Interim Financial Statements

For The Six Months Period Ended
30 June 2026

HOTEL ROYAL LIMITED
Incorporated in the Republic of Singapore
Company Registration Number - 196800298G

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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
ASSETS					
Current assets					
Cash and bank balances		18,639	24,430	725	2,782
Financial assets at fair value through profit or loss	4	6,999	5,105	4,080	2,752
Financial assets at fair value through other comprehensive income	5	6,016	3,418	251	221
Trade receivables	6	1,582	2,710	286	423
Other receivables, deposits and prepaid expenses	7	3,222	3,020	593	450
Inventories		886	948	44	50
Income tax recoverable		96	70	-	-
Total current assets		37,440	39,701	5,979	6,678
Non-current assets					
Subsidiaries		-	-	285,458	285,186
Financial assets at fair value through other comprehensive income	5	22,176	21,045	16,509	16,395
Other assets		1,519	1,431	328	500
Property, plant and equipment	8	703,682	707,218	270,033	269,473
Investment properties	9	167,775	166,376	38,354	38,350
Total non-current assets		895,152	896,070	610,682	609,904
Total assets		932,592	935,771	616,661	616,582
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	10	4,207	7,150	-	-
Trade payables		2,273	2,653	592	723
Other payables	11	6,889	8,868	2,188	3,412
Income tax payable		1,367	1,908	225	509
Total current liabilities		14,736	20,579	3,005	4,644
Non-current liabilities					
Other payables	11	227	84	10,957	10,903
Retirement benefit obligations		463	476	-	-
Long-term bank loans	10	157,289	152,100	87,789	82,779
Deferred tax liabilities		20,335	20,665	1,516	1,350
Total non-current liabilities		178,314	173,325	100,262	95,032
Capital and reserves					
Share capital	12	190,836	190,836	190,836	190,836
Asset revaluation reserve		433,563	433,563	241,408	241,408
Employee benefit reserve		51	51	-	-
Fair value reserve		21,733	19,762	15,599	15,462
Foreign currency translation reserve		(18,051)	(11,865)	-	-
Retained earnings		111,410	109,520	65,551	69,200
Total equity		739,542	741,867	513,394	516,906
Total liabilities and equity		932,592	935,771	616,661	616,582

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

		The Group		
		First Half-Year Ended 30 June		
	Note	2026 $'000	2025 $'000	+/(-) %
Revenue	13	34,548	35,328	(2.2)
Cost of sales		(18,954)	(20,282)	(6.5)
Gross profit		15,594	15,046	3.6
Other income	14	1,943	447	>100
Administrative expenses		(8,791)	(8,066)	9.0
Other expenses		(11)	(221)	(95.0)
Finance costs	15	(2,281)	(3,246)	(29.7)
Profit before income tax	16	6,454	3,960	63.0
Income tax expense	17	(917)	(1,166)	(21.4)
Profit for the period, attributable to owners of the Company		5,537	2,794	98.2
Basic earnings per share	18	4.58 cents	2.31 cents	98.3
Diluted earnings per share	18	4.58 cents	2.31 cents	98.3

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

	The Group		
	First Half-Year Ended 30 June		
	2026	2025	+/(-)
	$'000	$'000	%
Profit for the period	5,537	2,794	98.2
Other comprehensive income (loss):			
Items that will not be reclassified subsequently to profit or loss			
Net fair value gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	1,953	(213)	n.m.
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(6,186)	(2,293)	>100
Other comprehensive loss for the period	(4,233)	(2,506)	68.9
Total comprehensive income for the period, attributable to owners of the Company	1,304	288	>100

