



**Interim Financial Statements  
for the six months period ended  
30 June 2022**

**HOTEL ROYAL LIMITED**

Incorporated in the Republic of Singapore

Company Registration Number - 196800298G

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# TABLE OF CONTENTS

	Page
Condensed Interim Statements of Financial Position (Group and Company)	1
Condensed Interim Consolidated Statement of Profit or Loss	2
Condensed Interim Consolidated Statement of Other Comprehensive Income	3
Condensed Interim Statements of Changes in Equity (Group and Company)	4
Condensed Interim Consolidated Statement of Cash Flows	6
Notes to the Condensed Interim Financial Statements	8
Other Information Required by Listing Rule Appendix 7.2	
- Audit	21
- Review of Group Performance	21
- Outlook	24
- Dividends	24
- Interested Person Transactions	25
- Confirmation of Undertakings from Directors and Executive Officers	25
- Negative Assurance Confirmation on Interim Financial Statements under SGX Rule 705(5) of the Listing Manual	25

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## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	<u>Notes</u>	<u>The Group</u>		<u>The Company</u>	
		<u>30 June 22</u>	<u>31 Dec 21</u>	<u>30 June 22</u>	<u>31 Dec 21</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		16,819	29,139	1,961	19,287
Financial assets at fair value through profit or loss	4	4,739	3,898	2,718	1,477
Financial assets at fair value through other comprehensive income	5	6,412	8,986	704	1,660
Trade receivables	6	2,482	3,381	430	603
Other receivables, deposits and prepaid expenses	7	2,002	3,368	200	167
Inventories		856	918	259	269
Income tax recoverable		37	30	-	-
<b>Total current assets</b>		<b>33,347</b>	<b>49,720</b>	<b>6,272</b>	<b>23,463</b>
<b>Non-current assets</b>					
Subsidiaries		-	-	213,222	206,623
Other assets		768	529	49	61
Financial assets at fair value through other comprehensive income	5	18,384	18,478	15,491	15,528
Property, plant and equipment	8	608,454	615,647	220,360	221,130
Investment properties	9	105,425	109,772	22,083	22,138
<b>Total non-current assets</b>		<b>733,031</b>	<b>744,426</b>	<b>471,205</b>	<b>465,480</b>
<b>Total assets</b>		<b>766,378</b>	<b>794,146</b>	<b>477,477</b>	<b>488,943</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank loans	10	12,848	29,709	720	720
Trade payables		2,907	4,355	1,887	1,922
Other payables	11	3,325	4,591	3,520	3,604
Current income tax liabilities		393	715	247	447
<b>Total current liabilities</b>		<b>19,473</b>	<b>39,370</b>	<b>6,374</b>	<b>6,693</b>
<b>Non-current liabilities</b>					
Other payables	11	30	27	25,187	33,014
Retirement benefit obligations		371	291	-	-
Long-term bank loans	10	175,104	166,422	71,250	72,404
Deferred tax liabilities		24,948	26,866	841	841
<b>Total non-current liabilities</b>		<b>200,453</b>	<b>193,606</b>	<b>97,278</b>	<b>106,259</b>
<b>Capital and reserves</b>					
Share capital	12	150,665	150,665	150,665	150,665
Asset revaluation reserve		338,010	338,010	194,308	194,308
Employee benefit reserve		30	32	-	-
Fair value reserve		15,605	17,645	13,978	14,435
Translation reserve		(8,626)	(2,232)	-	-
Retained earnings		50,768	57,050	14,874	16,583
<b>Total equity</b>		<b>546,452</b>	<b>561,170</b>	<b>373,825</b>	<b>375,991</b>
<b>Total liabilities and equity</b>		<b>766,378</b>	<b>794,146</b>	<b>477,477</b>	<b>488,943</b>

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

	<u>Notes</u>	<u>The Group</u>		
		<u>First Half-Year Ended 30 June</u>		
		<u>2022</u>	<u>2021</u>	<u>+ / (-)</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Revenue	13	16,815	11,401	47.5
Cost of sales		(10,877)	(9,582)	13.5
Gross profit		5,938	1,819	>100
Other income				
- Bargain purchase gain arising from acquisition of business	21	-	8,413	n.m.
- Miscellaneous income	14	389	1,202	(67.6)
Distribution and marketing expenses		(355)	(299)	18.7
Administrative expenses		(5,320)	(4,567)	16.5
Other expenses				
- Expenses relating to acquisition of business	21	-	(3,984)	n.m.
- Miscellaneous expenses		(2,705)	(2,816)	(3.9)
Finance expenses	15	(2,368)	(1,915)	23.7
Loss before income taxation	16	(4,421)	(2,147)	>100
Income tax credit (expense)	17	562	(75)	n.m.
Loss for the financial period, attributable to the owners of the Company*		(3,859)	(2,222)	73.7

n.m.: not meaningful

\*Please refer to note 2a(xi) at page 23.

