

HOTEL PROPERTIES LIMITED

(Registration No. 198000348Z)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED

DECEMBER 31, 2022

HOTEL PROPERTIES LIMITED

INTERIM FINANCIAL STATEMENTS

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(REG. NO. 198000348Z)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED
DECEMBER 31, 2022**

SECTION 1 - CONDENSED INTERIM FINANCIAL STATEMENTS

A(i). Condensed Interim Consolidated Income Statement

	Note	GROUP \$'000			
		2H'2022	2H'2021	FY2022	FY2021
Revenue	4	276,012	174,586	525,507	344,221
Cost of sales	5	(221,747)	(156,047)	(420,092)	(306,881)
Gross profit		54,265	18,539	105,415	37,340
Other operating income	5	5,207	26,899	8,020	52,610
Administrative expenses		(39,656)	(27,132)	(71,029)	(50,034)
Other operating expenses	5	(6,172)	(1,697)	(18,485)	(5,060)
Finance costs		(37,612)	(17,961)	(59,434)	(34,737)
Share of results of associates and jointly controlled entities		18,259	9,712	38,317	(8,984)
Profit (Loss) before income tax and fair value changes in investment properties		(5,709)	8,360	2,804	(8,865)
Net fair value gain in investment properties		77,829	3,604	77,829	3,604
Profit (Loss) before income tax	5	72,120	11,964	80,633	(5,261)
Income tax (expense) credit	6	(7,319)	1,376	(10,045)	(462)
Profit (Loss) after income tax		64,801	13,340	70,588	(5,723)
Attributable to:					
Shareholders of the Company		74,484	14,614	76,408	(7,691)
Non-controlling interests		(9,683)	(1,274)	(5,820)	1,968
		64,801	13,340	70,588	(5,723)
Earnings (Loss) per ordinary share (Cents):					
- basic		12.27	1.45	12.65	(4.17)
- diluted		12.27	1.45	12.64	(4.17)

Basic earnings (loss) per ordinary share is calculated based on the Group net profit (loss) attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders divided by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

A(ii). Condensed Interim Consolidated Statement of Other Comprehensive Income

	GROUP \$'000			
	2H'2022	2H'2021	FY2022	FY2021
Profit (Loss) after income tax	64,801	13,340	70,588	(5,723)
Other comprehensive income (loss) (net of tax):				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit obligation	35	767	35	767
Decrease in other reserves	-	(71)	-	-
Share of other comprehensive income (loss) of a jointly controlled entity	1,972	-	(5,191)	-
	2,007	696	(5,156)	767
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange fluctuation and other reserves	(15,676)	(4,160)	(34,517)	(15,851)
Share of other comprehensive loss of associates and jointly controlled entities	(21,658)	(9,425)	(54,808)	(2,557)
	(37,334)	(13,585)	(89,325)	(18,408)
Total comprehensive income (loss)	29,474	451	(23,893)	(23,364)
Attributable to:				
Shareholders of the Company	42,202	2,090	(12,428)	(25,363)
Non-controlling interests	(12,728)	(1,639)	(11,465)	1,999
	29,474	451	(23,893)	(23,364)

