the period	-	-	41	(5)	36
Total	-	-	41	1,866	1,907
<i>Transactions with owners, recognised directly in equity:</i>					
Final dividends	-	-	-	(3,024)	(3,024)
Balance at 31 December 2023	190,836	214,508	14,581	28,132	448,057

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months period ended 30 June**

	<b><u>The Group</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Operating activities</b>		
Profit (Loss) before income tax	3,017	(4,421)
Adjustments for:		
Depreciation expense	3,618	3,604
Dividend income	(196)	(120)
Net fair value (gain) loss on financial assets at fair value through profit or loss	(116)	675
Loss on disposal of property, plant and equipment	2	-
Interest expense	4,230	2,368
Interest income	(548)	(19)
Allowance for doubtful debts	19	-
Bad debts recovered	(15)	-
Write back of allowance for doubtful receivables	(25)	(9)
Operating cash flows before movements in working capital	<u>9,986</u>	<u>2,078</u>
Financial assets at fair value through profit or loss	(883)	(1,515)
Trade and other receivables	412	1,848
Inventories	(41)	41
Trade and other payables	<u>(1,487)</u>	<u>(2,493)</u>
Cash generated from (used in) operations	7,987	(41)
Dividend received	196	120
Interest paid	(4,230)	(2,368)
Interest received	548	19
Income tax paid	<u>(502)</u>	<u>(375)</u>
Net cash from (used in) operating activities	<u>3,999</u>	<u>(2,645)</u>
<b>Investing activities</b>		
Additions to investment properties	(185)	(1,252)
Additions to property, plant and equipment	(7,439)	(2,392)
Proceeds from disposal of financial assets held at fair value through other comprehensive income	72	1,100
Proceeds from disposal of property, plant and equipment	33	-
Purchase of financial assets held at fair value through other comprehensive income	<u>(117)</u>	<u>(494)</u>
Net cash used in investing activities	<u>(7,636)</u>	<u>(3,038)</u>



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**  
**For the six months period ended 30 June**

	<b><u>The Group</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Financing activities</b>		
Dividends paid	(3,024)	(2,520)
Proceeds from bank loans	6,719	15,284
Repayment of bank loans	(6,365)	(18,942)
Fixed deposit pledged to banks	(1,052)	25
Net cash used in financing activities	<u>(3,722)</u>	<u>(6,153)</u>
Net decrease in cash and cash equivalents	(7,359)	(11,836)
Cash and cash equivalents at beginning of year	44,772	28,103
Effect of currency exchange adjustment	(251)	(459)
<b>Cash and cash equivalents at end of year</b>	<b><u>37,162</u></b>	<b><u>15,808</u></b>

Cash and cash equivalents consist of

	<b><u>The Group</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Cash on hand	90	121
Cash at bank	11,517	12,787
Fixed deposits	28,728	3,911
	<u>40,335</u>	<u>16,819</u>
Less: Fixed deposits pledged	(3,173)	(1,011)
<b>Total</b>	<b><u>37,162</u></b>	<b><u>15,808</u></b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Hotel Royal Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group are:

- (a) Owning and operating hotels and providing ancillary services (“hotel operation”);
- (b) Owning and letting out investment properties (“property investment”); and
- (c) Holding financial investments which comprise financial assets such as shares, bonds, funds and other financial products, to generate a stable stream of income through interest and dividends, and also for potential capital appreciation (“financial investment”)

### 2. BASIS OF PREPARATION

#### 2.1 *Statement of compliance*

The condensed interim financial statements of the Group and the Company for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements of the Group and the Company do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.4.

The condensed interim financial statements of the Group and the Company are presented in Singapore dollar which is the Company’s functional currency.

#### 2.2 *Basis of measurement*

The interim financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

The interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

#### 2.3 *Uses of estimates and judgements*

In preparing the condensed interim financial statements of the Group and the Company, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that any instances of application of judgements are not expected to have significant effect on the amounts recognised in the financial statements (apart from those involving estimates which are dealt with below).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 8 - Freehold hotel land at revalued amounts
- Note 8 - Impairment of leasehold land, hotel building and building improvements (“leasehold land and hotel buildings”) and investment properties

### ***Measurement of fair value***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. These levels are described below:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## **2.4 *Changes in accounting policies***

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2022, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for the financial year beginning on or after 1 January 2023.