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

	<b><u>The Group</u></b>		
	<b><u>First Half-Year Ended 30 June</u></b>		
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>+/(-) %</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>%</u></b>
<b>Loss for the period</b>	<b>(3,859)</b>	<b>(2,222)</b>	<b>73.7</b>
Other comprehensive (loss) income:			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Currency translation differences on consolidation of foreign entities (net)	(6,394)	(3,423)	86.8
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Net fair value (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(1,943)	1,117	n.m.
Re-measurement of defined benefit obligation	(2)	(16)	(87.5)
	(1,945)	1,101	n.m.
<b>Other comprehensive loss for the period</b>	<b>(8,339)</b>	<b>(2,322)</b>	<b>&gt;100</b>
<b>Total comprehensive loss for the period attributable to owners of the Company</b>	<b>(12,198)</b>	<b>(4,544)</b>	<b>&gt;100</b>

n.m. : not meaningful

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

<b>Group</b>	<b>Share capital \$'000</b>	<b>Asset revaluation reserve \$'000</b>	<b>Employee benefit reserve \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Translation reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total \$'000</b>
Balance at 1 January 2021	150,665	382,010	180	17,272	4,341	69,350	623,818
<b><i>Total comprehensive income (loss) for the financial period</i></b>							
Loss for the period	-	-	-	-	-	(2,222)	(2,222)
Other comprehensive income (loss) for the period	-	-	(16)	1,091	(3,423)	26	(2,322)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(16)</b>	<b>1,091</b>	<b>(3,423)</b>	<b>(2,196)</b>	<b>(4,544)</b>
<b><i>Transactions with owners recognised directly in equity</i></b>							
Dividends paid	-	-	-	-	-	(2,520)	(2,520)
<b>Balance at 30 June 2021</b>	<b>150,665</b>	<b>382,010</b>	<b>164</b>	<b>18,363</b>	<b>918</b>	<b>64,634</b>	<b>616,754</b>
Balance at 1 January 2022	150,665	338,010	32	17,645	(2,232)	57,050	561,170
<b><i>Total comprehensive income (loss) for the financial period</i></b>							
Loss for the period	-	-	-	-	-	(3,859)	(3,859)
Other comprehensive income (loss) for the period	-	-	(2)	(2,040)	(6,394)	97	(8,339)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(2,040)</b>	<b>(6,394)</b>	<b>(3,762)</b>	<b>(12,198)</b>
<b><i>Transactions with owners recognised directly in equity</i></b>							
Dividends paid	-	-	-	-	-	(2,520)	(2,520)
<b>Balance at 30 June 2022</b>	<b>150,665</b>	<b>338,010</b>	<b>30</b>	<b>15,605</b>	<b>(8,626)</b>	<b>50,768</b>	<b>546,452</b>

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

<b><u>Company</u></b>	<b><u>Share capital</u></b> <b><u>\$'000</u></b>	<b><u>Asset revaluation reserve</u></b> <b><u>\$'000</u></b>	<b><u>Fair value reserve</u></b> <b><u>\$'000</u></b>	<b><u>Retained earnings</u></b> <b><u>\$'000</u></b>	<b><u>Total</u></b> <b><u>\$'000</u></b>
Balance at 1 January 2021	150,665	219,508	14,065	32,158	416,396
<b><i>Total comprehensive income (loss) for the financial period</i></b>					
Loss for the period	-	-	-	(141)	(141)
Other comprehensive income for the period	-	-	255	-	255
Total	-	-	255	(141)	114
<b><i>Transactions with owners recognised directly in equity</i></b>					
Dividends paid	-	-	-	(2,520)	(2,520)
<b>Balance at 30 June 2021</b>	<b>150,665</b>	<b>219,508</b>	<b>14,320</b>	<b>29,497</b>	<b>413,990</b>
Balance at 1 January 2022	150,665	194,308	14,435	16,583	375,991
<b><i>Total comprehensive income (loss) for the financial period</i></b>					
Profit for the period	-	-	-	683	683
Other comprehensive income (loss) for the period	-	-	(457)	128	(329)
Total	-	-	(457)	811	354
<b><i>Transactions with owners recognised directly in equity</i></b>					
Dividends paid	-	-	-	(2,520)	(2,520)
<b>Balance at 30 June 2022</b>	<b>150,665</b>	<b>194,308</b>	<b>13,978</b>	<b>14,874</b>	<b>373,825</b>