n.m. : not meaningful

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

The Group	Share capital $'000	Asset revaluation reserve $'000	Employee benefit reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained Earnings $'000	Total $'000
Balance as at 1 January 2025 (as previously reported)	190,836	414,415	57	18,120	(19,152)	106,180	710,456
Restatement [1]	-	(1,951)	-	-	359	(3,599)	(5,191)
Balance as at 1 January 2025	190,836	412,464	57	18,120	(18,793)	102,581	705,265
Total comprehensive loss for the period:							
Profit for the period	-	-	-	-	-	2,794	2,794
Other comprehensive (loss) income for the period	-	-	-	(382)	(2,293)	169	(2,506)
Total	-	-	-	(382)	(2,293)	2,963	288
Transactions with owners, recognised directly in equity:							
Final dividend	-	-	-	-	-	(3,266)	(3,266)
Balance as at 30 June 2025	190,836	412,464	57	17,738	(21,086)	102,278	702,287
Balance as at 1 January 2026	190,836	433,563	51	19,762	(11,865)	109,520	741,867
Total comprehensive loss for the period:							
Profit for the period	-	-	-	-	-	5,537	5,537
Other comprehensive income (loss) for the period	-	-	-	1,971	(6,186)	(18)	(4,233)
Total	-	-	-	1,971	(6,186)	5,519	1,304
Transactions with owners, recognised directly in equity:							
Final dividend	-	-	-	-	-	(3,629)	(3,629)
Balance as at 30 June 2026	190,836	433,563	51	21,733	(18,051)	111,410	739,542

[1] The Group recognised deferred tax on fair value adjustment for certain freehold land - hotels on acquisition in prior years for which goodwill was subsequently impaired and revaluation subsequent to the acquisition, with a corresponding adjustment to asset revaluation reserve, foreign currency translation reserve and retained earnings. The adjustment has been applied retrospectively in accordance with SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors.

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

The Company	Share capital $'000	Asset revaluation reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000
Balance as at 1 January 2025	190,836	234,708	14,411	69,633	509,588
Total comprehensive income for the period:					
Profit for the period	-	-	-	276	276
Other comprehensive income for the period	-	-	23	-	23
Total	-	-	23	276	299
Transactions with owners, recognised directly in equity:					
Final dividend	-	-	-	(3,266)	(3,266)
Balance as at 30 June 2025	190,836	234,708	14,434	66,643	506,621
Balance as at 1 January 2026	190,836	241,408	15,462	69,200	516,906
Total comprehensive income for the period:					
Loss for the period	-	-	-	(20)	(20)
Other comprehensive income for the period	-		137	-	137
Total	-	-	137	(20)	117
Transactions with owners, recognised directly in equity:					
Final dividend	-	-	-	(3,629)	(3,629)
Balance as at 30 June 2026	190,836	241,408	15,599	65,551	513,394

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

	The Group	
	2026	2025
	$'000	$'000
Operating activities		
Profit before income tax	6,454	3,960
Adjustments for:		
Depreciation expense	3,581	3,800
Dividend income	(173)	(205)
Net fair value gain on financial assets at fair value through profit or loss	(65)	(127)
Recognition of rental income on a straight-line basis over the lease term	93	73
(Gain) Loss on disposal of property, plant and equipment	(11)	4
Interest expense	2,281	3,246
Interest income	(110)	(138)
Bad debts written off	11	-
(Reversal of) Allowance for doubtful receivables	(6)	5
Net foreign exchange adjustment (gain) loss	(1,607)	212
Operating cash flows before movements in working capital	10,448	10,830
Financial assets at fair value through profit or loss	(1,711)	443
Trade and other receivables	785	(1,111)
Inventories	34	18
Trade and other payables	(2,103)	(1,490)
Cash generated from operations	7,453	8,690
Dividend received	173	205
Interest paid	(2,281)	(3,246)
Interest received	110	138
Income tax paid	(1,219)	(1,076)
Net cash from operating activities	4,236	4,711
Investing activities		
Additions to investment properties	(2,398)	(354)
Additions to property, plant and equipment	(4,395)	(1,941)
Proceeds from disposal of financial assets held at fair value through other comprehensive income	471	1,939
Proceeds from disposal of property, plant and equipment	175	2
Purchase of financial assets held at fair value through other comprehensive income *	(2,246)	(1)
Net cash used in investing activities	(8,393)	(355)

* The purchase represents utilisation of existing cash placed with fund managers, which is classified as cash and cash equivalents and remains subject to the fund managers' discretion under their investment mandate.