B. Condensed Interim Statements of Financial Position

	Note	GROUP \$'000		COMPANY \$'000	
		Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
ASSETS					
Current assets:					
Cash and bank balances		105,308	85,609	25,011	25,685
Held-for-trading investments	9	2,490	3,476	-	-
Trade and other receivables		79,903	75,724	3,490	3,224
Amount due from associates and jointly controlled entities ^(a)		49,137	102,834	-	6,009
Amount due from subsidiaries		-	-	231,723	222,026
Inventories		14,207	12,359	129	85
Assets classified as held for sale ^(b)		87,797	-	-	-
Completed properties held for sale		7,497	7,821	-	-
Total current assets		346,339	287,823	260,353	257,029
Non-current assets:					
Associates and jointly controlled entities ^(c)		912,674	690,122	5,980	-
Subsidiaries		-	-	1,728,387	1,565,777
Investments	9	249,601	261,640	-	-
Property, plant and equipment	10	1,615,989	1,578,380	216,573	217,381
Investment properties	11	674,928	684,896	-	-
Long-term deposits		24,922	29,296	24,922	23,163
Deferred tax assets		3,319	5,691	-	-
Intangible assets		9,703	9,686	-	-
Total non-current assets		3,491,136	3,259,711	1,975,862	1,806,321
Total assets		3,837,475	3,547,534	2,236,215	2,063,350
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings ^(d)	12	215,145	156,864	-	-
Trade and other payables ^(e)		157,713	115,422	19,108	8,400
Amount due to subsidiaries		-	-	653	10,228
Income tax payable		3,778	3,911	-	-
Total current liabilities		376,636	276,197	19,761	18,628
Non-current liabilities:					
Advances from subsidiaries		-	-	450,024	372,776
Long-term borrowings	12	1,368,210	1,061,941	716,120	478,800
Long-term lease liabilities		114,535	103,072	-	-
Deferred tax liabilities		15,164	15,183	380	478
Total non-current liabilities		1,497,909	1,180,196	1,166,524	852,054
Share capital and reserves:					
Share capital	13	726,780	725,493	726,780	725,493
Treasury shares		(1,746)	(1,746)	(1,746)	(1,746)
Reserves		922,822	968,542	165,682	160,955
Equity attributable to shareholders of the Company		1,647,856	1,692,289	890,716	884,702
Perpetual capital securities		159,214	307,966	159,214	307,966
		1,807,070	2,000,255	1,049,930	1,192,668
Non-controlling interests		155,860	90,886	-	-
Total equity		1,962,930	2,091,141	1,049,930	1,192,668
Total liabilities and equity		3,837,475	3,547,534	2,236,215	2,063,350

Note:

- Amount due from associates and jointly controlled entities decreased mainly due to repayment from a jointly controlled entity.
- The Group, through its wholly-owned subsidiaries, has agreed to dispose of all 7 shop units that it owns in Ming Arcade in December 2022. Accordingly, these Investment properties were reclassified to Assets classified as held for sale as at December 31, 2022.
- The increase in Associates and jointly controlled entities is mainly attributable to investments during the year including equity contribution and advances of \$41 million to associates and jointly controlled entities in which certain directors are deemed to have interest.
- Short-term borrowings increased mainly due to reclassification of long-term borrowings due within 12 months. This has resulted in a net current liabilities position as at December 31, 2022 which is temporary, as most of these borrowings are capable of being refinanced. Notwithstanding the net current liabilities position, the Group has available committed revolving credit facilities to meet its current obligations as and when they fall due.
- The increase in Trade and other payables is mainly attributable to higher revenue from the Group's hotels and resorts with the re-opening of borders of most countries.

C. Condensed Interim Statements of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves* \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP									
Balance as at Jan 1, 2021	725,493	(1,746)	1,035,864	(7,428)	1,752,183	307,966	2,060,149	87,661	2,147,810
Total comprehensive income (loss) for the year									
Profit (Loss) for the year	-	-	(7,691)	-	(7,691)	-	(7,691)	1,968	(5,723)
Other comprehensive income (loss) for the year	-	-	767	(18,439)	(17,672)	-	(17,672)	31	(17,641)
Total	-	-	(6,924)	(18,439)	(25,363)	-	(25,363)	1,999	(23,364)
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	323	323	-	323	-	323
Dividends	-	-	(20,839)	-	(20,839)	-	(20,839)	-	(20,839)
Net movement during the year	-	-	-	-	-	-	-	1,226	1,226
Total	-	-	(20,839)	323	(20,516)	-	(20,516)	1,226	(19,290)
Distribution to perpetual capital securities holders	-	-	(14,015)	-	(14,015)	-	(14,015)	-	(14,015)
Balance as at Dec 31, 2021	725,493	(1,746)	994,086	(25,544)	1,692,289	307,966	2,000,255	90,886	2,091,141
Total comprehensive income (loss) for the year									
Profit (Loss) for the year	-	-	76,408	-	76,408	-	76,408	(5,820)	70,588
Other comprehensive income (loss) for the year	-	-	(924)	(87,912)	(88,836)	-	(88,836)	(5,645)	(94,481)
Total	-	-	75,484	(87,912)	(12,428)	-	(12,428)	(11,465)	(23,893)
Transactions with owners, recognised directly in equity									
Dividends	-	-	(20,852)	-	(20,852)	-	(20,852)	-	(20,852)
Net movement during the year	-	-	(237)	(216)	(453)	-	(453)	76,439	75,986
Issue of shares	1,287	-	-	(240)	1,047	-	1,047	-	1,047
Total	1,287	-	(21,089)	(456)	(20,258)	-	(20,258)	76,439	56,181
Redemption of perpetual capital securities	-	-	(1,248)	-	(1,248)	(148,752)	(150,000)	-	(150,000)
Distribution to perpetual capital securities holders	-	-	(10,499)	-	(10,499)	-	(10,499)	-	(10,499)
Balance as at Dec 31, 2022	726,780	(1,746)	1,036,734	(113,912)	1,647,856	159,214	1,807,070	155,860	1,962,930

* Includes exchange fluctuation reserve, hedge reserve, option reserve and other capital reserve.