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The management anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

### 3. SEASONAL OPERATIONS

The Group's businesses are generally not affected significantly by seasonal or cyclical factors during the financial period. However, the Group's operations and performance will continue to vary from period to period, depending on the conditions of the hospitality and leisure industry in the countries in which the Group operates.

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

The Group designated the investments shown below as at FVTPL because these represent investments that offer the Group the opportunity for return through dividend income and fair value gains.

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Quoted bonds	4,860	3,834	2,844	1,866

The investments above offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Unquoted managed funds are measured at fair value through profit or loss in accordance with SFRS(I) 9 *Financial Instruments*, as they represent an identified portfolio of investments which the group manages together with an intention of profit taking when the opportunity arises.

Changes in the fair value of financial assets at fair value through profit or loss, amounting to net gain of \$116,000 (2022 : net loss of \$675,000) have been included in profit or loss for the year as part of "other income" (2022 : "other expenses").

### 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

The Group designated the investments shown below as equity investments as at FVTOCI because these equity investments represent investments that the Group intends to hold for the medium to long-term for strategic purposes.

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<i>Current assets</i>				
Quoted equity shares	6,147	5,621	842	777
Structured products	717	569	-	-
	6,864	6,190	842	777
<i>Non-current assets</i>				
Quoted equity shares	3,640	3,656	556	575
Unquoted equity share	14,925	14,925	14,925	14,925
	18,565	18,581	15,481	15,500
Total	25,429	24,771	16,323	16,277

The investments above offer the Group the opportunity for return through dividend income and fair value gains. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The financial assets held at fair value through other comprehensive income presented as current assets are those held in investment accounts managed on behalf of the Group by professional fund managers and are subject to changes in components of investments within the portfolio. The financial assets held at fair value through other comprehensive income presented as non-current assets are those managed directly by the Group and are held for long-term investments.

### ***Fair value measurement***

The Group and the Company determines fair values of financial assets and financial liabilities in the following manner:

*(a) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)*

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments.

*(b) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis*

The following financial assets are measured at fair value at the end of each reporting period. Fair values belong to the following levels in the fair value hierarchy.

	<u>Level 1</u>		<u>Level 3</u>	
	<u>30 June</u> <u>2023</u> <u>\$'000</u>	<u>31 December</u> <u>2022</u> <u>\$'000</u>	<u>30 June</u> <u>2023</u> <u>\$'000</u>	<u>31 December</u> <u>2022</u> <u>\$'000</u>
<u>The Group</u>				
Financial assets at fair value through profit or loss:				
- Quoted bonds	4,860	3,834	-	-
Financial assets at fair value through other comprehensive income:				
- Quoted equity shares	9,787	9,277	-	-
- Structured products	-	-	717	569
- Unquoted equity shares	-	-	14,925	14,925

	<u>Level 1</u>		<u>Level 3</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>The Company</u>				
Financial assets at fair value through profit or loss:				
- Quoted bonds	2,844	1,866	-	-
Financial assets at fair value through other comprehensive income:				
- Quoted equity shares	1,398	1,352	-	-
- Unquoted equity shares	-	-	14,925	14,925

Fair values of investments classified as Level 1 of the fair value hierarchy are based on publicly available quoted prices. Level 3 investments are measured based on net assets of the unquoted funds as provided by the fund managers and measured based on adjusted net assets of the unquoted equity shares. There is no investment falling within Level 2 of the fair value hierarchy.

*Reconciliation of Level 3 fair value measurement:*

	<u>Financial assets at FVTPL (Unquoted managed funds) \$'000</u>	<u>Financial assets at FVTOCI (Structured products and equity shares) \$'000</u>	<u>Total \$'000</u>
<u>30 June 2023</u>			
<u>The Group</u>			
Opening balance	-	15,494	15,494
Purchases	-	148	148
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	-	-
Closing balance	-	15,642	15,642
<u>The Company</u>			
Opening balance	-	14,925	14,925
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	-	-
Closing balance	-	14,925	14,925

<u>31 December 2022</u>	<u>Financial assets at FVTPL (Unquoted managed funds) \$'000</u>	<u>Financial assets at FVTOCI (Structured products and equity shares) \$'000</u>	<u>Total \$'000</u>
<u>Group</u>			
Opening balance	11	15,784	15,795
Purchases	(11)	-	(11)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	(290)	(290)
Closing balance	<u>-</u>	<u>15,494</u>	<u>15,494</u>
<u>Company</u>			
Opening balance	11	14,925	14,936
Purchases	(11)	-	(11)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	-	-
Closing balance	<u>-</u>	<u>14,925</u>	<u>14,925</u>

\* Included as part of “other income” or “other expense” in profit or loss.

