



Hiap Hoe Limited
(Registration No.: 199400676Z)

Condensed Consolidated Interim Financial Statements
for the Second Half Year and Full Year Ended 31
December 2021

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**A. Condensed interim consolidated income statement
For the second half year and full year ended 31 December 2021**

		The Group					
		6 months ended			12 months ended		
Note		31-Dec-21	31-Dec-20	%	31-Dec-21	31-Dec-20	%
		\$'000	\$'000		\$'000	\$'000	
	Revenue	48,320	36,604	32.0	93,688	79,552	17.8
	Other items of income						
	Dividend income	3,392	2,618	29.6	7,057	5,438	29.8
	Interest income	1,409	1,714	(17.8)	2,816	3,004	(6.3)
	Other income	25,037	10,118	147.5	29,507	16,924	74.4
	Impairment loss on trade receivables written back	49	-	NM	135	-	NM
	Foreign exchange gain	431	5,261	(91.8)	1,592	2,328	(31.6)
		<u>30,318</u>	<u>19,711</u>	53.8	<u>41,107</u>	<u>27,694</u>	48.4
	Changes in completed properties for sale	(337)	(529)	(36.3)	(2,206)	(2,388)	(7.6)
	Employee benefits expense	(14,287)	(11,806)	21.0	(27,117)	(24,976)	8.6
	Depreciation expense	(17,577)	(17,740)	(0.9)	(35,173)	(34,407)	2.2
	Other expenses	(23,411)	(23,324)	0.4	(45,648)	(43,811)	4.2
	Finance cost	(5,408)	(5,299)	2.1	(10,889)	(12,468)	(12.7)
	Fair value changes in financial instruments	256	(11,577)	NM	13,899	(24,804)	NM
	Impairment loss on trade receivables	(165)	(260)	(36.5)	(1,125)	(1,230)	(8.5)
	Profit/(loss) before tax	<u>17,709</u>	<u>(14,220)</u>	NM	<u>26,536</u>	<u>(36,838)</u>	NM
	Income tax (expense)/credit	(3,944)	(1,341)	194.1	(5,344)	70	NM
	Profit/(loss) for the period	<u>13,765</u>	<u>(15,561)</u>	NM	<u>21,192</u>	<u>(36,768)</u>	NM
	Attributable to :						
	Owners of the Company	13,797	(15,585)	NM	21,197	(36,709)	NM
	Non-controlling interests	(32)	24	(233.3)	(5)	(59)	(91.5)
	Total	<u>13,765</u>	<u>(15,561)</u>	NM	<u>21,192</u>	<u>(36,768)</u>	NM
	Earnings per share (cents)						
	Basic	2.93	(3.31)		4.50	(7.80)	
	Diluted	<u>2.93</u>	<u>(3.31)</u>		<u>4.50</u>	<u>(7.80)</u>	

Earnings per share are calculated based on the net profit/(loss) attributable to owners of the Company divided by the weighted average number of shares.

**B. Condensed interim consolidated statement of comprehensive income
For the second half year and full year ended 31 December 2021**

	The Group			
	6 months ended		12 months ended	
	31-Dec-21 \$'000	31-Dec-20 \$'000	31-Dec-21 \$'000	31-Dec-20 \$'000
Profit/(loss) for the period	13,765	(15,561)	21,192	(36,768)
Other comprehensive (loss)/income items that may be reclassified subsequently to income statement				
Foreign currency translation	(3,645)	6,901	(3,964)	8,701
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	-	-	185	-
Other comprehensive (loss)/income for the period, net of tax of nil	(3,645)	6,901	(3,779)	8,701
Total comprehensive income/(loss) for the period	<u>10,120</u>	<u>(8,660)</u>	<u>17,413</u>	<u>(28,067)</u>
Attributable to :				
Owners of the Company	10,152	(8,684)	17,418	(28,008)
Non-controlling interests	(32)	24	(5)	(59)
Total comprehensive income/(loss) for the period	<u>10,120</u>	<u>(8,660)</u>	<u>17,413</u>	<u>(28,067)</u>

C. Condensed interim statements of financial position As at 31 December 2021

	Note	The Group		The Company	
		31-Dec-21 \$'000	31-Dec-20 \$'000	31-Dec-21 \$'000	31-Dec-20 \$'000
Non-Current Assets					
Property, plant and equipment	12	637,204	659,476	-	-
Investment properties	13	594,229	598,018	-	-
Subsidiaries		-	-	595,141	579,001
Joint venture		-	-	22,857	21,068
Other assets		-	236	-	-
Other receivables		401	484	-	-
Lease incentives		13,909	-	-	-
Due from subsidiary, non-trade		-	-	-	-
Deferred tax assets		12,729	16,382	-	-
		<u>1,258,472</u>	<u>1,274,596</u>	<u>617,998</u>	<u>600,069</u>
Current Assets					
Cash and short-term deposits		29,580	20,313	155	89
Other investments	5	315,565	281,742	-	-
Trade and other receivables		9,592	7,331	-	2
Lease incentives		1,477	-	-	-
Other assets		337	438	-	-
Derivatives - assets	5	61	152	-	-
Prepaid operating expenses		1,505	1,198	6	3
Due from subsidiaries, trade		-	-	624	306
Due from subsidiaries, non-trade		-	-	19,877	20,247
Due from related companies, trade		-	3	-	-
Due from related companies, non-trade		-	4	-	-
Completed properties for sale		2,282	4,536	-	-
Inventories		2,820	2,859	-	-
		<u>363,219</u>	<u>318,576</u>	<u>20,662</u>	<u>20,647</u>
Asset held-for-sale		6,971	-	-	-
		<u>370,190</u>	<u>318,576</u>	<u>20,662</u>	<u>20,647</u>
Current Liabilities					
Trade and other payables		4,573	4,146	55	114
Other liabilities		10,969	10,086	458	377
Derivatives - liabilities	5	289	554	-	-
Due to subsidiaries, trade		-	-	9	7
Due to subsidiaries, non-trade		-	-	129,965	127,014
Due to related companies, trade		11	11	-	-
Due to related companies, non-trade		12	-	-	-
Interest-bearing loans and borrowings	14	373,141	504,301	-	-
Tax payable		3,229	3,601	213	259
		<u>392,224</u>	<u>522,699</u>	<u>130,700</u>	<u>127,771</u>
Net Current Liabilities ^(A)		(22,034)	(204,123)	(110,038)	(107,124)
Non-Current Liabilities					
Other liabilities		2,352	3,151	-	-
Other payables		592	-	-	-
Interest-bearing loans and borrowings	14	398,436	249,886	-	-
Deferred tax liabilities		79,194	76,628	-	-
		<u>480,574</u>	<u>329,665</u>	<u>-</u>	<u>-</u>
Net Assets		755,864	740,808	507,960	492,945
Equity attributable to owners of the Company					
Share capital	15	84,445	84,445	84,445	84,445
Treasury shares	16	(1,101)	(1,101)	(1,101)	(1,101)
Reserves		669,168	654,103	424,616	409,601
		<u>752,512</u>	<u>737,447</u>	<u>507,960</u>	<u>492,945</u>
Non-controlling interests		3,352	3,361	-	-
Total Equity		755,864	740,808	507,960	492,945

^(A) The Group and the Company are in a net current liabilities position mainly due to maturity of borrowings within the next 12 months. The Group and the Company have unutilised credit facilities available to refinance the portion of borrowings which are maturing within the next 12 months.