C. Condensed Interim Statements of Changes in Equity (cont'd)

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves** \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY							
Balance as at Jan 1, 2021	725,493	(1,746)	152,798	9,922	886,467	307,966	1,194,433
Total comprehensive income for the year							
Profit for the year	-	-	31,988	-	31,988	-	31,988
Other comprehensive income for the year	-	-	-	778	778	-	778
Total	-	-	31,988	778	32,766	-	32,766
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	323	323	-	323
Dividends	-	-	(20,839)	-	(20,839)	-	(20,839)
Total	-	-	(20,839)	323	(20,516)	-	(20,516)
Distribution to perpetual capital securities holders	-	-	(14,015)	-	(14,015)	-	(14,015)
Balance as at Dec 31, 2021	725,493	(1,746)	149,932	11,023	884,702	307,966	1,192,668
Total comprehensive income for the year							
Profit for the year	-	-	37,566	-	37,566	-	37,566
Total	-	-	37,566	-	37,566	-	37,566
Transactions with owners, recognised directly in equity							
Dividends	-	-	(20,852)	-	(20,852)	-	(20,852)
Net movement during the year	-	-	95	(95)	-	-	-
Issue of shares	1,287	-	-	(240)	1,047	-	1,047
Total	1,287	-	(20,757)	(335)	(19,805)	-	(19,805)
Redemption of perpetual capital securities	-	-	(1,248)	-	(1,248)	(148,752)	(150,000)
Distribution to perpetual capital securities holders	-	-	(10,499)	-	(10,499)	-	(10,499)
Balance as at Dec 31, 2022	726,780	(1,746)	154,994	10,688	890,716	159,214	1,049,930

** Includes hedge reserve and option reserve.

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Year ended Dec 31, 2022 \$'000	Year ended Dec 31, 2021 \$'000
Cash flows from operating activities:			
Profit before income tax and share of results of associates and jointly controlled entities		42,316	3,723
Adjustments for:			
Amortisation of intangible assets		55	220
Depreciation expense		76,499	79,379
Share-based payment expense		-	323
Net fair value gain in investment properties		(77,829)	(3,604)
Net fair value loss in held-for-trading investments	5	75	315
Net fair value loss (gain) in investments	5	17,329	(45,115)
Net (gain) loss on disposal of property, plant and equipment	5	(187)	24
Finance costs		59,434	34,737
Interest income	5	(1,437)	(964)
Dividend income	5	(2,763)	(4,610)
Profit before working capital changes		113,492	64,428
Trade and other payables		42,614	6,792
Trade and other receivables		(6,990)	(11,550)
Held-for-trading investments		911	(960)
Inventories		(2,112)	(2,068)
Cash generated from operations		147,915	56,642
Dividend received		2,763	4,610
Income tax paid		(5,755)	(7,148)
Net cash from operating activities		144,923	54,104
Cash flows used in investing activities:			
Additional property, plant and equipment		(132,308)	(96,112)
Net additional investments		(8,190)	(39,710)
Net deposits refunded from (placed for) investments		1,709	(29,296)
Net investment in associates and jointly controlled entities		(230,344)	(74,884)
Proceeds from disposal of investments		-	35,836
Proceeds from disposal of property, plant and equipment		1,430	347
Net cash used in investing activities		(367,703)	(203,819)
Cash flows from financing activities:			
Interest received		1,437	964
Finance costs paid		(53,310)	(35,303)
Repayment of lease liabilities		(9,687)	(2,549)
Dividend paid	7	(20,852)	(20,839)
Distribution to perpetual capital securities holders		(10,499)	(14,015)
Net receipts from non-controlling shareholders ^(a)		76,796	73
Additional borrowings ^(b)		642,062	313,372
Repayment of borrowings ^(b)		(228,947)	(103,913)
Increase in deposits under pledge to bank		(13,196)	-
Redemption of perpetual capital securities		(150,000)	-
Proceeds from issue of shares		1,047	-
Net cash from financing activities		234,851	137,790
Net increase (decrease) in cash and cash equivalents		12,071	(11,925)
Cash and cash equivalents at beginning of year		81,365	91,569
Effect of exchange rate changes on cash balances held in foreign currencies		(5,538)	1,721
Cash and cash equivalents at end of year		87,898	81,365