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

	<u>Notes</u>	<u>The Group</u>	
		<u>2022</u>	<u>2021</u>
		<u>\$'000</u>	<u>\$'000</u>
<b>Cash flows from operating activities</b>			
<b>Loss before tax</b>		<b>(4,421)</b>	<b>(2,147)</b>
<b>Adjustments for:</b>			
Dividend income		(120)	(117)
Interest income		(19)	(12)
Depreciation expense		3,604	3,602
Finance expenses		2,368	1,915
Net fair value loss (gain) on financial assets at fair value through profit or loss		675	(68)
Allowance for doubtful receivables no longer required		(9)	(124)
Bargain purchase gain arising from acquisition of business	21	-	(8,413)
<b>Operating profit (loss) before working capital changes</b>		<b>2,078</b>	<b>(5,364)</b>
<b>Changes in working capital:</b>			
Inventories		41	51
Trade and other receivables		1,848	8,668
Financial assets at fair value through profit or loss		(1,515)	(254)
Trade and other payables		(2,493)	(975)
<b>Cash (used in) generated from operations</b>		<b>(41)</b>	<b>2,126</b>
<b>Income tax paid</b>		<b>(375)</b>	<b>(1,030)</b>
<b>Net cash (used in) from operating activities</b>		<b>(416)</b>	<b>1,096</b>
<b>Cash flows from investing activities</b>			
Dividend income received		120	118
Purchase of financial assets at fair value loss through other comprehensive income		(494)	(323)
Proceeds from disposal of investments		1,100	619
Interest income received		19	12
Purchase of property, plant and equipment		(2,392)	(1,421)
Arising from acquisition of business	21	-	(57,059)
Improvements to investment properties		(1,252)	(2,815)
<b>Net cash used in investing activities</b>		<b>(2,899)</b>	<b>(60,869)</b>



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

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Cash flows from financing activities</b>		
Payment of dividends to members of the Company	(2,520)	(2,520)
Proceed from bank loan	15,284	72,847
Repayment of borrowings	(18,942)	(14,731)
Interest paid on borrowings and lease liabilities	(2,368)	(1,915)
Fixed deposits pledged to banks	25	16
	<hr/>	<hr/>
<b>Net cash (used in) generated from financing activities</b>	<b>(8,521)</b>	<b>53,697</b>
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(11,836)</b>	<b>(6,076)</b>
Cash and cash equivalents at beginning of the period	28,103	15,149
Effects of currency translation on cash and cash equivalents	(459)	1,313
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>15,808</b>	<b>10,386</b>
	<hr/>	<hr/>

Cash and cash equivalents consist of

	<b><u>Group</u></b>	
	<b><u>As at 30 June</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Cash on hand	121	107
Cash at bank	12,787	9,003
Fixed deposits	3,911	2,313
	<hr/>	<hr/>
	16,819	11,423
Less: Fixed deposits pledged	(1,011)	(1,037)
	<hr/>	<hr/>
<b>Total</b>	<b>15,808</b>	<b>10,386</b>
	<hr/>	<hr/>

## 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 2022 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 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 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 2021.

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 2021.

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 2021, 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 2022.

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Annual improvements to SFRS(I)s 2018 - 2010

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Quoted bonds	4,728	3,887	2,707	1,466
Unquoted managed funds	11	11	11	11
	<u>4,739</u>	<u>3,898</u>	<u>2,718</u>	<u>1,477</u>

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 loss of \$675,000 (2021: net gain of \$66,000) have been included in profit or loss for the year as part of “other expenses” (2021 : “other income”).