The gains and losses included in other comprehensive income relate to investments designated at FVTOCI held at the end of the reporting period and are reported as changes of “fair value reserves”.

## 6. TRADE RECEIVABLES

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June 2023 \$'000</u>	<u>31 December 2022 \$'000</u>	<u>30 June 2023 \$'000</u>	<u>31 December 2022 \$'000</u>
Trade receivables	1,317	2,188	292	356
Related parties <sup>(1)</sup>	19	33	-	-
Total	<u>1,336</u>	<u>2,221</u>	<u>292</u>	<u>356</u>
Less: Loss allowance	(122)	(296)	-	-
	<u>1,214</u>	<u>1,925</u>	<u>292</u>	<u>356</u>

<sup>(1)</sup> Entities in which certain directors of the Company have equity interest, hold significant influence and/or are key management personnel of the entities.

## 7. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Outside parties	171	539	27	87
Refundable deposits	633	562	2	-
Prepaid expenses	1,184	657	110	67
	<u>1,988</u>	<u>1,758</u>	<u>139</u>	<u>154</u>

## 8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired assets amounting to \$7,439,000 (30 June 2022: \$2,392,000) and disposed of assets amounting to \$35,000 (30 June 2022: \$41,000).

### Valuation processes, techniques and inputs used in Level 3 fair value measurements

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings classified as property, plant and equipment and investment properties ("Group's properties"), on an annual basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. At the end of every half-year, management will assess whether fair values of the Group's properties remain appropriate and engage external, independent and qualified valuer when deemed necessary. The valuation techniques and key inputs that were used to determine the fair value which is categorised under Level 3 of the fair value hierarchy are described in Notes 13 and 14 of the Group's annual financial statements for the year ended 31 December 2022 and remained appropriate in determining the fair values of the property, plant and equipment and investment properties as at 30 June 2023.

No revaluation movements were recognised for the financial period ended 30 June 2023.

## 9. INVESTMENT PROPERTIES

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and capital appreciation and are not occupied by the Group. They are leased to third parties under operating leases.

	<u>The Group</u>	
	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Cost</b>		
Beginning of financial period	127,112	134,015
Improvements	185	1,362
Disposals	-	-
Currency translation differences	(3,225)	(8,265)
End of period	<u>124,072</u>	<u>127,112</u>
<b>Accumulated depreciation and impairment losses</b>		
Beginning of financial period	25,794	24,243
Depreciation charge for the period	621	1,300
Disposals	-	-
Reversal of impairment loss	-	1,998
Currency translation differences	(771)	(1,747)
End of period	<u>25,644</u>	<u>25,794</u>
<b>Carrying amount</b>	<u>98,428</u>	<u>101,318</u>



	<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<i>Cost</i>		
Beginning of financial period and end of period	25,961	25,961
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial period	3,934	3,823
Depreciation charge for the period	50	111
End of period	3,984	3,934
<i>Carrying amount</i>	21,977	22,027

#### 10. BANK LOANS / LONG-TERM BANK LOANS

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Amount repayable within one year or on demand</b>				
Secured	26,133	21,375	720	720
Unsecured	-	-	-	-
<b>Amount repayable after one year</b>				
Secured	146,948	152,930	78,810	70,947
Unsecured	-	-	-	-

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

#### 11. OTHER PAYABLES

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Outside parties	4,008	4,664	-	39
Subsidiaries	-	-	11,126	14,602
Deferred grant income	131	94	-	-
Financial guarantee contract liabilities	-	-	2,299	2,669
Total	4,139	4,758	13,425	17,310
Less: Amount payable within 12 months (shown under current liabilities)	(4,111)	(4,723)	(2,299)	(2,708)
Amount payable after 12 months	28	35	11,126	14,602