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

	The Group	
	2026	**2025**
	$'000	**$'000**
Financing activities		
Dividends paid	(3,629)	(3,266)
Proceeds from bank loans	72,800	71,066
Repayment of bank loans	(70,315)	(74,045)
Net cash used in financing activities	(1,144)	(6,245)
Net decrease in cash and cash equivalents	(5,301)	(1,889)
Cash and cash equivalents at beginning of period	22,607	17,809
Effect of currency exchange adjustments	(496)	(202)
Cash and cash equivalents at end of period	16,810	15,718

Cash and cash equivalents consist of :

	The Group	
	2026	**2025**
	$'000	**$'000**
Cash on hand	102	139
Cash at bank	13,118	13,658
Fixed deposits	5,419	3,654
	18,639	17,451
Less: Fixed deposits pledged	(1,829)	(1,733)
Total	16,810	15,718

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 2026 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 operations");
(b) Owning and letting out investment properties ("property investments"); 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 investments")

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 2026 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 2025.

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 2025.

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:

- Notes 8 and 9 - Freehold hotel land and investment properties at revalued amounts
- Note 8 - Impairment of leasehold land, hotel building and building improvements ("leasehold land and hotel buildings")

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 2025, 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 2026.

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*

- Annual Improvements to SFRS(I)s–Volume 11

The adoption of the above amendments to SFRS(I) does 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		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Quoted bonds	2,378	1,883	-	-
Quoted funds	1,607	1,561	1,579	1,561
Structured products	2,193	855	1,680	385
Hedge funds	821	806	821	806
	6,999	5,105	4,080	2,752

The investments above offer the Group the opportunity for return through dividend income and fair value gains.

The fair values of quoted bonds, quoted funds and certain structured products are based on closing quoted market prices on the last market day of the financial year (Level 1).

The fair value of hedge funds and certain structured products are measured based on the net asset value of the funds provided by the fund managers (Level 2).

Changes in the fair value of financial assets at fair value through profit or loss, amounting to net gain of $65,000 (2025 : $127,000) have been included in profit or loss for the year as part of "other income".

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

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Current assets				
Quoted equity shares	6,016	3,418	251	221
Non-current assets				
Quoted equity shares	6,380	5,249	713	599
Unquoted equity shares	15,796	15,796	15,796	15,796
	22,176	21,045	16,509	16,395
Total	28,192	24,463	16,760	16,616

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 medium to 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. The carrying amounts of long-term borrowings approximate their fair values as interest rates float with market rates.

(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.

	Level 1		**Level 2**		**Level 3**	
	30 June 2026 $'000	**31 December 2025 $'000**	**30 June 2026 $'000**	**31 December 2025 $'000**	**30 June 2026 $'000**	**31 December 2025 $'000**
The Group						
Financial assets at fair value through profit or loss:						
- Quoted bonds	2,378	1,883	-	-	-	-
- Quoted funds	1,607	1,561	-	-	-	-
- Structured products	513	470	1,680	385		
- Hedge funds	-	-	821	806	-	-
Financial assets at fair value through other comprehensive income:						
- Quoted equity shares	12,396	8,667	-	-	-	-
- Unquoted equity shares	-	-	-	-	15,796	15,796

	Level 1		Level 2		Level 3	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
The Company						
Financial assets at fair value through profit or loss:						
- Quoted bonds	-	-	-	-	-	-
- Quoted funds	1,579	1,561	-	-	-	-
- Structured products	-	-	1,680	385	-	-
- Hedge funds	-	-	821	806	-	-
Financial assets at fair value through other comprehensive income						
- Quoted equity shares	964	820	-	-	-	-
- Unquoted equity shares	-	-	-	-	15,796	15,796

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 measured based on adjusted net assets of the unquoted equity shares. There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the current or prior period/year.