#### 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b><i>Current assets</i></b>				
Quoted equity shares	5,796	8,127	704	1,660
Structured products	616	859	-	-
	<u>6,412</u>	<u>8,986</u>	<u>704</u>	<u>1,660</u>
<b><i>Non-current assets</i></b>				
Quoted equity shares	3,459	3,553	566	603
Unquoted equity share	14,925	14,925	14,925	14,925
	<u>18,384</u>	<u>18,478</u>	<u>15,491</u>	<u>15,528</u>
Total	<u>24,796</u>	<u>27,464</u>	<u>16,195</u>	<u>17,188</u>

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

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 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.

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.

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

### ***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.

	<b><u>Level 1</u></b>		<b><u>Level 3</u></b>	
	<b><u>2022</u></b> <b><u>\$'000</u></b>	<b><u>2021</u></b> <b><u>\$'000</u></b>	<b><u>2022</u></b> <b><u>\$'000</u></b>	<b><u>2021</u></b> <b><u>\$'000</u></b>
<b><u>The Group</u></b>				
Financial assets at fair value through profit or loss:				
- Quoted bonds	4,728	3,887	-	-
- Unquoted managed funds	-	-	11	11
<hr/>				
Financial assets at fair value through other comprehensive income:				
- Quoted equity shares	9,255	11,680	-	-
- Structured products	-	-	616	859
- Unquoted equity shares	-	-	14,925	14,925
<hr/>				
<b><u>The Company</u></b>				
Financial assets at fair value through profit or loss:				
- Quoted bonds	2,707	1,466	-	-
- Unquoted managed funds	-	-	11	11
<hr/>				
Financial assets at fair value through other comprehensive income:				
- Quoted equity shares	1,270	2,263	-	-
- Unquoted equity shares	-	-	14,925	14,925
<hr/>				

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:**

	<b>Financial assets at FVTPL (Unquoted managed funds) \$'000</b>	<b>Financial assets at FVTOCI (Unquoted equity shares) \$'000</b>	<b>Total \$'000</b>
<u>2022</u>			
<u>Group</u>			
Opening balance	11	15,784	15,795
Sales	-	(243)	(243)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	-	-
Closing balance	<u>11</u>	<u>15,541</u>	<u>15,552</u>
<u>Company</u>			
Opening balance	11	14,925	14,936
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	-	-
Closing balance	<u>11</u>	<u>14,925</u>	<u>14,936</u>
	<b>Financial assets at FVTPL (Unquoted managed funds) \$'000</b>	<b>Financial assets at FVTOCI (Unquoted equity shares) \$'000</b>	<b>Total \$'000</b>
<u>2021</u>			
<u>Group</u>			
Opening balance	10	14,694	14,704
Purchases	-	859	859
Total gains or loss:			
- In profit or loss *	1	-	1
- In other comprehensive income	-	231	231
Closing balance	<u>11</u>	<u>15,784</u>	<u>15,795</u>
<u>Company</u>			
Opening balance	9	14,694	14,703
Total gains or loss:			
- In profit or loss *	2	-	2
- In other comprehensive income	-	231	231
Closing balance	<u>11</u>	<u>14,925</u>	<u>14,936</u>

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

All gains and losses included in other comprehensive income relate to unlisted shares 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade receivables	2,835	3,764	566	739
Related parties <sup>(1)</sup>	32	18	-	-
Total	2,867	3,782	566	739
Less: Loss allowance	(385)	(401)	(136)	(136)
	2,482	3,381	430	603

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

## 7. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Outside parties	263	1,188	65	63
Refundable deposits	550	517	-	-
Prepaid expenses	1,126	1,600	95	64
Government grant receivables	63	63	40	40
	2,002	3,368	200	167

## 8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets amounting to \$2,392,000 (30 June 2021: \$66,893,000) and disposed of assets amounting to \$41,000. (30 June 2021: \$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, based on the properties' highest and best use. 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 14 and 15 of the Group's annual financial statements for the year ended 31 December 2021 and remained appropriate in determining the fair values of the property, plant and equipment and investment properties as at 30 June 2022.

No revaluation movements were recognised for the financial period ended 30 June 2022.