## 12(i). SHARE CAPITAL

	<u>The Group and the Company</u>			
	<u>30 June</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 June</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
	<u>Number of ordinary shares</u> <u>('000)</u>		<u>\$'000</u>	<u>\$'000</u>
Issued and fully paid:				
Balance at beginning of year	120,960	100,800	190,836	150,665
Issue of new ordinary shares under rights issue	-	20,160	-	40,171
Balance at end of year	<u>120,960</u>	<u>120,960</u>	<u>190,836</u>	<u>190,836</u>

In 2022, the Company issued an aggregate rights issue of 20,160,000 new ordinary shares at an issue price of \$2.00 for each rights share on the basis of one rights share for every five existing shares. The rights issue expenses amounted to \$0.15 million.

The total number of issued ordinary shares of the Company had increased from 100.80 million ordinary shares to 120.96 million ordinary shares and net paid-up capital had increased from \$150.665 million to \$190.836 million.

These rights shares rank pari passu in all respects with the then existing shares for any dividends, rights, allotments or other distributions.

### Use of the Rights Issue's Proceeds

As at the date of this report, the status of the utilisation of the proceeds raised from the Company's Renounceable Non-Underwritten Rights Issue are as follows: -

	S\$ million
Total rights issue proceeds, net	40.2
Less Utilisation:	
4Q 2022 – repayment of outstanding loans	(10.0)
2Q 2023 – repayment of outstanding loans	(4.2)
2Q 2023 – working capital	(7.1)
Balance unutilised as at 30 June 2023	18.9

S\$10.0 million was utilised in 4Q 2022 to repay part of Group's bank borrowings. The balance amount was initially for working capital of the Group. With the rising interest rate and the weakening of the New Zealand Dollar, the Company took the opportunity to repay a further S\$4.2 million of a subsidiary's bank borrowing. As the Company is able to draw up on the bank borrowing for working capital, this additional loan repayment will not affect the Company's working capital requirement.

A further amount of S\$7.1 million was utilised for the upgrading of Hotel Royal Signature in Kuala Lumpur, Malaysia.

## 12(ii). TREASURY SHARES

There are no treasury shares.

**12(iii).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.

**13. REVENUE**

Revenue comprises the following:

	<b>The Group</b>	
	<b>First Half-Year Ended 30 June</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Room revenue	19,370	10,526
Food and beverage revenue	2,738	1,401
Spa revenue	287	99
Rental income from:		
Investment properties	3,294	3,145
Within premises	1,239	1,033
Car park revenue	162	198
Interest income from outside parties	23	19
Dividend income from:		
Quoted equity investments (gross)	196	120
Others	232	274
<b>Total</b>	<b><u>27,541</u></b>	<b><u>16,815</u></b>

**14. OTHER INCOME**

	<b>The Group</b>	
	<b>First Half-Year Ended 30 June</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Fair value gain on financial assets at FVTPL	116	-
Net foreign exchange adjustment gain	1,504	-
Interest income from fixed deposits	525	-
Government grants	217	215
Bad debts recovered	15	-
Write back of allowance for doubtful receivables	25	9
Other income	48	165
<b>Total</b>	<b><u>2,450</u></b>	<b><u>389</u></b>

**15. FINANCE COSTS**

	<b>The Group</b>	
	<b>First Half-Year Ended 30 June</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Interest expense on bank loans	4,230	2,368

## 16. PROFIT (LOSS) BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the interim financial statements, profit (loss) before income tax is arrived at after charging / (crediting):

	<b>The Group</b>	
	<b>First Half-Year Ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Net foreign exchange adjustment loss	-	1,326
Depreciation	3,618	3,604
Allowance for doubtful debts	19	-
Net fair value loss on financial assets at FVTPL	-	675
Loss on disposal of property, plant and equipment	2	-

## 17. INCOME TAX EXPENSE (CREDIT)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>The Group</b>	
	<b>First Half-Year Ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax	761	(143)
Withholding tax	222	114
Deferred tax	78	(897)
	<u>1,061</u>	<u>(926)</u>
Over provision in prior years:		
- current tax	-	188
- deferred tax	-	176
	<u>-</u>	<u>364</u>
Total income tax expense (credit)	<u>1,061</u>	<u>(562)</u>