D. Condensed interim statements of changes in equity
For the period from 1 July 2021 to 31 December 2021 and 1 July 2020 to 31 December 2020

	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity	
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Gain on reissuance of treasury shares				Total reserves
The Group (All figures in \$'000)										
At 1 July 2021	84,445	(1,101)	683,600	(7,672)	(16,964)	52	659,016	742,360	3,387	745,747
Profit for the period	-	-	13,797	-	-	-	13,797	13,797	(32)	13,765
Foreign currency translation	-	-	-	-	(3,645)	-	(3,645)	(3,645)	-	(3,645)
Other comprehensive loss net of tax of nil	-	-	-	-	(3,645)	-	(3,645)	(3,645)	-	(3,645)
Total comprehensive income/(loss) for the period	-	-	13,797	-	(3,645)	-	10,152	10,152	(32)	10,120
<u>Contributions by and distributions to owners</u>										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(3)	(3)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(3)	(3)
At 31 December 2021	84,445	(1,101)	697,397	(7,672)	(20,609)	52	669,168	752,512	3,352	755,864
At 1 July 2020	84,445	(1,101)	694,138	(7,672)	(23,731)	52	662,787	746,131	3,390	749,521
Loss for the period	-	-	(15,585)	-	-	-	(15,585)	(15,585)	24	(15,561)
Foreign currency translation	-	-	-	-	6,901	-	6,901	6,901	-	6,901
Other comprehensive income net of tax of nil	-	-	-	-	6,901	-	6,901	6,901	-	6,901
Total comprehensive (loss)/income for the period	-	-	(15,585)	-	6,901	-	(8,684)	(8,684)	24	(8,660)
<u>Contributions by and distributions to owners</u>										
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(32)	(32)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(21)	(21)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(53)	(53)
At 31 December 2020	84,445	(1,101)	678,553	(7,672)	(16,830)	52	654,103	737,447	3,361	740,808

D. Condensed interim statements of changes in equity (cont'd)

For the period from 1 January 2021 to 31 December 2021 and 1 January 2020 to 31 December 2020

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Gain on reissuance of treasury shares	Total reserves			
The Group (All figures in \$'000)										
At 1 January 2021	84,445	(1,101)	678,553	(7,672)	(16,830)	52	654,103	737,447	3,361	740,808
Profit for the year	-	-	21,197	-	-	-	21,197	21,197	(5)	21,192
Foreign currency translation	-	-	-	-	(3,964)	-	(3,964)	(3,964)	-	(3,964)
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	-	-	-	-	185	-	185	185	-	185
Other comprehensive loss net of tax of nil	-	-	-	-	(3,779)	-	(3,779)	(3,779)	-	(3,779)
Total comprehensive income/(loss) for the year	-	-	21,197	-	(3,779)	-	17,418	17,418	(5)	17,413
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(4)	(4)
Total contributions by and distributions to owners	-	-	(2,353)	-	-	-	(2,353)	(2,353)	(4)	(2,357)
At 31 December 2021	84,445	(1,101)	697,397	(7,672)	(20,609)	52	669,168	752,512	3,352	755,864
At 1 January 2020	84,445	(1,101)	719,968	(7,672)	(25,531)	52	686,817	770,161	3,475	773,636
Loss for the year	-	-	(36,709)	-	-	-	(36,709)	(36,709)	(59)	(36,768)
Foreign currency translation	-	-	-	-	8,701	-	8,701	8,701	-	8,701
Other comprehensive income net of tax of nil	-	-	-	-	8,701	-	8,701	8,701	-	8,701
Total comprehensive (loss)/income for the year	-	-	(36,709)	-	8,701	-	(28,008)	(28,008)	(59)	(28,067)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(4,706)	-	-	-	(4,706)	(4,706)	-	(4,706)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(32)	(32)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(23)	(23)
Total contributions by and distributions to owners	-	-	(4,706)	-	-	-	(4,706)	(4,706)	(55)	(4,761)
At 31 December 2020	84,445	(1,101)	678,553	(7,672)	(16,830)	52	654,103	737,447	3,361	740,808

D. Condensed interim statements of changes in equity (cont'd)

For the period from 1 January 2021 to 31 December 2021 and 1 January 2020 to 31 December 2020

The Company (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 July 2021	84,445	(1,101)	407,414	52	407,466	490,810
Profit for the period	-	-	17,150	-	17,150	17,150
Total comprehensive income for the period	-	-	17,150	-	17,150	17,150
<u>Contributions by and distributions to owners</u>						
Total contributions by and distribution to owners	-	-	-	-	-	-
At 31 December 2021	84,445	(1,101)	424,564	52	424,616	507,960
At 1 July 2020	84,445	(1,101)	436,660	52	436,712	520,056
Loss for the period	-	-	(27,111)	-	(27,111)	(27,111)
Total comprehensive loss for the period	-	-	(27,111)	-	(27,111)	(27,111)
<u>Contributions by and distributions to owners</u>						
Total contributions by and distribution to owners	-	-	-	-	-	-
At 31 December 2020	84,445	(1,101)	409,549	52	409,601	492,945

D. Condensed interim statements of changes in equity (cont'd)

For the period from 1 January 2021 to 31 December 2021 and 1 January 2020 to 31 December 2020

<u>The Company</u> (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 January 2021	84,445	(1,101)	409,549	52	409,601	492,945
Profit for the year	-	-	17,368	-	17,368	17,368
Total comprehensive income for the year	-	-	17,368	-	17,368	17,368
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(2,353)	-	(2,353)	(2,353)
Total contributions by and distribution to owners	-	-	(2,353)	-	(2,353)	(2,353)
At 31 December 2021	84,445	(1,101)	424,564	52	424,616	507,960
At 1 January 2020	84,445	(1,101)	441,649	52	441,701	525,045
Loss for the year	-	-	(27,394)	-	(27,394)	(27,394)
Total comprehensive loss for the year	-	-	(27,394)	-	(27,394)	(27,394)
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(4,706)	-	(4,706)	(4,706)
Total contributions by and distribution to owners	-	-	(4,706)	-	(4,706)	(4,706)
At 31 December 2020	84,445	(1,101)	409,549	52	409,601	492,945

