
Unaudited Condensed Financial Statements as at and for the Half Year Ended 30 June 2022

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A. Condensed Consolidated Income Statement

		Half Year Ended 30 June		
	<u>Note</u>	2022 S\$'000	2021 S\$'000	% Change
Revenue				
Hotel operations	4	56,032	55,443	1%
Rental income from investment properties	4	6,993	9,097	-23%
Total revenue		63,025	64,540	-2%
Other income		697	452	54%
Total revenue and other income		63,722	64,992	-2%
Costs and expenses				
Staff costs		(19,911)	(18,012)	11%
Depreciation and amortisation		(10,614)	(11,038)	-4%
Hotel operating expenses		(23,448)	(22,889)	2%
Total costs and expenses		(53,973)	(51,939)	4%
Profit from operating activities	6.1	9,749	13,053	-25%
Finance costs		(176)	(222)	-21%
Interest income from fixed deposits		549	416	32%
Foreign exchange loss		(2,407)	(634)	n/m
Share of results of associates		(188)	(224)	-16%
Profit before tax	6.1	7,527	12,389	-39%
Income tax expense		(2,120)	(4,540)	-53%
Profit net of tax attributable to owners of the Company		5,407	7,849	-31%

n/m = Not meaningful

B. Condensed Consolidated Statement of Comprehensive Income

Profit net of tax

Other comprehensive income:

Items that will not be reclassified to profit or loss

Net gain on fair value changes of equity investments
at fair value through other comprehensive income

**Items that may be reclassified subsequently
to profit or loss**

Foreign currency translation

Other comprehensive income, net of tax

Total comprehensive income

Total comprehensive income attributable to:
Owners of the Company

n/m = Not meaningful

Earnings per ordinary share of the Group
based on net profit attributable to owners of the Company:
(a) based on the weighted average number of shares
(b) on a fully diluted basis

15
15

0.73 cents 1.08 cents
0.73 cents 1.08 cents

Half Year Ended 30 June		
2022 S\$'000	2021 S\$'000	% Change
5,407	7,849	-31%
77	3,032	-97%
(25,859)	(7,352)	252%
(25,782)	(4,320)	497%
(20,375)	3,529	n/m
(20,375)	3,529	n/m
(20,375)	3,529	n/m

C. Condensed Statements of Financial Position

	Note	Group		Company	
		30-Jun-22 S\$'000	31-Dec-21 S\$'000	30-Jun-22 S\$'000	31-Dec-21 S\$'000
Non-current assets					
Property, plant and equipment	11	961,391	971,923	241,931	242,874
Investment properties	12	164,608	156,356	-	-
Investments in subsidiaries		-	-	356,366	344,736
Investments in associates		6,220	6,159	7,888	7,888
Investment securities		19,614	19,889	19,614	19,889
Goodwill		658	674	-	-
		1,152,491	1,155,001	625,799	615,387
Current assets					
Inventories		787	803	10	15
Trade and other receivables		8,668	10,997	496	848
Prepaid operating expenses		3,384	1,856	134	146
Property held for sale		-	98,056	-	-
Fixed deposits		269,809	179,215	95,168	108,996
Cash and bank balances		40,390	51,659	6,996	3,944
		323,038	342,586	102,804	113,949
Current liabilities					
Trade and other payables		15,154	12,203	4,275	4,271
Accrued operating expenses		1,993	2,336	622	972
Deferred income		556	931	-	-
Income tax payable		4,814	4,684	377	37
Dividend payable		7,394	-	7,394	-
Lease liabilities		87	118	41	39
Loans and borrowings	13	13,417	14,770	-	-
		43,415	35,042	12,709	5,319
Net current assets		279,623	307,544	90,095	108,630
Non-current liabilities					
Lease liabilities		4,264	4,565	-	12
Deferred tax liabilities		134,837	137,198	8,647	8,619
Net assets		1,293,013	1,320,782	707,247	715,386
Equity attributable to owners of the parent					
Issued capital	14	515,009	515,009	515,009	515,009
Fair value adjustment reserve		3,425	3,348	3,425	3,348
Asset revaluation reserve		616,418	616,418	181,863	181,863
Foreign currency translation reserve		(138,898)	(113,039)	-	-
Other reserve		1,432	1,432	-	-
Retained earnings		295,627	297,614	6,950	15,166
Total equity		1,293,013	1,320,782	707,247	715,386