Note:

- (a) Net receipts from non-controlling shareholders during the year under review was mainly attributable to investment in Cuscaden Peak Pte Ltd.
- (b) Net additional borrowings were utilised mainly for investing activities during the year under review, contributing to an increase in Long-term borrowings in the Group Statement of Financial Position as well as an increase in Finance costs in the Consolidated Income Statement.

Cash and cash equivalents at end of year

The cash and cash equivalents as at December 31, 2022, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$17,410,000 (December 31, 2021: \$4,244,000).

E. Notes to the Condensed Interim Financial Statements

1. Corporate Information

Hotel Properties Limited ("The Company") is incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited. The principal business activities of the Group are those of hotel ownership, management and operation, property development and investment holding.

2. Basis of Preparation

The condensed interim financial statements as at and for the six months and full year ended December 31, 2022, 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 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 interim financial statements for the period ended June 30, 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 that are mandatory for financial years beginning on or after January 1, 2022. The adoption of these revised SFRS(I)s and amendments has no significant impact to the Group.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. Use of Judgements and Estimates

In preparing the condensed interim financial statements, 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 December 31, 2021.

3. Segment Information

The segment information of the Group is organised into the following reportable segments:

Hotels

These refer mainly to the operations of the hotels and the shopping galleries of the Group as well as the provision of hotel management services. Income is derived mainly from the rental of rooms and shop units, sale of food and beverage and management fee.

Properties

These refer to the rental and sale operations on residential properties and commercial units. Sales and profit from the condominium development projects in Singapore are recognised based on percentage of completion method, and those from overseas projects are recognised based on completion of construction method.

Others

These refer to distribution and retail operations, activities on quoted and unquoted investments and others.

3. Segment Information (cont'd)

Information by business segment

Second Half ended December 31, 2022

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	264,552	11,457	3		276,012
Inter-segment sales	-	167	-	(167)	-
Total revenue	264,552	11,624	3	(167)	276,012
RESULTS					
Profit (Loss) before interest and tax	18,984	(2,121)	(4,047)		12,816
Finance costs					(37,612)
Interest income					828
Share of results of associates and jointly controlled entities	(1,125)	19,115	269		18,259
Profit before fair value changes					(5,709)
Fair value changes in investment properties		77,829			77,829
Profit before income tax					72,120
Income tax expense					(7,319)
Non-controlling interests					9,683
Profit attributable to shareholders of the Company					74,484
Segment assets	1,754,239	818,531	252,729		2,825,499
Investment in equity accounted investees	240,786	720,769	256		961,811
Unallocated corporate assets					50,165
Consolidated total assets					3,837,475
Segment liabilities	262,224	8,625	1,129		271,978
Unallocated corporate liabilities					1,602,567
Consolidated total liabilities					1,874,545

3. Segment Information (cont'd)

Information by business segment (cont'd)

Second Half ended December 31, 2021

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	163,750	10,833	3		174,586
Inter-segment sales	-	168	-	(168)	-
Total revenue	163,750	11,001	3	(168)	174,586
RESULTS					
Profit (Loss) before interest and tax	(10,053)	2,060	24,132		16,139
Finance costs					(17,961)
Interest income					470
Share of results of associates and jointly controlled entities	9,027	1,333	(648)		9,712
Profit before fair value changes					8,360
Fair value changes in investment properties		3,604			3,604
Profit before income tax					11,964
Income tax credit					1,376
Non-controlling interests					1,274
Profit attributable to shareholders of the Company					14,614
Segment assets	1,707,558	741,749	276,027		2,725,334
Investment in equity accounted investees	316,820	475,684	452		792,956
Unallocated corporate assets					29,244
Consolidated total assets					3,547,534
Segment liabilities	205,915	8,411	3,905		218,231
Unallocated corporate liabilities					1,238,162
Consolidated total liabilities					1,456,393

3. Segment Information (cont'd)

Information by business segment (cont'd)