E. Condensed interim consolidated statement of cash flows
For the second half year and full year ended 31 December 2021

	The Group			
	6 months ended		12 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit/(loss) before taxation	17,709	(14,220)	26,536	(36,838)
Adjustments for:				
Amortisation of deferred income	(41)	(41)	(84)	(79)
Amortisation of deferred government grant income	(30)	-	(362)	-
Amortisation of lease incentive	601	-	601	-
Depreciation of property, plant and equipment	12,797	12,817	25,642	25,075
Depreciation of investment properties	4,780	4,923	9,531	9,332
Dividend income from investments	(3,392)	(2,618)	(7,057)	(5,438)
Fair value changes in other investments	(371)	11,800	(13,882)	24,941
Fair value changes in derivative instruments	115	(223)	(17)	(137)
Gain on disposal of asset held-for-sale	-	-	-	(930)
Loss/(gain) on disposal of property, plant and equipment	4	(164)	(78)	(183)
Impairment loss on trade receivables	165	260	1,125	1,230
Impairment loss on trade receivables written back	(49)	-	(135)	-
Finance cost	5,408	5,299	10,889	12,468
Interest income	(1,409)	(1,714)	(2,816)	(3,004)
Loss/(gain) on disposal of other investments	212	(188)	285	(140)
Property, plant and equipment written off	11	33	18	36
Impairment loss on property, plant and equipment	-	4,831	-	4,831
Write back of impairment loss on investment property	(15,570)	(1,156)	(15,570)	(1,156)
Write back of impairment loss on property, plant and equipment	(3,339)	-	(3,339)	-
Effects of COVID-19 related rent waivers received from lessors	(252)	(161)	(342)	(438)
Exchange difference	(473)	(5,262)	(1,696)	(2,396)
Operating cash flows before changes in working capital	16,876	14,216	29,249	27,174
<u>Changes in working capital</u>				
(Increase)/decrease in:				
Completed properties for sale	337	529	2,206	2,388
Inventories	(13)	(8)	15	16
Trade and other receivables	(963)	(1,976)	(3,990)	(1,902)
Other assets	(21)	86	102	219
Prepaid operating expenses	(831)	(524)	(304)	434
Due from related companies, trade	-	(3)	3	(3)
Due from related companies, non-trade	-	(4)	4	(4)
Increase/(decrease) in:				
Trade and other payables	387	(855)	1,083	(2,793)
Other liabilities	3,466	(693)	1,349	(3,976)
Due to related companies, trade	-	4	-	(26)
Due to related companies, non-trade	2	(105)	12	(39)
	19,240	10,667	29,729	21,488
Income tax refund/(paid)	2,406	(1,258)	(71)	(1,943)
Net cash flows generated from operating activities carried forward	21,646	9,409	29,658	19,545

E. Condensed interim consolidated statement of cash flows (cont'd) For the second half year and full year ended 31 December 2021

	The Group			
	6 months ended		12 months ended	
	31-Dec-21 \$'000	31-Dec-20 \$'000	31-Dec-21 \$'000	31-Dec-20 \$'000
Net cash flows generated from operating activities brought forward	21,646	9,409	29,658	19,545
Cash flows from investing activities				
Interest income received and settlement of derivatives	963	1,587	2,336	2,999
Dividend income received and return of capital	3,606	3,026	7,342	6,289
Purchase of property, plant and equipment ⁽¹⁾	(306)	(764)	(1,335)	(1,274)
Improvements of investment properties ⁽²⁾	(469)	-	(891)	-
Purchase of other investments	(9,196)	(21,673)	(36,446)	(39,086)
Proceeds from disposal of other investments	8,208	19,909	15,933	37,869
Proceeds from disposal of property, plant and equipment	1	199	174	233
Proceeds from disposal of asset held-for-sale	-	-	-	1,970
Purchase option deposit received	203	-	203	-
Payment of upfront lease incentive	(799)	-	(16,641)	-
Adjustment/(deposit paid) on acquisition of capital assets	-	73	-	(230)
Net cash flows generated from/(used in) investing activities	2,211	2,357	(29,325)	8,770
Cash flow from financing activities				
Acquisition of non-controlling interests	(3)	(21)	(4)	(23)
Interest paid	(4,666)	(5,100)	(9,418)	(11,718)
Changes in cash and bank balances pledged	(8,361)	(2,401)	(3,106)	(4,076)
Changes in fixed deposits pledged	(2,011)	-	(2,021)	(9)
Repayment of loans and borrowings	(9,994)	(33,301)	(12,136)	(58,222)
Repayment of principal portion of lease liabilities	(1,334)	(1,665)	(3,012)	(2,731)
Proceeds from loans and borrowings	8,727	37,141	35,983	51,989
Dividends paid to non-controlling interests	-	(32)	-	(32)
Dividends paid on ordinary shares by the Company	-	(4,706)	(2,353)	(4,706)
Net cash flows (used in)/generated from financing activities	(17,642)	(10,085)	3,933	(29,528)
Net increase/(decrease) in cash and cash equivalents	6,215	1,681	4,266	(1,213)
Effect of exchange rate changes on cash and cash equivalents	(134)	502	(126)	556
Cash and cash equivalents at beginning of period	5,244	5,002	7,185	7,842
Cash and cash equivalents at end of period	11,325	7,185	11,325	7,185
<u>Cash and cash equivalents comprise:</u>				
Cash and bank balances			25,562	19,198
Fixed deposits			4,018	1,115
			29,580	20,313
Cash and bank balances pledged			(15,119)	(12,013)
Fixed deposits pledged			(3,136)	(1,115)
Cash and cash equivalents			11,325	7,185

(1) Purchase of property, plant and equipment

During the six months ended 31 December 2021, the Group acquired property, plant and equipment of \$456,000 (2H2020: \$4,880,000) which included non-cash additions to right-of-use assets of \$Nil (2H2020: \$2,068,000), acquisition by means of hire purchase arrangements of \$150,000 (2H2020: \$Nil), transfer from other assets relating to a deposit of \$Nil (2H2020: \$2,048,000) paid in prior year and the balance of \$306,000 (2H2020: \$764,000) was made in cash.

During the twelve months year ended 31 December 2021, the Group acquired property, plant and equipment of \$2,938,000 (2020: \$5,195,000) which included non-cash additions to right-of-use assets of \$1,268,000 (2020: \$1,791,000), acquisition by means of hire purchase arrangements of \$150,000 (2020: \$Nil), transfer from other assets relating to a deposit of \$185,000 (2020: \$2,130,000) paid in prior year and the balance of \$1,335,000 (2020: \$1,274,000) was made in cash.

(2) Improvements of investment properties

During the financial year ended 31 December 2021, the Group incurred improvement works on investment properties of \$943,000 (2020: \$Nil) of which transfer from other assets relating to a deposit of \$52,000 (2020: \$Nil) paid in prior year and the balance of \$891,000 (2020: \$Nil) was made in cash.

F. Notes to the condensed interim consolidated financial statements For the second half year and full year ended 31 December 2021

1. Corporate Information

Hiap Hoe Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are:

- (a) Property investment and owner;
- (b) Hotel owner;
- (c) Investment holding; and
- (d) Owners and operators of bowling centres and recreation centres.

There has been no significant change in the nature of these activities during the financial year.