D. Condensed Statements of Changes in Equity

Group

	Share Capital \$'000	Fair Value Adjustment Reserve \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 Jan 2022	515,009	3,348	616,418	(113,039)	1,432	297,614	1,320,782
Profit net of tax	-	-	-	-	-	5,407	5,407
Other comprehensive income for the period:							
Net gain on fair value changes of equity investments at fair value through other comprehensive income	-	77	-	-	-	-	77
Foreign currency translation	-	-	-	(25,859)	-	-	(25,859)
Total comprehensive income for the period	-	77	-	(25,859)	-	5,407	(20,375)
Distributions to owners:							
Cash Dividend	-	-	-	-	-	(7,394)	(7,394)
Total distributions to owners:	-	-	-	-	-	(7,394)	(7,394)
Closing balance at 30 June 2022	<u>515,009</u>	<u>3,425</u>	<u>616,418</u>	<u>(138,898)</u>	<u>1,432</u>	<u>295,627</u>	<u>1,293,013</u>
Opening balance at 1 Jan 2021	502,537	1,043	622,777	(91,001)	1,432	297,739	1,334,527
Profit net of tax	-	-	-	-	-	7,849	7,849
Other comprehensive income for the period:							
Net loss on fair value changes of equity instruments at fair value through other comprehensive income	-	3,032	-	-	-	-	3,032
Foreign currency translation	-	-	-	(7,352)	-	-	(7,352)
Total comprehensive income for the period	-	3,032	-	(7,352)	-	7,849	3,529
Distributions to owners:							
Dividend on ordinary shares	-	-	-	-	-	(14,531)	(14,531)
Total distributions to owners:	-	-	-	-	-	(14,531)	(14,531)
Closing balance at 30 June 2021	<u>502,537</u>	<u>4,075</u>	<u>622,777</u>	<u>(98,353)</u>	<u>1,432</u>	<u>291,057</u>	<u>1,323,525</u>

Company

	Share Capital \$'000	Fair Value Adjustment Reserve \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Opening balance at 1 Jan 2022	515,009	3,348	181,863	15,166	715,386
Loss net of tax	-	-	-	(822)	(822)

**Other comprehensive
income for the period:**

Net gain on fair value changes
of equity instruments at fair
value through other
comprehensive income

-	77	-	-	77
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Total comprehensive income for the period	-	77	-	(822)	(745)
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Distributions to owners:

Cash dividends	-	-	-	(7,394)	(7,394)
Total distributions to owners:	-	-	-	(7,394)	(7,394)

Closing balance at 30 June 2022	515,009	3,425	181,863	6,950	707,247
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Opening balance at 1 Jan 2021	502,537	1,043	186,442	31,302	721,324
Loss net of tax	-	-	-	(1,758)	(1,758)

**Other comprehensive
income for the period:**

Net loss on fair value changes
of equity instruments at fair
value through other
comprehensive income

-	3,032	-	-	3,032
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Total comprehensive income for the period	-	3,032	-	(1,758)	1,274
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Distributions to owners:

Dividend on ordinary shares	-	-	-	(14,531)	(14,531)
Total distributions to owners:	-	-	-	(14,531)	(14,531)

Closing balance at 30 June 2021	502,537	4,075	186,442	15,013	708,067
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E. Condensed Consolidated Statement of Cash Flow