## 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.

	<b><u>The Group</u></b>	
	<b><u>30 June 2022</u></b>	<b><u>31 December 2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b><i>Cost</i></b>		
Beginning of financial year	134,030	131,792
Improvements	1,252	7,048
Disposals	-	(1,441)
Currency translation differences	(6,172)	(3,369)
End of period	129,110	134,030
<b><i>Accumulated depreciation and impairment losses</i></b>		
Beginning of financial year	24,258	24,087
Depreciation charge for the period	665	1,562
Disposals	-	(622)
Reversal of impairment loss	-	(96)
Currency translation differences	(1,238)	(673)
End of period	23,685	24,258
Net book value	105,425	109,772

	<b><u>The Company</u></b>	
	<b><u>30 June 2022</u></b>	<b><u>31 December 2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b><i>Cost</i></b>		
Beginning of financial year	25,961	25,961
Improvements	-	-
End of period	25,961	25,961
<b><i>Accumulated depreciation and impairment losses</i></b>		
Beginning of financial year	3,823	3,471
Depreciation charge for the period	55	352
End of period	3,878	3,823
Net book value	22,083	22,138

## 10. BANK LOANS

	<b><u>The Group</u></b>		<b><u>The Company</u></b>	
	<b><u>30 June</u></b>	<b><u>31 December</u></b>	<b><u>30 June</u></b>	<b><u>31 December</u></b>
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Amount repayable within one year or on demand				
Secured	12,848	29,709	720	720
Unsecured	-	-	-	-
Amount repayable after one year				
Secured	175,104	166,422	71,250	72,404
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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Outside parties	3,275	4,538	3	87
Subsidiaries	-	-	25,187	33,014
Deferred grant income	80	80	-	-
Financial guarantee contract liabilities	-	-	3,517	3,517
Total	3,355	4,618	28,707	36,618
Less: Amount payable within 12 months (shown under current liabilities)	(3,325)	(4,591)	(3,520)	(3,604)
Amount payable after 12 months	30	27	25,187	33,014

## 12(i) SHARE CAPITAL

	<u>The Group and the Company</u>			
	<u>30 June</u>	<u>31 Dec</u>	<u>30 June</u>	<u>31 Dec</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>Number of ordinary shares</u>		<u>SS'000</u>	<u>SS'000</u>
	<u>'000</u>			
<b>Issued and paid up capital:</b>				
Balance at beginning and end of period	<u>100,800</u>	<u>100,800</u>	<u>150,665</u>	<u>150,665</u>

## 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:

	<u>Group</u>	
	<u>First Half-Year Ended 30 June</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Room revenue	10,526	5,089
Food and beverage revenue	1,401	937

Spa revenue	99	12
Rental income from:		
Investment properties	3,145	3,733
Within premises	1,033	721
Car park revenue	198	643
Interest income from outside parties	19	12
Dividend income from:		
Quoted equity investments (gross)	120	117
Others	274	137
Total	16,815	11,401

**14. OTHER INCOME – MISCELLANEOUS**

	<b>The Group</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Fair value gain on financial assets at FVTPL	-	68
Foreign exchange adjustment gain	-	192
Government grants	215	36
Other income	174	906
	<u>389</u>	<u>1,202</u>

**15. FINANCE COSTS**

	<b>The Group</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Interest expense on bank loans	<u>2,368</u>	<u>1,915</u>

**16. LOSS BEFORE INCOME TAX**

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

	<b>Group</b>		
	<b><u>First Half-Year Ended 30 June</u></b>		
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>+ / (-)</u></b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>%</u></b>
Net foreign exchange adjustment loss	1,326	1,923	(31.0)
Depreciation	3,604	3,602	0.1
Interest on borrowings	2,368	1,915	23.7
Dividend income	(120)	(117)	2.6
Net fair value loss (gain) on financial assets at fair value through profit or loss	675	(68)	n.m.
Interest income	(19)	(12)	58.3

**17. INCOME TAX (CREDIT) 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:

	<b>The Group</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Current tax	45	40
Withholding tax	114	-
Deferred tax	(721)	35
Total income tax (credit) expense	<u>(562)</u>	<u>75</u>

**18. EARNINGS PER ORDINARY SHARE (EPS)**

	<b>Group</b>	
	<b><u>First Half-Year Ended 30 June</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
EPS (based on consolidated loss after taxation)		
- on weighted average number of shares	(3.83) cents	(2.20) cents
- on a fully diluted basis	(3.83) cents	(2.20) cents

Basic earnings per share is calculated based on the Group's loss for first half-year ended 30 June 2022 of \$3.859 million (2021: S\$2.222 million) after income tax expense divided by 100.8 million (2021: 100.8 million) ordinary shares.