Its immediate and ultimate holding company is Hiap Hoe Holdings Pte Ltd, a company incorporated in Singapore. Related companies refer to members of the immediate and ultimate holding company’s group of companies.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2021 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 30 June 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 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

In the current financial year, the Group and the Company adopted the Amendments to SFRS(I) that are mandatory for annual periods beginning on or after 1 January 2021.

The adoption of the Amendments to SFRS(I) did not result in any substantial change to the Group and the Company’s accounting policies or any material impact on the financial statements of the Group.

2.2. 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. Given the COVID-19 pandemic has caused and will likely cause significant disruptions to economic activities, the uncertainties associated with accounting estimates and assumptions may also be increased accordingly.

2.2. Use of judgements and estimates (cont'd)

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 2020.

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.

Information about critical judgements, estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Impairment of non-financial assets

- Note 12 Property, plant and equipment
- Note 13 Investment properties

The Group carries its investment properties and property, plant and equipment at cost less accumulated depreciation and accumulated impairment. In the case of investment properties, impairment loss is recognised when carrying value exceeds fair value, and for property, plant and equipment, such loss is recognised when the carrying value exceeds recoverable amount.

The assets are accounted using the cost model. For assessing whether there is any indication that the asset is impaired, and recoverable amount where necessary, the Group considers both external and internal sources of information, including the fair value appraised by external valuers. The fair value assessment is complex and highly dependent on a range of assumptions such as discount rate, capitalisation rate, terminal yield and growth rate made by the valuers, and heightened by the increased level of estimation uncertainty arising from changes in market and economic conditions brought on by the COVID-19 pandemic.

It is the Group's practice to carry out an external independent valuation exercise on its property assets on an annual basis at the end of each financial year by engaging real estate valuation experts to assess the fair value of the properties. These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued.

During the current year, the Group recorded a reversal of impairment loss of \$15.6 million in the profit or loss relating to the investment property at 130 Stirling Street, Perth to reflect an increase in recoverable amount arising from the improved tenancy profile. The recoverable amount was determined based on fair value less cost to sell. The Group has also recorded a reversal of impairment loss of \$3.3 million in the profit or loss relating to the hotel at Holiday Inn Express Manchester, representing the increase in recoverable amount due to a higher occupancy rate with the easing of lockdown restrictions. The recoverable amount of the property, plant and equipment was based on its value in use. These indicative open market values are advised by independent professional valuers.

- Note 5 Valuation of unquoted investments

The Group has unquoted investments which include fixed income instruments, mutual and private equity funds.

The fair values of unquoted investments are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments and application of management judgement. Estimation uncertainty exists for the valuation as these investments are not traded in an active market and the valuation techniques involve the use of significant unobservable inputs such as revalued net asset values and recent transaction prices.

3. Seasonal operations

Save for the impact on the current COVID-19 pandemic, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

- i. The development properties segment is in the business of acquiring land/property and developing them into residential/industrial/commercial properties for sales.
- ii. The rental segment is in the business of renting of space under the investment properties and property, plant and equipment.
- iii. The leisure segment is in the business of providing leisure and recreational facilities, including bowling centres, billiards centres and amusement centres under the brand 'SuperBowl'.
- iv. The hotel operations segment is operated under the brand names of "Ramada Singapore", "Days Hotel Singapore", "Holiday Inn Express Trafford City", "Four Points by Sheraton Melbourne" and "Aloft Perth".
- v. The other investments portfolio with a mix of quoted and unquoted investments.
- vi. The others segment is involved in Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

1 July 2021 to 31 December 2021

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	444	11,908	2,995	32,973	-	-	-	48,320
- Inter-segment sales (Note A)	-	145	-	-	-	729	(874)	-
	<u>444</u>	<u>12,053</u>	<u>2,995</u>	<u>32,973</u>	<u>-</u>	<u>729</u>	<u>(874)</u>	<u>48,320</u>
Results								
Segment profit/(loss) (Note B)	51	14,395	93	8,548	7,269	(5,962)	(6,685)	17,709
Income tax expense								(3,944)
Profit after tax								<u>13,765</u>
Other information:								
Other income	(10)	17,254	653	7,018	72	50	-	25,037
Interest income	-	30	-	-	1,379	-	-	1,409
Finance cost	-	(2,123)	(143)	(1,495)	(743)	(904)	-	(5,408)
Fair value changes in other investments	-	-	-	-	371	-	-	371
Fair value changes in derivative instruments	-	-	-	-	(115)	-	-	(115)
Depreciation expense	-	(4,930)	(1,292)	(5,422)	-	(122)	(5,811)	(17,577)
Other expenses	(45)	(7,376)	(590)	(14,281)	(664)	(455)	-	(23,411)
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	444	548	2,968	2,446	-	-	-	6,406
Over time	-	1,182	27	30,527	-	-	-	31,736
	<u>444</u>	<u>1,730</u>	<u>2,995</u>	<u>32,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,142</u>
Additional to non-current assets (Note C)	-	472	256	196	-	1	-	925

1 July 2020 to 31 December 2020

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	698	11,317	3,368	21,221	-	-	-	36,604
- Inter-segment sales (Note A)	-	144	-	-	-	575	(719)	-
	<u>698</u>	<u>11,461</u>	<u>3,368</u>	<u>21,221</u>	<u>-</u>	<u>575</u>	<u>(719)</u>	<u>36,604</u>
Results								
Segment profit/(loss) (Note B)	127	3,529	309	(4,638)	(8,943)	2,246	(6,850)	(14,220)
Income tax credit								(1,341)
Loss after tax								<u>(15,561)</u>
Other information:								
Other income	-	4,473	356	4,731	188	370	-	10,118
Interest income	-	70	-	-	1,637	7	-	1,714
Finance cost	-	(1,310)	(202)	(1,620)	(805)	(1,362)	-	(5,299)
Fair value changes in other investments	-	-	-	-	(11,800)	-	-	(11,800)
Fair value changes in derivative instruments	-	-	-	-	223	-	-	223
Depreciation expense	-	(4,819)	(1,268)	(5,369)	-	(153)	(6,131)	(17,740)
Other expenses	(41)	(6,651)	(534)	(15,164)	(276)	(658)	-	(23,324)
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	698	224	3,367	10,742	-	-	-	15,031
Over time	-	18	2	10,479	-	-	-	10,499
	<u>698</u>	<u>242</u>	<u>3,369</u>	<u>21,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,530</u>
Additional to non-current assets (Note C)	-	1,333	2,721	56	-	771	-	4,881

* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 *Revenue from Contracts with Customers*.