## 18. EARNINGS PER ORDINARY SHARE (EPS)

	<b>The Group</b>	
	<b>First Half-Year Ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
EPS (based on consolidated loss after taxation) *		
- on weighted average number of shares (cents)	1.62	(3.82)
- on a fully diluted basis (cents)	<u>1.62</u>	<u>(3.82)</u>

\* adjusted for the effects of the bonus element of the Rights Issue as disclosed in Note 12(i). This is in accordance with the requirements of SFRS(I) 1-33 Earnings Per Share

Basic profit (loss) per share is calculated based on the Group's profit for first half-year ended 30 June 2023 of S\$1.956 million (2022: loss for first half-year ended 30 June 2022 S\$3.859 million) after income tax expense divided by 120.96 million ordinary shares (2022: 101.05 million, being the weighted average number of shares in issue).

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

## 19. NET ASSET VALUE (NAV)

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
NAV per share based on issued number of shares as at the end of the respective period (\$)	5.13	5.22	3.70	3.71

The NAV per share as at 30 June 2023 and 31 December 2022 were calculated based on the number of shares in issue of 120.96 million ordinary shares.

## 20. OPERATING SEGMENTS

The Group is primarily engaged in the following operations:

- Owning and operating hotels and providing ancillary services (“hotel operations”).
- Owning and letting out investment properties (“property investments”).
- Holding financial investments such as shares, bonds and funds to generate income through interest and dividends, and also for potential capital appreciation (“financial investments”).

### I Revenue

For six months period ended 30 June

	<u>External</u>		<u>Inter-segment</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Hotel operations</b>						
Singapore	13,596	8,140	-	-	13,596	8,140
Malaysia	3,502	2,469	-	-	3,502	2,469
Thailand	6,930	2,922	-	-	6,930	2,922
	<u>24,028</u>	<u>13,531</u>	<u>-</u>	<u>-</u>	<u>24,028</u>	<u>13,531</u>
<b>Property investments</b>						
Singapore	493	479	50	55	543	534
New Zealand	2,300	2,289	-	-	2,300	2,289
Malaysia	501	377	-	-	501	377
	<u>3,294</u>	<u>3,145</u>	<u>50</u>	<u>55</u>	<u>3,344</u>	<u>3,200</u>
<b>Financial investments</b>	<u>219</u>	<u>139</u>	<u>476</u>	<u>119</u>	<u>695</u>	<u>258</u>
<b>Segments total</b>	<u>27,541</u>	<u>16,815</u>	<u>526</u>	<u>174</u>	<u>28,067</u>	<u>16,989</u>

**II Net profit (loss)**  
**For six months period ended 30 June**

	<b>Net profit (loss) for the period</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Hotel operations</b>		
Singapore	3,879	(142)
Malaysia	(1,712)	(1,016)
Thailand	4,284	(739)
	<u>6,451</u>	<u>(1,897)</u>
<b>Property investments</b>		
Singapore	169	338
New Zealand	46	(593)
Malaysia	264	386
	<u>479</u>	<u>131</u>
<b>Financial investments</b>	<u>317</u>	<u>(287)</u>
<b>Segments total</b>	7,247	(2,053)
Finance costs	<u>(4,230)</u>	<u>(2,368)</u>
<b>Profit (Loss) before income tax</b>	3,017	(4,421)
Income tax (expense) credit	(1,061)	562
<b>Profit (Loss) after income tax</b>	<u>1,956</u>	<u>(3,859)</u>

**III Segment assets and liabilities**  
**For six months period ended 30 June**

	<b><u>Segment assets</u></b>		<b><u>Segment liabilities</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Hotel operations</b>				
Singapore	425,299	429,466	2,923	2,817
Malaysia	142,323	109,090	2,121	1,599
Thailand	85,419	79,999	1,522	1,441
	<u>653,041</u>	<u>618,555</u>	<u>6,566</u>	<u>5,857</u>
<b>Property investments</b>				
Singapore	24,258	24,523	109	139
New Zealand	66,960	79,243	825	616
Malaysia	9,310	11,332	-	-
	<u>100,528</u>	<u>115,098</u>	<u>934</u>	<u>755</u>
<b>Financial investments</b>	<u>30,580</u>	<u>30,081</u>	<u>18</u>	<u>22</u>
<b>Segments total</b>	<u>784,149</u>	<u>763,734</u>	<u>7,518</u>	<u>6,634</u>
Unallocated items	28,793	2,644	185,083	213,292
<b>Consolidated total</b>	<u>812,942</u>	<u>766,378</u>	<u>192,601</u>	<u>219,926</u>