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

**19. NET ASSET VALUE**

	<b>Group</b>		<b>Company</b>	
	<b><u>30 June 2022</u></b>	<b><u>31 Dec 2021</u></b>	<b><u>30 June 2022</u></b>	<b><u>31 Dec 2021</u></b>
NAV per share based on issued number of shares as at the end of the respective period	5.42	5.57	3.71	3.73

The NAV per share as at 30 June 2022 and 31 December 2021 were calculated based on the number of shares in issue of 100.8 million ordinary shares.

**20. OPERATING SEGMENTS**

The Group is primarily engaged in the following operations:

- Owning and operating hotels and providing ancillary services ("hotel operation")
- Owning and letting out investment properties ("property investment")
- 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")

**I. Revenue**  
for six months period ended 30 June

	<b>External</b>		<b>Inter-segment</b>		<b>Total</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</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	8,140	4,343	-	-	8,140	4,343
Malaysia	2,469	2,226	-	-	2,469	2,226
Thailand	2,922	498	-	-	2,922	498
	<u>13,531</u>	<u>7,067</u>	<u>-</u>	<u>-</u>	<u>13,531</u>	<u>7,067</u>
<b>Property investments</b>						
Singapore	479	512	55	57	534	569
New Zealand	2,289	3,301	-	-	2,289	3,301
Malaysia	377	391	-	-	377	391
	<u>3,145</u>	<u>4,204</u>	<u>55</u>	<u>57</u>	<u>3,200</u>	<u>4,261</u>
<b>Financial investments</b>	<u>139</u>	<u>130</u>	<u>119</u>	<u>117</u>	<u>258</u>	<u>247</u>
<b>Segments total</b>	<u>16,815</u>	<u>11,401</u>	<u>174</u>	<u>174</u>	<u>16,989</u>	<u>11,575</u>

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

	<b>Net (loss) profit for the period</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Hotel operations</b>		
Singapore	(142)	(1,983)
Malaysia	(1,016)	1,902
Thailand	(739)	(2,160)
	<u>(1,897)</u>	<u>(2,241)</u>
<b>Property investments</b>		
Singapore	338	306
New Zealand	(593)	1,088
Malaysia	386	391
	<u>131</u>	<u>1,785</u>
<b>Financial investments</b>	<u>(287)</u>	<u>224</u>
<b>Segments total</b>	<u>(2,053)</u>	<u>(232)</u>
Finance costs	<u>(2,368)</u>	<u>(1,915)</u>
<b>Loss before income tax</b>	<u>(4,421)</u>	<u>(2,147)</u>
Income tax credit (expense)	<u>562</u>	<u>(75)</u>
<b>Loss after income tax</b>	<u>(3,859)</u>	<u>(2,222)</u>

**III. Segment assets and liabilities  
for the six months period ended 30 June**

	Segment assets		Segment liabilities	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Hotel operations</b>				
Singapore	429,466	477,366	2,817	3,477
Malaysia	109,090	112,639	1,599	1,935
Thailand	79,999	93,449	1,441	1,025
	<u>618,555</u>	<u>683,454</u>	<u>5,857</u>	<u>6,437</u>
<b>Property investments</b>				
Singapore	24,523	25,411	139	101
New Zealand	79,243	75,240	616	1,693
Malaysia	11,332	11,745	-	-
	<u>115,098</u>	<u>112,396</u>	<u>755</u>	<u>1,794</u>
<b>Financial investments</b>	30,081	31,485	22	8
	<u>763,734</u>	<u>827,335</u>	<u>6,634</u>	<u>8,239</u>
<b>Segments total</b>				
Unallocated items	2,644	2,326	213,292	204,668
	<u>766,378</u>	<u>829,661</u>	<u>219,926</u>	<u>212,907</u>