4.1. Reportable segments (cont'd)

1 January 2021 to 31 December 2021

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	2,797	24,223	6,543	60,125	-	-	-	93,688
- Inter-segment sales (Note A)	-	291	-	-	-	1,350	(1,641)	-
	<u>2,797</u>	<u>24,514</u>	<u>6,543</u>	<u>60,125</u>	<u>-</u>	<u>1,350</u>	<u>(1,641)</u>	<u>93,688</u>
Results								
Segment profit/(loss) (Note B)	417	13,098	354	8,961	25,907	(8,548)	(13,653)	26,536
Income tax expense								(5,344)
Profit after tax								<u>21,192</u>
Other information:								
Other income	31	18,894	1,033	9,255	-	294	-	29,507
Interest income	-	90	-	-	2,714	12	-	2,816
Finance cost	-	(3,834)	(371)	(3,148)	(1,531)	(2,005)	-	(10,889)
Fair value changes in other investments	-	-	-	-	13,882	-	-	13,882
Fair value changes in derivative instruments	-	-	-	-	17	-	-	17
Depreciation expense	-	(9,418)	(2,588)	(10,886)	-	(269)	(12,012)	(35,173)
Other expenses	(204)	(15,268)	(1,212)	(27,044)	(1,039)	(881)	-	(45,648)
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	2,797	748	6,512	14,742	-	-	-	24,799
Over time	-	1,210	31	45,383	-	-	-	46,624
	<u>2,797</u>	<u>1,958</u>	<u>6,543</u>	<u>60,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,423</u>
Additional to non-current assets (Note C)	-	2,257	262	721	-	641	-	3,881
Segment assets (Note D)	<u>2,326</u>	<u>546,368</u>	<u>14,900</u>	<u>264,232</u>	<u>331,198</u>	<u>16,554</u>	<u>-</u>	<u>1,175,578</u>
Segment liabilities (Note E)	<u>43</u>	<u>407,976</u>	<u>10,815</u>	<u>153,281</u>	<u>167,071</u>	<u>63,521</u>	<u>-</u>	<u>802,707</u>

1 January 2020 to 31 December 2020

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	3,223	24,973	5,382	45,974	-	-	-	79,552
- Inter-segment sales (Note A)	-	290	-	-	-	1,236	(1,526)	-
	<u>3,223</u>	<u>25,263</u>	<u>5,382</u>	<u>45,974</u>	<u>-</u>	<u>1,236</u>	<u>(1,526)</u>	<u>79,552</u>
Results								
Segment profit/(loss) (Note B)	625	5,358	(497)	(5,863)	(23,299)	376	(13,538)	(36,838)
Income tax credit								70
Loss after tax								<u>(36,768)</u>
Other information:								
Other income	39	7,774	965	7,473	140	533	-	16,924
Interest income	-	125	-	-	2,862	17	-	3,004
Finance cost	-	(3,687)	(407)	(3,884)	(1,716)	(2,774)	-	(12,468)
Fair value changes in other investments	-	-	-	-	(24,941)	-	-	(24,941)
Fair value changes in derivative instruments	-	-	-	-	137	-	-	137
Depreciation expense	-	(9,020)	(2,440)	(10,584)	-	(351)	(12,012)	(34,407)
Other expenses	(249)	(13,685)	(1,006)	(27,140)	(590)	(1,141)	-	(43,811)
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	3,223	486	5,378	18,246	-	-	-	27,333
Over time	-	66	5	27,728	-	-	-	27,799
	<u>3,223</u>	<u>552</u>	<u>5,383</u>	<u>45,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,132</u>
Additional to non-current assets (Note C)	-	1,337	2,813	267	-	779	-	5,196
Segment assets (Note D)	<u>4,674</u>	<u>520,495</u>	<u>17,094</u>	<u>271,704</u>	<u>294,168</u>	<u>19,941</u>	<u>-</u>	<u>1,128,076</u>
Segment liabilities (Note E)	<u>164</u>	<u>399,737</u>	<u>11,646</u>	<u>152,507</u>	<u>157,446</u>	<u>59,074</u>	<u>-</u>	<u>780,574</u>

* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 *Revenue from Contracts with Customers*.

4.1. Reportable segments (cont'd)

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit/(loss) to arrive at "profit/(loss) before tax" presented in the consolidated income statement:

	6 months ended		12months ended	
	31-Dec-21 \$'000	31-Dec-20 \$'000	31-Dec-21 \$'000	31-Dec-20 \$'000
Profit from inter-segment sales	874	719	1,641	1,526
Depreciation	5,811	6,131	12,012	12,012
	<u>6,685</u>	<u>6,850</u>	<u>13,653</u>	<u>13,538</u>

C Additions to non-current assets consist of additions and improvements to property, plant and equipment and investment properties.

D The following items are added from segment assets to arrive at total assets reported in the consolidated balance sheet:

	31-Dec-21 \$'000	31-Dec-20 \$'000
Segment assets	1,175,578	1,128,076
<u>Unallocated assets</u>		
Property, plant and equipment	326,290	334,802
Investment properties	126,794	130,294
Consolidated total assets	<u>1,628,662</u>	<u>1,593,172</u>

E The following items are added from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	12months ended	
	31-Dec-21 \$'000	31-Dec-20 \$'000
Segment liabilities	802,707	780,574
<u>Unallocated liabilities</u>		
Deferred tax liabilities	70,091	71,790
Consolidated total liabilities	<u>872,798</u>	<u>852,364</u>

F Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
<u>Revenue</u>				
Australia	19,398	13,092	39,931	29,740
Singapore	25,556	22,709	49,121	47,374
United Kingdom	3,366	803	4,636	2,438
	<u>48,320</u>	<u>36,604</u>	<u>93,688</u>	<u>79,552</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

The Group	Carrying amount		Fair value			
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
At 31 December 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>						
Trade and other receivables (current and non-current) ⁽¹⁾	-	7,329				
Other investments	315,565	-	160,925	-	154,640	315,565
Derivatives	61	-	-	-	61	61
Other assets (current and non-current)	-	337				
Cash and bank balances	-	29,580				
	<u>315,626</u>	<u>37,246</u>				
<u>Financial liabilities</u>						
Trade and other payables ⁽²⁾	-	(2,619)				
Other liabilities ⁽³⁾	-	(10,733)				
Derivatives	(289)	-	-	-	(289)	(289)
Amount due to related companies (trade and non-trade)	-	(23)				
Interest-bearing loan and borrowings (current and non current)	-	(771,577)				
	<u>(289)</u>	<u>(784,952)</u>				

The Group	Carrying amount		Fair value			
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
At 31 December 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>						
Trade and other receivables (current and non-current) ⁽⁴⁾	-	6,214				
Other investments	281,742	-	150,594	-	131,148	281,742
Derivatives	152	-	-	-	152	152
Other assets (current and non-current) ⁽⁵⁾	-	438				
Amount due from related companies (trade and non-trade)	-	7				
Cash and bank balances	-	20,313				
	<u>281,894</u>	<u>26,972</u>				
<u>Financial liabilities</u>						
Trade and other payables ⁽²⁾	-	(2,445)				
Other liabilities ⁽³⁾	-	(9,628)				
Derivatives	(554)	-	-	-	(554)	(554)
Amount due to related companies (trade)	-	(11)				
Interest-bearing loan and borrowings (current and non-current)	-	(754,187)				
	<u>(554)</u>	<u>(766,271)</u>				

(1) excludes GST receivables and lease receivables.

(2) excludes GST payables, government related grants and advance receipts and billings.

(3) excludes deposits that are not financial liabilities, deferred income and deferred government grant income.