**IV Other segment information**  
**For six months period ended 30 June**

	<u>Depreciation</u>		<u>Additions to non-current assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Hotel operations</b>				
Singapore	1,346	1,446	457	139
Malaysia	1,124	942	6,855	2,212
Thailand	527	551	127	41
	<u>2,997</u>	<u>2,939</u>	<u>7,439</u>	<u>2,392</u>
<b>Property investments</b>				
Singapore	71	76	-	-
New Zealand	469	503	185	1,252
Malaysia	81	86	-	-
	<u>621</u>	<u>665</u>	<u>185</u>	<u>1,252</u>
<b>Consolidated total</b>	<u>3,618</u>	<u>3,604</u>	<u>7,624</u>	<u>3,644</u>

**V Geographical information**  
**For six months period ended 30 June**

Information about the Group's revenue and non-current assets by geographical location are described below:

	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	14,308	8,758	462,529	431,678
Malaysia	4,003	2,846	147,962	150,686
New Zealand	2,300	2,289	65,643	71,562
Thailand	6,930	2,922	80,742	79,105
	<u>27,541</u>	<u>16,815</u>	<u>756,876</u>	<u>733,031</u>

**21. SUBSEQUENT EVENTS**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

### 1. AUDIT

The condensed consolidated statement of financial position of Hotel Royal Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, statement of changes in equity of the Company and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

### 2. REVIEW OF GROUP PERFORMANCE

#### a) Condensed Interim Statement of Profit or Loss

##### i. REVENUE

Revenue comprises the following:

	<b>The Group</b>		<b>+ / (-)</b>
	<b>First Half-Year Ended 30 June</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>%</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	
Room revenue	19,370	10,526	84.0
Food and beverage revenue	2,738	1,401	95.4
Spa revenue	287	99	>100
Rental income from:			
Investment properties	3,294	3,145	4.7
Within premises	1,239	1,033	19.9
Car park revenue	162	198	(18.2)
Interest income from outside parties	23	19	21.1
Dividend income from:			
Quoted equity investments (gross)	196	120	63.3
Others	232	274	(15.3)
Total	<u>27,541</u>	<u>16,815</u>	<u>63.8</u>

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

Group room revenue increased by 84.0% for 1H 2023 as compared to 1H 2022 was mainly due to higher room occupancy and higher room rates due to recovery of business and increase in business travel and tourist arrivals to Singapore, Malaysia and Thailand.

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

The increase in food and beverage revenue by 95.4% for 1H 2023 as compared to 1H 2022 was mainly due to higher breakfast sales with higher occupancy rates.

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

Rental income from investment properties increased by 4.7% for 1H 2023 as compared to 1H 2022 was mainly due to higher contributions from investment property in Malaysia subsidiary.

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

The increase in rental income from within premises by 19.9% for 1H 2023 as compared to 1H 2022 was mainly due to higher rental income with better occupancy rates.



**ii. Cost of Sales**

The increase in cost of sales for 1H 2023 as compared to 1H 2022 was mainly due to higher operation costs in the Group's hotels.

**iii. Other income**

The increase in other income for 1H 2023 as compared to 1H 2022 was mainly due higher foreign exchange gain, fair value gain on financial assets at fair value through profit or loss and interest from fixed deposits.

**iv. Distribution and marketing expense**

The increase in distribution costs for 1H 2023 as compared to 1H 2022 was mainly due to higher sales and marketing expenses from travel agents and online reservation portals in the Group's hotels.

**v. Administrative expenses**

The increase in administrative expenses for 1H 2023 as compared to 1H 2022 was mainly due to higher overhead expenses such as utilities and payroll costs in the Group's hotels.

**vi. 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 2023 as compared to comparative period was mainly due to foreign exchange loss, and fair value loss on financial assets at fair value through profit or loss incurred in 1H 2022 as compared to current period.

**vii. Finance costs**

The increase in finance costs for 1H 2023 as compared to 1H 2022 was mainly due to increase in interest rate.