Reconciliation of Level 3 fair value measurement:

	30 June 2026 $'000	31 December 2025 $'000
Financial assets at FVTOCI		
The Group		
Opening balance	15,796	14,879
Total gains or loss:		
In other comprehensive income	-	917
Closing balance	15,796	15,796
The Company		
Opening balance	15,796	14,879
Total gains or loss:		
In other comprehensive income	-	917
Closing balance	15,796	15,796

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

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Trade receivables	1,686	2,990	286	423
Related parties [(1)]	45	13	-	-
Total	1,731	3,003	286	423
Less: Loss allowance	(149)	(293)	-	-
	1,582	2,710	286	423

(1) 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

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Outside parties	111	144	11	10
Refundable deposits	2,261	2,257	273	273
Subsidiary	-	-	96	12
Prepaid expenses	850	619	213	155
	3,222	3,020	593	450

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets amounting to $4,395,000 (30 June 2025: $1,941,000) and disposed assets amounting to $59,000 (30 June 2025: $6,000).

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 2025 and remained appropriate in determining the fair values of the property, plant and equipment and investment properties as at 30 June 2026.

No revaluation movements were recognised for the financial period ended 30 June 2026.

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.

	The Group	
	30 June 2026 $'000	**31 December 2025 $'000**
Beginning of financial period	166,376	130,424
Additions	2,398	1,009
Reclassification from property, plant and equipment	-	32,152
Effect of recognising accounting income on a straight line basis over the lease term	(93)	(71)
Changes in fair value through profit or loss	-	2,220
Exchange adjustment	(906)	642
End of financial period	167,775	166,376

	The Company	
	30 June 2026 $'000	**31 December 2025 $'000**
Beginning of financial period	38,350	37,367
Additions	4	-
Changes in fair value through profit or loss	-	983
End of financial period	38,354	38,350

Please refer to Note 8 for the valuation processes, techniques and inputs used in Level 3 fair value measurements for investment properties.

10. BANK LOANS / LONG-TERM BANK LOANS

	The Group		The Company	
	30 June 2026 $'000	**31 December 2025 $'000**	**30 June 2026 $'000**	**31 December 2025 $'000**
Amount repayable within one year or on demand				
Secured	4,207	7,150	-	-
Amount repayable after one year				
Secured	157,289	152,100	87,789	82,779

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

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Outside parties	7,116	8,952	1,631	2,807
Subsidiaries	-	-	9,252	8,928
Financial guarantee contract liabilities	-	-	2,262	2,580
Total	7,116	8,952	13,145	14,315
Less: Amount payable within 12 months (shown under current liabilities)	(6,889)	(8,868)	(2,188)	(3,412)
Amount payable after 12 months	227	84	10,957	10,903

12(i). SHARE CAPITAL

	The Group and the Company			
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	Number of ordinary shares ('000)		$'000	$'000
Issued and fully paid:				
Balance at beginning and end of period	120,960	120,960	190,836	190,836

12(ii). TREASURY SHARES

There are no treasury shares.

12(iii). A STATEMENT SHOWING ALL SALES, TRANSFERERS, CANCELLATION AND /OR USE OF SUBSIDARY 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:

	The Group First Half-Year Ended 30 June 2026 $'000	The Group First Half-Year Ended 30 June 2025 $'000
Room revenue	23,829	25,105
Food and beverage revenue	4,371	4,409
Spa revenue	293	249
Rental income from:		
Investment properties	3,808	3,430
Within premises	1,358	1,392
Car park revenue	274	203
Interest income from outside parties	55	83
Dividend income from:		
Quoted equity investments (gross)	173	205
Others	387	252
Total	34,548	35,328

14. OTHER INCOME

	The Group First Half-Year Ended 30 June 2026 $'000	The Group First Half-Year Ended 30 June 2025 $'000
Fair value gain on financial assets at FVTPL	65	127
Net foreign exchange adjustment gain	1,607	-
Reversal of allowance for doubtful debts	6	-
Interest income from fixed deposits	55	55
Gain on disposal of property, plant and equipment	11	-
Government grants	148	198
Other income	51	67
Total	1,943	447

15. FINANCE COSTS

	The Group First Half-Year Ended 30 June 2026 $'000	The Group First Half-Year Ended 30 June 2025 $'000
Interest expense on bank loans	2,281	3,246