(4) excludes GST receivables, lease receivables and government grant receivables.

(5) excludes deposits paid for acquisition of capital assets.

6. Fair value measurement

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable input (Level 3):

Group	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
2021			
At 1 January	131,148	(402)	130,746
Loss on disposal of other investments	(72)	-	(72)
Fair value changes included in profit or loss	5,144	17	5,161
Return of capital	(117)	-	(117)
Purchase of other investments	22,118	-	22,118
Proceeds from disposal of other investments	(3,581)	-	(3,581)
Settlement of derivatives	-	157	157
At 31 December	154,640	(228)	154,412

Group	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
2020			
At 1 January	178,071	(108)	177,963
Loss on disposal of other investments	(16)	-	(16)
Fair value changes included in profit or loss	(16,629)	138	(16,491)
Return of capital	(120)	-	(120)
Purchase of other investments	15,264	-	15,264
Proceeds from disposal of other investments	(15,759)	-	(15,759)
Settlement of derivatives	-	(432)	(432)
Reclassification	(29,663)	-	(29,663)
At 31 December	131,148	(402)	130,746

7. Profit/(loss) before tax

Profit/(loss) before tax is after crediting/(debiting) the following:

	The Group			
	6 months ended		12 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000
(A) <u>Other income comprises mainly:</u>				
Amortisation of deferred income	41	41	84	79
Amortisation of deferred government grant income	30	-	362	-
Effects of COVID-19 related rent waivers received from lessors	252	161	342	438
(Loss)/gain on disposal of property, plant and equipment	(4)	164	78	183
Gain on disposal of asset held-for-sale ⁽¹⁾	-	-	-	930
Government grant income ⁽²⁾	3,533	6,815	5,810	10,880
Gain on disposal of other investments	73	188	-	140
Property recovery income	1,237	1,494	2,845	2,929
Write back of impairment loss on investment property ⁽³⁾	15,570	1,156	15,570	1,156
Write back of impairment loss on property, plant and equipment ⁽³⁾	3,339	-	3,339	-
Others	966	99	1,077	189
	<u>25,037</u>	<u>10,118</u>	<u>29,507</u>	<u>16,924</u>
(B) Depreciation of property, plant and equipment ⁽⁴⁾	(12,797)	(12,817)	(25,642)	(25,075)
Depreciation of investment properties ⁽⁴⁾	(4,780)	(4,923)	(9,531)	(9,332)
	<u>(17,577)</u>	<u>(17,740)</u>	<u>(35,173)</u>	<u>(34,407)</u>
(C) <u>Other expenses comprises mainly:</u>				
Audit and professional fees	(619)	(801)	(1,158)	(1,258)
Government grant expense ⁽⁵⁾	-	(849)	-	(2,062)
Hotel consumables	(2,393)	(1,569)	(4,718)	(3,333)
Hotel management fees	(1,371)	(935)	(2,446)	(1,865)
Impairment loss on property, plant and equipment	-	(4,831)	-	(4,831)
Marketing and distribution expenses	(2,564)	(1,286)	(5,332)	(3,810)
Loss on disposal of other investments	(285)	-	(285)	-
Property, plant and equipment written off	(11)	(33)	(18)	(36)
Property related taxes	(1,602)	(2,175)	(3,811)	(4,287)
Upkeep and maintenance expenses of properties	(14,052)	(10,428)	(25,423)	(20,106)
Others	(514)	(417)	(2,457)	(2,223)
	<u>(23,411)</u>	<u>(23,324)</u>	<u>(45,648)</u>	<u>(43,811)</u>
(D) Fair value changes in other investments	371	(11,800)	13,882	(24,941)
Fair value changes in derivative instruments	(115)	223	17	137
	<u>256</u>	<u>(11,577)</u>	<u>13,899</u>	<u>(24,804)</u>

(1) This relates to the gain on disposal of property unit at 56 Kallang Pudding Road, HH@Kallang.

(2) Government grant income includes grants relating to Job Support Scheme pay-out in Singapore and other similar support schemes in Australia and United Kingdom, grants received under the Rental Support Scheme and other government grants.

(3) See Note 2.2 for more details on the basis of write back.

(4) The Group had transferred the commercial properties at Zhongshan Park from Property, plant and equipment to Investment Properties for a more reflective representation of the existing use of the properties in second half year ended 31 December 2020. Hence, the numbers for second half year ended 31 December 2020 were restated for better comparison purposes.

(5) This pertains to property tax rebates received from the Singapore Government that were transferred to tenants in the form of rental rebates and waivers to eligible tenants under the rental relief framework.

8. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements. Please also refer to Other Information Required by Listing Rule Appendix 7.2 in Note 6.

9. Taxation

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			
	6 months ended		12 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	(871)	(1,919)	(3,170)	(2,826)
Deferred income tax (expense)/credit relating to origination and reversal of temporary differences	(3,073)	578	(2,174)	2,896

10. Dividends

Refer to Note 5 of the Other Information Required by Listing Rule Appendix 7.2 section for more details.

11. Net Asset Value

	The Group		The Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net assets value per share (cents)	159.92	156.72	107.95	104.76
Based on number of shares	470,557,541	470,557,541	470,557,541	470,557,541

12. Property, plant and equipment

The addition of assets including right-of-use assets for the six months ended 31 December 2021 was \$456,000 (2H 2020: \$4,880,000) and assets disposal was \$135,000 (2H2020: \$561,000).

During the six months ended 31 December 2021, the Group recorded a reversal of impairment loss of \$3.3 million in the profit or loss relating to the hotel at Holiday Inn Express Manchester. See Note 2.2 for more details.

13. Investment properties

During the six months ended 31 December 2021, the Group incurred improvement cost amounting to \$469,000 (2H2020: \$Nil). The Group has also recorded a reversal of impairment loss of \$15.6 million in the profit or loss relating to the property at 130 Stirling Street, Perth. See Note 2.2 for more details.

14. Borrowings

Group (\$'000)

Amount repayable in one year or less, or on demand ⁽¹⁾

As at 31 December 2021		As at 31 December 2020	
Secured	Unsecured	Secured	Unsecured
369,864	-	501,040	-

Amount repayable after one year ⁽²⁾

As at 31 December 2021		As at 31 December 2020	
Secured	Unsecured	Secured	Unsecured
369,858	-	219,206	-

⁽¹⁾ Exclude lease liabilities of \$3,277,000 (31 December 2020: \$3,261,000).

⁽²⁾ Exclude lease liabilities of \$28,578,000 (31 December 2020: \$30,680,000).

14. Borrowings (cont'd)

Details of any collateral

The above borrowings are from financial institutions and are secured by the following:

1. Legal mortgages on the Group's property, plant and equipment and investment properties (collectively, the "Properties");
2. Legal assignment of all rights and benefits under the sale and purchase agreements, hotel management contracts and/or tenancy agreements;
3. Assignment of all insurance policies and interest service reserve account for certain Properties;
4. Deed of subordination to subordinate all loans and advances from the Company to the facilities;
5. Corporate guarantees given by the Company and certain subsidiaries; and
6. A charge over certain other investments, cash and short-term deposits and shares of a subsidiary.