**IV. Other segment information  
for the six months period ended 30 June**

	Depreciation		Additions to non-current assets	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Hotel operations</b>				
Singapore	1,446	1,424	139	395
Malaysia	942	991	2,212	66,498
Thailand	551	779	41	-
	<u>2,939</u>	<u>3,194</u>	<u>2,392</u>	<u>66,893</u>
<b>Property investments</b>				
Singapore	76	205	-	-
New Zealand	503	203	1,252	2,815
Malaysia	86	-	-	-
	<u>665</u>	<u>408</u>	<u>1,252</u>	<u>2,815</u>
<b>Consolidated total</b>	<u>3,604</u>	<u>3,602</u>	<u>3,644</u>	<u>69,708</u>

**V. Geographical information  
for the six months period ended 30 June**

	<b>Revenue from external customers</b>		<b>Non-current assets</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Singapore	8,758	4,985	431,678	479,142
Malaysia	2,846	2,617	150,686	154,849
New Zealand	2,289	3,300	71,562	73,427
Thailand	2,922	499	79,105	93,004
	<b>16,815</b>	<b>11,401</b>	<b>733,031</b>	<b>800,422</b>

**21. ACQUISITION OF BUSINESS**

In FY 2021, the Group's wholly-owned subsidiary, Every Room a Home Sdn Bhd., acquired The Royale Chulan Bukit Bintang Hotel and its business from a third party, for a cash consideration of approximately S\$57 million (RM174.3 million).

The Group incurred acquisition related costs of S\$3.984 million relating to legal fees, stamp duty and due diligence costs and these had been classified as "other expenses" in the interim consolidated statement of profit or loss. After assessment by the management, a bargain purchase gain of approximately S\$8.413 million was recognised and classified as "other income" in the interim consolidated statement of profit or loss in FY 2021.

**22. 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 2022 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:

	<u>Group</u>		
	<u>First Half-Year Ended 30 June</u>		
	<u>2022</u>	<u>2021</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Room revenue	10,526	5,089	>100
Food and beverage revenue	1,401	937	49.5
Spa revenue	99	12	>100
Rental income from:			
Investment properties	3,145	3,733	(15.8)
Within premises	1,033	721	43.3
Car park revenue	198	643	(69.2)
Interest income from outside parties	19	12	58.3
Dividend income from:			
Quoted equity investments (gross)	120	117	2.6
Others	274	137	100
Total	16,815	11,401	47.5

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

Group room revenue increased by >100% for 1H 2022 as compared to corresponding period in 2021 mainly due to higher room occupancy and higher room rates due to recovery of business with the gradual easing of the border control in Singapore, Thailand and Malaysia.

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

The increase in food and beverage revenue by 49.5% for 1H 2022 as compared to 1H 2021 was mainly due to higher breakfast sales.

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

Rental income from investment properties decreased by 15.8% for 1H 2022 as compared to the same period in 2021. This was mainly due to lower contributions from investment properties in the New Zealand subsidiary and reduction of rental income from the sales of the Group's units in Singapore, Maxwell House.

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

The 43.3% increase in rental income from within premises for half-year ended 30 June 2022 as compared to half-year ended 30 June 2021 was mainly due to lesser rental rebates granted to tenants.

#### **ii. Cost of Sales**

The increase in cost of sales for first half-year ended 30 June 2022 as compared to corresponding period in 2021 was mainly due to higher operation costs in the Group's hotels, in line with higher revenue.

#### **iii. Other income - miscellaneous**

The decrease in other income for 1H 2022 compared to 1H 2021 was mainly due to lower miscellaneous income from Grand Complex, foreign exchange gain and fair value gain on financial assets at fair value through profit or loss, offset by higher government grants received.

#### **iv. Distribution and marketing expense**

The increase in distribution costs for 1H 2022 compared to the same period in 2021 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 2022 as compared to corresponding period in 2021 was mainly due to higher overhead expenses such as repair and maintenance, utilities and payroll costs in the Group's hotels.

#### **vi. Other expenses - miscellaneous**

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 2022 as compared to 1H in 2021 was mainly due to lower foreign exchange loss, offset by higher fair value loss on financial assets at fair value through profit or loss.

#### **vii. Other expenses – acquisition of business**

Other expenses – acquisition of business, amounting to S\$3.984m (RM12.3 million), consists of legal fees, stamp duty and due diligence costs incurred during the acquisition of the business of Royale Chulan Bukit Bintang Hotel in FY 2021.

#### **viii. Finance costs**

The increase in finance costs for 1H 2022 as compared to the corresponding period in 2021 was mainly due to interest on increased bank drawdown from Malaysia subsidiaries.