16. PROFIT BEFORE INCOME TAX

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

	The Group First Half-Year Ended 30 June 2026 $'000	The Group First Half-Year Ended 30 June 2025 $'000
Bad debts written off	11	-
Depreciation	3,581	3,800
(Reversal of) Allowance for doubtful receivables	(6)	5
Net foreign exchange adjustment (gain) loss	(1,607)	212
(Gain) Loss on disposal of property, plant and equipment	(11)	4

17. INCOME TAX EXPENSE

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:

	The Group	
	First Half-Year Ended 30 June	
	2026	2025
	$'000	$'000
Current tax	606	903
Withholding tax	73	141
Deferred tax	208	122
	887	1,166
Under provision in prior years:		
- deferred tax	30	-
Total income tax expense	917	1,166

18. EARNINGS PER ORDINARY SHARE (EPS)

	The Group	
	First Half-Year Ended 30 June	
	2026	2025
EPS (based on consolidated profit after taxation)		
- on weighted average number of shares (cents)	4.58	2.31
- on a fully diluted basis (cents)	4.58	2.31

Basic profit per share is calculated based on the Group's profit for first half-year ended 30 June 2026 of $5.537 million (30 June 2025: $2.794 million) after income tax expense divided by 120.96 million ordinary shares (2025: 120.96 million).

Diluted profit per ordinary share is the same as basic profit per ordinary share as there were no dilutive potential ordinary shares.

19. NET ASSET VALUE (NAV)

	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
NAV per share based on issued number of shares as at the end of the respective period ($)	6.11	6.13	4.24	4.27

The NAV per share as at 30 June 2026 and 31 December 2025 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

	External		Inter-segment		Total	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Hotel operations						
Singapore	11,532	13,373	-	-	11,532	13,373
Malaysia	9,672	9,364	-	-	9,672	9,364
Thailand	9,092	8,873	-	-	9,092	8,873
	30,296	31,610	-	-	30,296	31,610
Property investments						
Singapore	641	624	-	-	641	624
New Zealand	2,212	2,234	-	-	2,212	2,234
Malaysia	1,170	572	-	-	1,170	572
	4,023	3,430	-	-	4,023	3,430
Financial investments	229	288	-	-	229	288
Segments total	34,548	35,328	-	-	34,548	35,328

II Net profit
For six months period ended 30 June

	Net profit (loss) for the period	
	2026	2025
	$'000	$'000
Hotel operations		
Singapore	1,262	2,181
Malaysia	1,284	384
Thailand	4,811	3,406
	7,357	5,971
Property investments		
Singapore	459	457
New Zealand	412	348
Malaysia	366	284
	1,237	1,089
Financial investments	140	146
Segments total	8,735	7,206
Finance costs	(2,281)	(3,246)
Profit before income tax	6,454	3,960
Income tax expense	(917)	(1,166)
Profit after income tax	5,537	2,794

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

	Segment assets		Segment liabilities	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Hotel operations				
Singapore	472,632	459,713	3,229	3,812
Malaysia	148,677	162,389	4,179	2,783
Thailand	99,596	100,145	1,887	2,056
	720,905	722,247	9,295	8,651
Property investments				
Singapore	48,806	47,303	73	84
New Zealand	58,753	59,020	458	473
Malaysia	60,796	25,931	-	-
	168,355	132,254	531	557
Financial investments	37,817	31,968	23	12
Segments total	927,077	886,469	9,849	9,220
Unallocated items	5,515	3,756	183,201	178,718
Consolidated total	932,592	890,225	193,050	187,938

IV Other segment information
For six months period ended 30 June

	Depreciation		Additions to non-current assets	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Hotel operations				
Singapore	1,131	1,171	2,117	927
Malaysia	1,886	2,118	2,178	809
Thailand	564	511	100	205
	3,581	3,800	4,395	1,941
Property investments				
Singapore	-	-	4	-
New Zealand	-	-	2,394	354
Malaysia	-	-	-	-
	-	-	2,398	354
Consolidated total	3,581	3,800	6,793	2,295