Year ended December 31, 2022

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	502,865	22,636	6		525,507
Inter-segment sales	-	335	-	(335)	-
Total revenue	502,865	22,971	6	(335)	525,507
RESULTS					
Profit (Loss) before interest and tax	37,539	(103)	(14,952)		22,484
Finance costs					(59,434)
Interest income					1,437
Share of results of associates and jointly controlled entities	21,286	17,486	(455)		38,317
Profit before fair value changes					2,804
Fair value changes in investment properties		77,829			77,829
Profit before income tax					80,633
Income tax expense					(10,045)
Non-controlling interests					5,820
Profit attributable to shareholders of the Company					76,408
Segment assets					
Segment assets	1,754,239	818,531	252,729		2,825,499
Investment in equity accounted investees	240,786	720,769	256		961,811
Unallocated corporate assets					50,165
Consolidated total assets					3,837,475
Segment liabilities					
Segment liabilities	262,224	8,625	1,129		271,978
Unallocated corporate liabilities					1,602,567
Consolidated total liabilities					1,874,545

3. Segment Information (cont'd)

Information by business segment (cont'd)

Year ended December 31, 2021

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	321,781	22,434	6		344,221
Inter-segment sales	-	335	-	(335)	-
Total revenue	321,781	22,769	6	(335)	344,221
RESULTS					
Profit (Loss) before interest and tax	(21,636)	6,485	49,043		33,892
Finance costs					(34,737)
Interest income					964
Share of results of associates and jointly controlled entities	(11,103)	4,310	(2,191)		(8,984)
Loss before fair value changes					(8,865)
Fair value changes in investment properties		3,604			3,604
Loss before income tax					(5,261)
Income tax expense					(462)
Non-controlling interests					(1,968)
Loss attributable to shareholders of the Company					(7,691)
Segment assets					
Segment assets	1,707,558	741,749	276,027		2,725,334
Investment in equity accounted investees	316,820	475,684	452		792,956
Unallocated corporate assets					29,244
Consolidated total assets					3,547,534
Segment liabilities					
Segment liabilities	205,915	8,411	3,905		218,231
Unallocated corporate liabilities					1,238,162
Consolidated total liabilities					1,456,393

4. Revenue

	GROUP \$'000			
	2H'2022	2H'2021	FY2022	FY2021
Hotel revenue	263,597	163,184	501,092	320,622
Rental income	11,165	10,525	21,967	21,796
Management fee	1,250	877	2,448	1,803
Total	276,012	174,586	525,507	344,221

Hotel room revenue is recognised at a point in time based on room occupancy while other hotel revenue are recognised at a point in time when the goods are delivered or the services are rendered to the customers.

Management fee income is recognised when services are rendered over the contractual period.

5. Profit (Loss) Before Income Tax

The following items have been included in arriving at profit (loss) before income tax:

	GROUP \$'000			
	2H'2022	2H'2021	FY2022	FY2021
Dividend income*	1,811	2,171	2,763	4,610
Interest income*	828	470	1,437	964
Depreciation and amortisation**	(37,831)	(40,776)	(76,554)	(79,599)
Net allowance for doubtful trade receivables*	(219)	(115)	(232)	(220)
Net fair value gain (loss) in held-for-trading investments*	45	(956)	(75)	(315)
Net fair value (loss) gain in investments*	(5,696)	23,169	(17,329)	45,115
Net foreign exchange gain (loss)*	1,027	(489)	985	(3,638)
Net adjustment for over provision of tax in respect of prior years	29	1,038	1,490	1,694
Net gain (loss) on disposal of property, plant and equipment*	144	(8)	187	(24)

During the year ended December 31, 2022, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government, and an amount of \$1.2 million (December 31, 2021: \$8.9 million) was recognised in profit or loss against staff costs.

Note:

* Included in Other operating income (expenses).