#### **ix. Income tax credit (expense)**

The decrease in income tax expense for 1H 2022 as compared to the same period in 2021 was mainly due to the recognition of tax credit in Grand Complex.



x. **Net Loss of segment performance  
for the six months period ended 30 June**

	<b>Net (loss) profit</b>		
	<b>2022</b>	<b>2021</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Hotel operations	(1,897)	(2,241)	(15.4)
Property investments	131	1,785	(92.7)
Financial investments	(287)	224	n.m.
Segments total	(2,053)	(232)	>100
Finance costs	(2,368)	(1,915)	23.7
<b>Loss before income tax</b>	(4,421)	(2,147)	>100
Income tax credit (expense)	562	(75)	n.m.
<b>Loss after income tax</b>	(3,859)	(2,222)	73.7

The hotel operation segment recorded a net loss of \$1.897 million in 1H 2022 (1H 2021: net loss of S\$2.241 million). This was mainly due to better performances in the Singapore and Thailand hotels, offset by lower performances in Malaysia hotels.

The performance for the property investment segment decreased by 93% or \$1.654 million from net profit of S\$1.785 million in 1H 2021 to net profit of S\$0.131 million in 1H 2022. This was mainly due to lower performances from investment properties in New Zealand and Malaysia, offset by better performances from investment properties in Singapore.

The financial investment segment's performance decreased by \$0.511 million from net profit of S\$0.224 million in 1H 2021 to net loss of S\$0.287 million in 1H 2022. This was mainly due to fair value loss on financial assets.

xi. **FY 2022 vs FY 2021  
for the six months period ended 30 June**

	<b>Adjusted Net Loss</b>		
	<b>2022</b>	<b>2021</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Loss after income tax</b>	(3,859)	(2,222)	73.7%
<b><u>Adjustments: -</u></b>			
Less bargain purchase gain		(8,413)	
Add expenses on acquisition		3,984	
<b>Adjusted Net Loss after income tax</b>	(3,859)	(6,651)	(42.0%)

In FY 2021, the Group enjoyed a one-off bargain purchase gain and expenses related to the acquisition of Royale Chulan Bukit Bintang Hotel. Adjusting for the bargain purchase gain and expenses on acquisition, the adjusted loss for FY2021 would increase from S\$2.222 million to S\$6.651 million, and FY 2022 would state a 42% reduction in adjusted net loss after income tax against the corresponding period of the preceding year.

**Condensed Interim Statement of Financial Position**

**Total assets (Group)** as at 30 June 2022 were \$766.38 million, decreased by \$27.77 million from S\$794.15 million as at 31 December 2021.

The decrease was mainly due to partial repayment of bank loans, depreciation of property, plant and equipment and exchange rate adjustments.

**Total liabilities (Group)** as at 30 June 2022 were \$219.93 million, decreased by \$13.05 million from \$232.98 million as at 31 December 2021.

The decrease was mainly due to reduced bank borrowings from repayments made.

(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.

**Net cash used in investing activities** was mainly for building and renovation works for Hotel Royal Bukit Bintang and refurbishments for Baba House.

**Net cash used in financing activities** was for repayment of partial bank loan and the servicing of interest payments.

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

Not applicable.

**4. OUTLOOK**

In the first half of 2022, Singapore registered 1.5 million visitor arrivals, nearly 12 times more compared to the corresponding period last year. As demand for rooms increased, average room rate of the Group's hotels in Singapore started to trend upwards.

Although the quarantine business in Hotel Royal Kuala Lumpur was affected by the re-opening of the Malaysia's international border, it was overcome by the resumption and improved business from the online reservations and domestic travel.

Likewise, the opening of international border and easing of the on-arrival Covid-19 mandatory tests and other requirements in Thailand allowed the Group's hotels in Thailand to achieve higher occupancy and room rates.

Moving forward to the second half of 2022, the Group expects a higher demand for rooms. The easing of Covid-19 measures and border restrictions by more countries including some of the Group's preferred markets will see a further improvement of the international tourist arrivals for both leisure and business segments. However, uncertainties surrounding Covid-19's variants may affect the growth in tourist arrivals.

The ongoing Russia-Ukraine war, global inflation and interest rate increase will 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 the 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 2022.

**(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 2022.

**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 2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Sin Chee Mei  
Company Secretary

12 August 2022