V Geographical information
For six months period ended 30 June

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

	Revenue from external customers		Non-current assets	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore	12,402	14,285	540,334	521,839
Malaysia	10,842	9,936	205,172	182,349
New Zealand	2,212	2,234	58,345	58,380
Thailand	9,092	8,873	91,301	95,029
	34,548	35,328	895,152	857,597

21. SUBSEQUENT EVENTS

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

22. RECLASSIFICATION OF COMPARATIVE INFORMATION

During the period, the Group reassessed the classification of certain expenses to better reflect the nature and align with current period presentation. Accordingly, the comparative figures for the period ended 30 June 2025 have been reclassified to conform with the current year's presentation. These reclassifications have no impact on the Group's profit for the period, attributable to owners of the Company, Condensed Interim Statement of Financial Position, Condensed Interim Statement of Changes in Equity and Condensed Interim Consolidated Statement of Cash Flows.

The items were reclassified as follows:

Consolidated statement of profit or loss for the period ended 30 June 2025:

	The Group 6 months period ended 30 June 2025		
	As previously reported	Reclassification	As reclassified
	$'000	$'000	$'000
Cost of sales	(16,598)	(3,684)	(20,282)
Distribution costs	(602)	602	-
Administrative expenses	(11,148)	3,082	(8,066)

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 2026 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:

	The Group First Half-Year Ended 30 June		
	2026 $'000	2025 $'000	+/(-) %
Room revenue	23,829	25,105	(5.1)
Food and beverage revenue	4,371	4,409	(0.9)
Spa revenue	293	249	17.7
Rental income from:			
Investment properties	3,808	3,430	11.0
Within premises	1,358	1,392	(2.4)
Car park revenue	274	203	35.0
Interest income from outside parties	55	83	(33.7)
Dividend income from:			
Quoted equity investments (gross)	173	205	(15.6)
Others	387	252	53.6
Total	34,548	35,328	(2.2)

Room revenue

Group room revenue decreased by 5.1% for 1H 2026 compared to 1H 2025, mainly due to weaker room demand as reflected by lower occupancy rates from Group's regional hotel operations.

Food and beverage revenue

The decrease in food and beverage revenue by 0.9% for 1H 2026 compared to 1H 2025 was mainly driven by lower occupancy rates which resulted in reduced in house guest spending on food and beverage services.

Rental income from investment properties

Rental income from investment properties increased by 11.0% for 1H 2026 compared to 1H 2025, mainly due to higher rental income arising from new tenancy agreement in Penang, Malaysia.

Rental income from within premises

The decrease in rental income from within premises by 2.4% for 1H 2026 compared to 1H 2025 was mainly due to reclassification of hotel building located in Penang, Malaysia from property, plant and equipment to investment properties, following a change in the intended use of the property to generate rental income.

ii. Cost of Sales

The decrease in cost of sales by 6.5% for 1H 2026 compared to 1H 2025 was mainly attributable to the lower revenue generated during the period, together with continued cost management initiatives and improved operational efficiencies across the Group's hotel operations.

iii. Other income

The increase in other income for 1H 2026 compared to 1H 2025 was mainly due to foreign exchange gains recognised during the current financial period.

iv. Administrative expenses

The increase in administrative expenses by 9.0% for 1H 2026 compared to 1H 2025 was mainly due to higher overhead expenses, especially the payroll costs, in the Group's hotels.

v. Other expenses

The decrease in other expenses for 1H 2026 compared to 1H 2025 was primarily due to foreign exchange losses in the previous period as compared to foreign exchange gains recognised during the current financial period.

vi. Finance costs

The decrease in finance costs by 29.7% for 1H 2026 compared to 1H 2025 was mainly due to lower market interest rates in 1H 2026 as most of the Group's borrowings are subject to floating interest rates.

vii. **Income tax expense**

The 21.4% decrease in income tax expense for 1H 2026 compared to 1H 2025 was mainly attributable to tax incentives, together with the geographical mix of taxable profits generated by the Group during the period.

viii. Net profit of segment performance for the six months period ended 30 June

	The Group Net profit 2026 $'000	2025 $'000	+/(-) %
Hotel operations	7,357	5,971	23.2
Property investments	1,237	1,089	13.6
Financial investments	140	146	(4.1)
Segments total	8,735	7,206	21.2
Finance costs	(2,281)	(3,246)	(29.7)
Profit before income tax	6,454	3,960	63.0
Income tax expense	(917)	(1,166)	(21.4)
Profit after income tax	5,537	2,794	98.2

The hotel operations segment recorded an increase in net profit of $1.386 million, from $5.971 million in 1H 2025 to $7.357 million in 1H 2026. This improvement was primarily attributable to the foreign exchange gains recorded in the first half of 2026.