**viii. Income tax expense**

The increase in income tax expense for 1H 2023 as compared to 1H 2022 was mainly due to higher taxable income in the Group's hotels.

**ix. Net profit (loss) of segment performance for the six months period ended 30 June**

	<b>The Group</b>		
	<b>Net profit (loss)</b>		
	<b>2023</b>	<b>2022</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Hotel operations	6,451	(1,897)	n.m.
Property investments	479	131	>100
Financial investments	317	(287)	n.m.
Segments total	7,247	(2,053)	n.m.
Finance costs	(4,230)	(2,368)	78.6
<b>Profit (Loss) before income tax</b>	<b>3,017</b>	<b>(4,421)</b>	<b>n.m.</b>
Income tax (expense) credit	(1,061)	562	n.m.
<b>Profit (Loss) after income tax</b>	<b>1,956</b>	<b>(3,859)</b>	<b>n.m.</b>

n.m. : not meaningful

The hotel operation segment recorded a net profit of \$6.451 million in 1H 2023 (1H 2022: net loss of S\$1.897 million). This was mainly due to better performances in the Singapore and Thailand hotels.

The performance for the property investment segment increased by \$0.348 million to net profit of S\$0.479 million in 1H 2023. This was mainly due to better performances from the Group's investment properties.

The financial investment segment's performance increased by \$0.604 million from net loss of S\$0.287 million in 1H 2022 to net profit of S\$0.317 million in 1H 2023. This was mainly due to higher fair value gain on financial assets.

(a) **Condensed Interim Statement of Financial Position**

**Total assets (Group)** as at 30 June 2023 decreased by \$13.383 million from \$826.325 million to \$812.942 million.

The decrease was mainly due to:

- Decrease in cash and bank balances of \$6.688 million mainly due to cash used in dividend payment; and
- Decrease in property, plant and equipment and investment properties of \$4.988 million and \$2.890 million respectively was mainly due to translation loss resulted from weakening of MYR, THB and NZD against SGD.

The decrease was offset by:

- Increase in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income of \$1.026 million and \$0.658 million respectively was mainly due to fair value gain resulted from strengthened stock market conditions.

**Total liabilities (Group)** as at 30 June 2023 decreased by \$2.605 million from \$195.206 million to \$192.601 million.

The decrease was mainly due to:

- Decrease in bank loans of \$1.224 million due to net principal loan repayment during the financial period.
- Decrease in trade and other payables of \$1.661 million due to repayment during the financial period.

(b) **Condensed Interim Statement of Cash Flows**

**Net cash from operating activities** was derived from the operating activities of the hotel, investment properties and fund management. The increase in net cash from operating activities was mainly due to recovery of business.

**Net cash used in investing activities** was mainly due to upgrading works for Hotel Royal Signature.

**Net cash used in financing activities** was mainly due to dividend payment, net repayment of partial bank loan and additional fixed deposits pledged to banks.

### **3. VARIANCE FROM A FORECAST OR PROSPECT STATEMENT**

No forecast or prospect statement was previously issued in respect of the current reporting period.

### **4. OUTLOOK**

The Group posted \$27.5 million in revenue for the first half of 2023, an increase of 63.8% compared to the corresponding period last year. This is due to the strong recovery of international visitor arrivals, from a low base this time last year when restrictions on inbound travel were still in place for Singapore, Malaysia and Thailand.

In line with the positive outlook projected by the tourism boards in Singapore, Malaysia and Thailand, room demand is expected to increase further as the travel industry continues to recover.

To fully capitalise on the positive outlook projected, the Group plans to soft launch our new hotel brand, Hotel Royal Signature (formerly known as Hotel Royale Chulan Bukit Bintang), in the second half of this year.

Even though the outlook of the hospitality industry looks positive, we need to remain vigilant in view of the on-going Russia-Ukraine conflict, the global inflation and increasing interest rate which can adversely influence the Group's performance, including its managed fund portfolio.

Fluctuations in exchange rates of the New Zealand dollar, United States dollar, Malaysian ringgit and Thai baht against Singapore dollar will continue to affect the Group's performance.

### **5. DIVIDENDS**

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

No interim dividend is recommended for the current first half-year ended 30 June 2023.

#### **(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**

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 2023.

**6. 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.

**7. 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.

**8. 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 2023 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Sin Chee Mei  
Company Secretary

10 August 2023