15. Share capital

	The Group and the Company			
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Issued and fully paid ordinary shares	Number of shares		\$	\$
Balance at beginning and at end of interim period	474,557,391	474,557,391	84,445,256	84,445,256

During the period ended 31 December 2021, there was no change to the issued share capital of the Company.

There were no outstanding convertibles and subsidiary holdings as at the end of the financial years ended 31 December 2021 and 31 December 2020.

The number of issued shares excluding treasury shares as at 31 December 2021 is 470,557,541 (31 December 2020: 470,557,541)

16. Treasury shares

	The Group and the Company			
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Number of shares		\$	\$
Balance at beginning and at end of interim period	(3,999,850)	(3,999,850)	(1,101,125)	(1,101,125)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

G. Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Hiap Hoe Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Condensed consolidated income statement for the second half year ended 31 December 2021 (“2H2021”) performance

The Group recorded revenue of \$48.3 million for 2H2021, an increase of \$11.7 million from \$36.6 million recorded in the previous corresponding period ended 31 December 2020 (“2H2020”).

Revenue from development properties relates to the sale of units at Marina Tower, Melbourne. The Group recorded lower sales of development properties in 2H2021 as compared to 2H2020.

Rental revenue increased by \$0.6 million from \$11.3 million in 2H2020 to \$11.9 million in 2H2021 mainly due to the recognition of lease receivable arising from a new lease in Perth.

Revenue from hotel operations increased by \$11.8 million from \$21.2 million in 2H2020 to \$33.0 million in 2H2021. The increase in revenue attributed to Australia, United Kingdom and Singapore was supported by the gradual reopening of borders and easing of travel restrictions.

Revenue from leisure business decreased by \$0.4 million from \$3.4 million in 2H2020 to \$3.0 million in 2H2021 as the leisure business continues to be affected by the limit in group-size and facility capacity at the bowling centres due to nationally-enforced safe distancing measures.

Included in Other income of \$25.0 million was the write back of impairment losses on the investment property at Stirling Street, Perth of \$15.6 million and on the hotel at Holiday Inn Express Manchester of \$3.3 million. The write back of impairment losses is mainly due to the improved tenancy profile and higher occupancy rate of the properties and is supported by indicative open market values as advised by independent professional valuers. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group’s Other income.

The Group recorded a foreign exchange gain of \$0.4 million in 2H2021 as compared to a gain of \$5.3 million in 2H2020. The differences were mainly due to the fluctuation in Australian and Euro dollar exchange rates.

The Group recorded higher operating costs and expenses in 2H2021 in relation to the upkeep of the properties and the hotel operations as compared to 2H2020. Included in the upkeep and maintenance expenses in 2H2021 were higher fitting-out works and cladding works of \$1.8 million for a property in Perth as compared to \$0.6 million recorded in 2H2020. Included in 2H2020 was an impairment loss on the hotel at Holiday Inn Express Manchester of \$4.8 million, based on the indicative open market value as advised by an independent professional valuer. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group’s costs and expenses.

The Group recorded in 2H2021 the fair value gain of \$0.3 million in financial instruments arising from mark-to-market gains from other investments. Recorded in 2H2020 was the fair value and impairment losses of \$11.6 million mainly arising from the Group’s investments in the hospitality sector internationally due to weaker market sentiments.

The Group generated a profit before tax of \$17.7 million in 2H2021 as compared to a loss before tax of \$14.2 million in 2H2020. Income tax expense in 2H2021 was higher at \$3.9 million as compared to \$1.3 million in 2H2020, bringing the overall profit after tax at \$13.8 million in 2H2021 versus a loss after tax of \$15.5 million in 2H2020.

2. Review of performance of the Group (cont'd)

Condensed consolidated income statement for the financial year ended 31 December 2021 ("FY2021") performance

The Group recorded revenue of \$93.7 million for FY2021, an increase of \$14.1 million from \$79.6 million recorded in the previous financial year ended 31 December 2020 ("FY2020").

Revenue from development properties relates to the sale of units at Marina Tower, Melbourne. The Group recorded lower sales of development properties in FY2021 as compared to FY2020.

Rental revenue decreased by \$0.8 million from \$25.0 million in FY2020 to \$24.2 million in FY2021 mainly due to lower occupancies of the Group's properties. Included in the period is an amount of \$0.8 million due to the recognition of lease receivable arising from a new lease in Perth.

Revenue from hotel operations increased by \$14.1 million from \$46.0 million in FY2020 to \$60.1 million in FY2021. The increase in revenue attributed to Australia, United Kingdom and Singapore was supported by the gradual reopening of borders and easing of travel restrictions.

Revenue from leisure business increased by \$1.1 million from \$5.4 million in FY2020 to \$6.5 million in FY2021. The leisure business is generally still adversely affected by the limit in group-size and facility capacity at the bowling centres due to nationally-enforced safe distancing measures. The difference was mainly attributed to the circuit breaker in FY2020 which spanned from April to June 2020, causing the cessation of leisure business operations.

Included in Other income of \$29.5 million was the write back of impairment losses on the investment property at Stirling Street, Perth of \$15.6 million and on the hotel at Holiday Inn Express Manchester of \$3.3 million. The write back of impairment losses is mainly due to the improved tenancy profile and higher occupancy rate of the properties and is supported by indicative open market values as advised by independent professional valuers. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group's Other income.

The Group recorded higher operating costs and expenses in FY2021 in relation to the upkeep of the properties and the hotel operations as compared to FY2020. Included in the upkeep and maintenance expenses in FY2021 were higher fitting-out works and cladding works of \$3.7 million for a property in Perth as compared to \$1.3 million recorded in FY2020. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group's costs and expenses.

The Group recorded in FY2021 the fair value gain of \$13.9 million in financial instruments arising from mark-to-market gains from other investments as compared to a fair value loss of \$24.8 million recorded in FY2020.

Finance cost decreased by \$1.6 million in FY2021 as compared to FY2020 mainly due to lower borrowing rates.

The Group generated a profit before tax of \$26.5 million in FY2021 as compared to a loss before tax of \$36.9 million in FY2020. Accordingly, the income tax expense in FY2021 was higher at \$5.3 million as compared to a tax credit of \$0.1 million in FY2020, bringing the overall profit after tax at \$21.2 million in FY2021 versus a loss after tax of \$36.8 million in FY2020.

Condensed consolidated statement of financial position as at 31 December 2021

Non-current assets

Non-current assets decreased by \$16.1 million from \$1,274.6 million as at 31 December 2020. Included in this period was the payment of upfront lease incentive of \$16.6 million relating to a new lease in Perth. This lease incentive is released to profit or loss on a systematic basis over the tenancy period. Also included in this period was the write back of impairment losses on the investment property at Stirling Street, Perth of \$15.6 million and on the hotel at Holiday Inn Express Manchester, United Kingdom of \$3.3 million. These increases were offset by depreciation charged for the period, the lower provision in deferred tax assets and the transfer of two units of investment properties at Skyline 360° At St Thomas Walk to asset held-for-sale.