** Included in Cost of sales.

5.1. Related Party Transactions

Significant related party transactions during the year, other than those disclosed elsewhere in the financial statements, are as follows:

	GROUP \$'000			
	2H'2022	2H'2021	FY2022	FY2021
Transactions with companies in which certain directors are deemed to have interests:				
Management fee expense	(470)	(275)	(852)	(560)
Management fee income	707	662	1,621	1,395
Rental income	2,834	3,012	5,980	6,368
Transactions with associates:				
Management fee income	359	218	651	415

6. 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 income statement are:

	GROUP \$'000			
	2H'2022	2H'2021	FY2022	FY2021
Current tax	(2,366)	(1,110)	(7,077)	(4,574)
Deferred tax	(4,982)	1,448	(4,458)	2,418
	(7,348)	338	(11,535)	(2,156)
Over (Under) provision of tax in respect of prior years	29	(695)	1,490	(39)
Over provision of tax in respect of prior years on share of profits from partnership classified as jointly controlled entity	-	1,733	-	1,733
	(7,319)	1,376	(10,045)	(462)

7. Dividends

	GROUP \$'000	
	Year ended Dec 31, 2022	Year ended Dec 31, 2021
Ordinary dividends paid:		
First and final one-tier tax exempt dividend of 4 cents per share (2021: First and final one-tier tax exempt dividend of 4 cents per share)	20,852	20,839

8. Net Asset Value

	Dec 31, 2022	Dec 31, 2021
Group	\$3.16	\$3.25
Company	\$1.71	\$1.70

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares (excluding treasury shares) of the Company.

9. Financial Assets Measured at Fair Value

	GROUP \$'000	
	Dec 31, 2022	Dec 31, 2021
Financial assets measured at FVTPL	252,091	264,119
Financial assets at FVTOCI		
Debt instruments measured at FVTOCI	-	997

9.1. Financial Value Measurement

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, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) 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.

The table below analyses financial instrument carried at fair value, by valuation method.

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group - Dec 31, 2022				
<i>Financial assets</i>				
Held-for-trading investments	2,490	2,490	-	-
Investments	249,601	128,561	-	*121,040
Group - Dec 31, 2021				
<i>Financial assets</i>				
Held-for-trading investments	3,476	3,476	-	-
Investments	261,640	152,051	-	*109,589

*The key unobservable input used to determine this fair value is the net asset value. The higher the net asset value, the higher the fair value of the investments.

9. Financial Assets Measured at Fair Value (cont'd)

9.1. Financial Value Measurement (cont'd)

Reconciliation of level 3 fair value measurements:

	GROUP \$'000	
	Dec 31, 2022	Dec 31, 2021
<i>Unquoted investments:</i>		
Opening balance	109,589	81,846
Total net gains or (losses)		
- In profit or loss	6,994	18,787
Net purchases	4,457	8,956
Closing balance	121,040	109,589

Financial liabilities

As at December 31, 2022, the carrying amount of certain notes payable and other long-term liabilities which bear fixed interest rates was \$523,672,000 and their fair value was \$466,758,000 (December 31, 2021: \$344,481,000 and \$348,499,000 respectively).

10. Property, Plant and Equipment

During the year ended December 31, 2022, the Group acquired assets amounting to \$132,308,000 (December 31, 2021: \$96,112,000) and disposed of assets with net book value amounting to \$1,243,000 (December 31, 2021: \$371,000).

As at December 31, 2022, commitments for purchase of property, plant and equipment contracted but not provided for amounted to \$34,865,000 (December 31, 2021: \$25,647,000).

11. Investment Properties

11.1. Valuation

The fair value of the investment properties at December 31, 2022 has been determined on the basis of valuation carried out at the year end date by independent valuers having an appropriate recognised professional qualification based on income capitalisation approach and direct comparison method that reflects prevailing property market conditions and existing tenancies as at this date.

The Group considers certain unobservable inputs used by the independent valuers in determining the fair value measurement of the Group's investment properties as sensitive to the fair value measurement. A change in these inputs will have a corresponding change in the fair valuation.

12. Borrowings

Aggregate Amount of Group's Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at Dec 31, 2022		As at Dec 31, 2021	
Secured	Unsecured	Secured	Unsecured
\$215,145,000	-	\$156,864,000	-

Amount repayable after one year

As at Dec 31, 2022		As at Dec 31, 2021	
Secured	Unsecured	Secured	Unsecured
\$845,458,000	\$522,752,000	\$718,655,000	\$343,286,000

Details of any collateral

The above are secured by legal mortgages on properties of the Company and some subsidiaries, fixed and floating charges on assets of the Company and some subsidiaries and pledge of shares of certain subsidiaries.

13. Share Capital

13.1. Details of Any Changes in Company's Issued Share Capital

The Company did not issue any new shares since the end of the previous period reported on.

As at December 31, 2022, the number of outstanding share options under the Company's Share Option Scheme was 18,375,000 (as at December 31, 2021: 18,900,000).