The property investment segment recorded a growth in net profit of $0.148 million, improved to $1.237 million in the first half of 2026. This increase was mainly primarily driven by higher rental income following the commencement of new tenancy agreement in Malaysia.

The financial investment segment reported a decrease in net profit of $0.006 million, dropped to $0.140 million in the first half of 2026 compared to the previous period. The decline was primarily due to lower fair value gain on financial assets.

(a) Condensed Interim Statement of Financial Position

Total assets (Group) as at 30 June 2026 decreased by $3.179 million from $935.771 million to $932.592 million.

The decrease was mainly due to:

- Decrease in cash and bank balances of $5.791 million, primarily attributable to cash used for dividend payments;

- Decrease in trade receivables of $1.128 million was mainly due to repayment received; and

- Decrease in property, plant and equipment of $3.536 million was mainly due to depreciation charged during the financial period and translation losses resulting from weakening of Thai Baht against Singapore dollar.

The decrease was offset by:

- The increase in financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss of $5.623 million.

- The increase in investment properties of $1.399 million due to addition in New Zealand properties.

Total liabilities (Group) as at 30 June 2026 decreased by $0.854 million from $193.904 million to $193.050 million.

The decrease was mainly due to:

- Decrease in income tax payables of $0.541 million was due to payment of income tax liabilities during the financial period.

- Decrease in trade and other payables of $2.216 million was due to repayment and utilisation of advance payment received from customers during the financial period.

The decrease was offset by:

- Increase in bank loans of $2.246 million was a result of the drawdown of bank borrowings during the financial period.

(b) <u>Condensed Interim Statement of Cash Flows</u>

Net cash from operating activities was derived from the operating activities of the hotel, investment properties and fund management.

Net cash used in investing activities was primarily due to purchase of financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss, as well as capital expenditure incurred for additions and enhancements to the Group's hotel properties and investment properties.

Net cash used in financing activities was mainly due to dividend payments to shareholders.

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

For the six months ended 30 June 2026, the Group recorded revenue of $34.548 million, representing a year-on-year decrease of approximately 2.2% compared with the corresponding period in the previous year. The decrease was mainly attributable to lower revenue from the Group’s regional hotel operations, amid weaker international travel demand and disruptions to air connectivity arising from ongoing geopolitical tensions in the Middle East.

Looking ahead, the operating environment is expected to remain challenging. Continuing geopolitical uncertainty, disruptions to international air travel and cautious consumer sentiment may weigh on long haul travel demand. The Group expects demand from certain European markets to remain subdued and is adjusting its sales and marketing strategies to strengthen its focus on key Asian markets, as well as diversifying within its long-haul source markets to include Australia and New Zealand. These initiatives are intended to broaden the Group’s geographical market mix, reduce reliance on any single long-haul region, and mitigate the impact of weaker demand from Europe.

The Group will continue to exercise disciplined cost management, enhance operating efficiency and optimise its revenue mix across its hotels. These measures are intended to mitigate pressure on margins while maintaining service standards and the competitive positioning of the Group’s properties.

The Group’s financial performance may also be affected by movements in the New Zealand dollar, United States dollar, Malaysian ringgit and Thai baht against the Singapore dollar.

5. DIVIDENDS

(a) Current Financial Period Reported On

No interim dividend is recommended for the current first half-year ended 30 June 2026.

(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 2026.

6. INTERESTED PERSON TRANSACTIONS

There were no interested person transactions of $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 2026 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Sin Chee Mei
Company Secretary

11 August 2026