2. Review of performance of the Group (cont'd)

Condensed consolidated statement of financial position as at 31 December 2021 (cont'd)

Current assets

Current assets increased by \$51.6 million from \$318.6 million as at 31 December 2020 mainly due to the fair value gains and increases in other investments. Included in this period was also the transfer of two units of investment properties at Skyline 360° At St Thomas Walk as mentioned above.

Current liabilities

Current liabilities decreased by \$130.5 million from \$522.7 million as at 31 December 2020. The decrease was mainly due to the reclassification of \$60.0 million bank borrowings to non-current liabilities as the maturity is beyond the next 12 months. Also included in the period was the reclassification of \$89.9 million bank borrowings to non-current liabilities following the refinancing of the loans.

Non-current liabilities

Non-current liabilities increased by \$150.9 million from \$329.7 million as at 31 December 2020 mainly due to the reclassification of bank borrowings as mentioned above.

Condensed interim consolidated statement of cash flows position as at 31 December 2021

The Group recorded net cash generated from operating activities of \$21.6 million and \$29.7 million for 2H2021 and FY2021 respectively.

Net cash generated from investing activities amounted to \$2.2 million in 2H2021 and net cash used for FY2021 was \$29.3 million. Included in FY2021 was the higher purchase of other investments and payment of lease incentive relating to the new lease in Perth.

Net cash used in financing activities amounted to \$17.6 million in 2H2021 which comprises of net repayment of bank borrowings. Recorded in FY2021 was net cash generated from financing activities of \$3.9 million which includes higher bank borrowings for purchases of other investments as mentioned above.

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There are no forecast or prospect statement that have been disclosed to shareholders.

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 operating period and the next 12 months**

The Group expects the prolonged work-from-home measures and hybrid working arrangements to impact the near term leasing momentum of the office and commercial properties of the Group. The Group also expects the tenants in retail and entertainment sectors in Singapore to continue to face challenges with companies staying cautious given no clear visibility on reopening. The Group will continue to prioritise maintaining occupancy levels to strengthen the recurring income base.

As the vaccination programme around the world progresses and with more countries gradually reopening their borders and easing travel restrictions, a gradual recovery of the hospitality industry can be expected. However, uncertainties remain as countries continue to experience resurgences of COVID-19 cases.

The Group will continue with the sale of units in Marina Tower, Melbourne in the next 12 months.

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 operating period and the next 12 months (cont'd)

The Group also expects that its investment portfolios will continue to be affected by market volatility and will continue to implement strategies to mitigate the risk.

The Group has sufficient banking facilities and liquidity to meet its near-term debt obligations and operational needs. The Group will continue to exercise prudence with respect to non-essential capital and operating expenditure due to the uncertain economic outlook.

5. Dividend information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

The Directors are pleased to announce a proposed dividend, subject to shareholders' approval at the forthcoming Annual General Meeting for the financial year ended 31 December 2021 as follows:

Name of dividend	: Final (tax exempt one tier)
Type of dividend	: Cash
Dividend	: 0.5 cent per ordinary share
Tax rate	: One tier

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	: Final (tax exempt one tier)
Type of dividend	: Cash
Dividend	: 0.5 cent per ordinary share
Tax rate	: One tier

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

6. Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	6 months ended 31 December 2021	12 months ended 31 December 2021	6 months ended 31 December 2021	12 months ended 31 December 2021
Nil	Nil	Nil	Nil	Nil

Above table excludes transactions with certain interested person during the financial period under review as pursuant to Rule 905(3) of the SGX-ST Listing Rules, no announcement is required by the Company with regard to these transactions as the value of these transactions were below \$100,000.

No general mandate for IPTs has been obtained from shareholders.

7. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Teo Ho Beng	67	Brother of Roland Teo Ho Kang	<p>Executive Director and Chief Executive Officer Hiap Hoe Limited and Group of subsidiaries (2003):</p> <p>Engaging meetings that enable the Board to perform its duties responsibly. Preparing meeting agenda. Assisting in ensuring compliance with the Company's guidelines on corporate governance. Formulate corporate strategies and policies for the Group. Ensuring senior management's implementation of policies and strategies at the operating level.</p> <p>Responsible for the day-to-day management of the Group as well as the exercise of control over quality, quantity and timeliness of information flow between the Board and Management and in developing the business of the Group.</p>	Nil

7. **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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement. (Cont'd)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Roland Teo Ho Kang	58	Brother of Teo Ho Beng	Managing Director Hiap Hoe Limited and Group of subsidiaries (2003): Formulate corporate strategies and policies for the Group. Overseeing the marketing and promotional activities. Responsible for product development, business expansion and staff development.	Nil
Teo Poh Sim, Agnes	51	Sister of Teo Ho Beng and Roland Teo Ho Kang	Head, Human Resource of Hiap Hoe Limited and Group of subsidiaries (2003) Director of a subsidiary company, SuperBowl Holdings Limited (2016) Formulate human resource policies and administrative policies for the group. Responsible for the group payroll, staff welfares and staff development as well as administration.	Nil
Teo Keng Joo, Marc	36	Son of Teo Ho Beng and nephew of Roland Teo Ho Kang	Executive Director Hiap Hoe Limited and Group of subsidiaries (2017) Oversee and head the Project Management department of the Group (2014). Responsible for the Group's expansion plans and corporate investments (2017).	Nil
Teo Poh Leng	55	Sister of Teo Ho Beng and Roland Teo Ho Kang	Director of Super Funworld Pte Ltd (1995) Responsible for monitoring and updating of daily takings of different bowling centres. Responsible for staff welfare. Responsible for staff payroll.	Nil
Teo Ho Kheong	49	Brother of Teo Ho Beng and Roland Teo Ho Kang	Director of: SuperBowl Development Pte Ltd (1996) SuperBowl Jurong Pte Ltd (2002) Super Funworld Pte Ltd (2002) Formulate operations and marketing concepts for SuperBowl Development Pte Ltd and SuperBowl Jurong Pte Ltd. Overall management of bowling programmes for youth tournaments and leagues.	Nil

7. **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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement. (Cont'd)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Teo Poh Ho, Josephine	54	Sister of Teo Ho Beng and Roland Teo Ho Kang	Senior Manager (1994) Formulate operational policies for a few bowling centres. Oversee the operation of these centres. Responsible for staff welfare. Responsible for staff payroll. Oversee the revenue collection for these centres.	Nil
Sin Wong Chan	67	Wife of Teo Ho Beng Sister-in-law of Roland Teo Ho Kang	Finance Manager (2000) Oversee the financial operations of SuperBowl Jurong Pte Ltd and SuperBowl Development Pte Ltd. Oversee the revenue collection of a few bowling centres. Responsible for staff welfare. Responsible for staff payroll.	Nil

8. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

By Order of the Board

Ong Beng Hong
Joint Company Secretary
25 February 2022