As at December 31, 2022, the Company held 515,300 (as at December 31, 2021: 515,300) treasury shares which represents 0.1% (as at December 31, 2021: 0.1%) of the total number of issued shares (excluding treasury shares).

13.2. Total Number of Issued Shares

	Dec 31, 2022	Dec 31, 2021
Total number of issued shares	521,815,251	521,490,251
Treasury shares	(515,300)	(515,300)
Total number of issued shares excluding treasury shares	521,299,951	520,974,951

13.3. Statement Showing All Sales, Transfers, Cancellation and/or Use of Treasury Shares

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

13.4. Statement Showing All Sales, Transfers, Cancellation and/or Use of Subsidiary Holdings

Not applicable. There is no subsidiary holdings as at the end of the current financial period reported on.

SECTION 2 - OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Audit Statement

The condensed consolidated statement of financial position of the Group as at December 31, 2022, and the related condensed consolidated income statement and statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and full year then ended and the notes to the condensed interim financial statements have not been audited or reviewed.

2. Review of Performance

For the year ended December 31, 2022, the Group recorded a revenue of \$525.5 million, which is 52.7% higher than the \$344.2 million recorded last year. The increase was mainly attributable to better performance by the Group's hotels and resorts in general with most countries re-opening their borders and treating COVID-19 as an endemic. Cash generated from operations improved significantly from \$56.6 million last year to \$147.9 million for the year under review.

Due to market volatility, the Group suffered mark-to-market fair value loss of \$17.3 million on long term investments for the year ended December 31, 2022, compared to a fair value gain of \$45.1 million last year. Finance cost increased from \$34.7 million last year to \$59.4 million for the year under review due to higher interest rates and additional borrowings to fund investments during the year.

The Group's share of results of associates and jointly controlled entities turned from a loss of \$9.0 million for the year ended December 31, 2021, to a profit of \$38.3 million for the year under review mainly due to gain from disposal of Hilton London Olympia and fair value gain from revaluation of Paddington Square London.

As announced on December 20, 2022, the Group has agreed to dispose of all 7 shop units that it owns in Ming Arcade in a collective sale. All registered proprietors of the units in Ming Arcade have since signed the collective sale agreement and completion of the sale shall take place in May 2023 as per the terms of the sale contract. The 7 shop units in Ming Arcade have accordingly been reclassified from Investment Properties to Assets held for sale and fair valued at the sale value as per the sale contract. Together with fair value gains from other investment properties, the Group recorded a total fair value gain from investment properties of \$77.8 million for the year ended December 31, 2022, as compared to \$3.6 million last year.

Group net profit attributable to shareholders for the year ended December 31, 2022 was \$76.4 million compared to a net loss of \$7.7 million last year.

3. Variance from Previous Forecast or Prospect Statement

Not applicable.

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

With Covid-19 being generally regarded as an endemic and opening of borders, international tourism is expected to continue its recovery trend. This is however subject to the state of the global economy as there are still challenges from political tensions, persistent inflation, rising interest rate, elevated commodity prices and logistic disruptions.

In London, the commercial office space of Paddington Square and Bankside Yards West - Arbor, the premium commercial office building were completed in December 2022. Completion of the London Underground ticket hall and related area comprising retail units of Paddington Square is expected in the course of 2023 while the planning and development of the remaining phases of Bankside Yards continues.

5. Dividend

(a) Current Financial Period Reported On

The Board of Directors has recommended a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 1 cent per ordinary share, in respect of the current financial year reported on. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company declared a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share in respect of the immediately preceding financial year.

(c) Date payable

Will be announced at a later date.

(d) Books closure date

Notice will be given at a later date of the date of closure of the transfer books and register of members.

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

Not applicable.

7. Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

8. Review of Performance by Business Segments

Please refer to Section 2 paragraph 2 above.

9. Breakdown of Sales and Operating Profit (Loss)

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% increase/(decrease) Group
(a) Sales reported for first half year	249,495	169,635	47.08
(b) Operating profit (loss) after tax before deducting non-controlling interests reported for first half year**	5,787	(19,063)	(130.36)
(c) Sales reported for second half year	276,012	174,586	58.10
(d) Operating (loss) profit after tax before deducting non-controlling interests reported for second half year**	(13,028)	9,736	(233.81)

** excludes net fair value gain in investment properties.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

11. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Joanna Lim Lan Sim
Company Secretary
February 24, 2023