	Half Year Ended 30 June	
	2022	2021
	S\$'000	S\$'000
Operating activities		
Profit before tax	7,527	12,389
Adjustments for :-		
Depreciation and amortisation	10,614	11,038
Dividend income from investment securities	(468)	(283)
Finance costs	176	222
Interest income from fixed deposits	(549)	(416)
Foreign exchange loss	2,407	634
Share of results of associates	188	224
Operating cash flows before changes in working capital	19,895	23,808
Increase in inventories	(5)	(97)
Decrease/(increase) in trade and other receivables	2,106	(1,375)
Decrease in prepaid operating expenses	(1,599)	(1,893)
Increase in trade and other payables	2,739	2,161
Cash flows from operations	23,136	22,604
Interest received	549	416
Finance costs	(176)	(222)
Tax paid	(1,907)	(4,400)
Net cash flows generated from operating activities	21,602	18,398
Investing activities		
Dividend income from investment securities	468	283
Proceeds from disposal of investment property	77,334	-
Proceeds from disposal of investment securities	519	-
Purchase of property, plant and equipment	(13,780)	(9,996)
Additions to investment properties	(333)	-
Purchase of investment securities	(167)	(243)
Net cash flows generated/(used) generated in investing activities	64,041	(9,956)
Financing activities		
Proceeds from loans and borrowings	10,820	-
Repayments of loans and borrowings	(11,253)	(13,632)
Repayment of principal portion of lease liabilities	(46)	(61)
Increase in fixed deposits pledged	(52,369)	-
Net cash flows used in financing activities	(52,848)	(13,693)
Increase/(decrease) in cash and cash equivalents	32,795	(5,251)
Effect of exchange rate changes on cash and cash equivalents	(5,839)	(2,043)
Cash and cash equivalents at beginning of period	230,874	228,960
Cash and cash equivalents at end of period	257,830	221,666
Cash and cash equivalents at end of period comprise:		
Fixed deposits	269,809	182,200
Cash and bank balances	40,390	39,466
	310,199	221,666
Less: Fixed deposits pledged	(52,369)	-
	257,830	221,666

F. Notes to the Condensed Consolidated Financial Statements

1. Corporate Information

Hotel Grand Central Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The registered office and principal business of the Company is located at 22 Cavenagh Road, Singapore 229617. These consolidated financial statements as at and for the financial year ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the "Group") and the Group's interests in associates.

The principal activities of the Company are those of investment holding and hotel operations. The principal activities of the Group are:

- hotel operations
- commercial property investment
- provision of management, marketing and support services
- investment holding

2. Basis of preparation

The condensed financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS (I) 1-34 *Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete 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 2.1.

The condensed consolidated financial statements are presented in Singapore dollar which is the Company's functional currency. All values are rounded to the nearest thousand ("S\$000"), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The Group and the Company have adopted the following amendments to SFRS(I), that is effective for the financial periods beginning on 1 January 2022:

<i>Description</i>	<i>Effective for annual periods periods beginning on or after</i>
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1 -16: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1 -37: Onerous Contracts - Cost of Fulfilling a Contract before Intended Use	1 January 2022
Annual Improvements to SFRS(I)s 2018 - 2020	1 January 2022

The adoption of the amendments to SFRS(I) did not have any material financial impact on the financial statements of the Group and the Company for the financial period ended 30 June 2022.

2.2 Use of judgements and estimates

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

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

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 in the financial statements are included in the following notes:

Note 11 - Property, plant and equipment
Note 12 - Investment properties

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segmental and revenue information

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

- Singapore
- Malaysia
- Australia
- New Zealand
- China

4.1 Reportable segments

	Singapore S\$'000	Malaysia S\$'000	Australia S\$'000	New Zealand S\$'000	China S\$'000	Elimination S\$'000	Group S\$'000
1 January to 30 June 2022							
Revenue	11,974	99	38,967	11,551	434	-	<u>63,025</u>
Segment results	2,570	(167)	6,053	1,613	(320)	-	9,749
Finance costs	-	-	-	(176)	-	-	(176)
Interest income from fixed deposits	306	161	60	18	4	-	549
Share of results of associates	-	(146)	-	-	-	-	(188)
Income tax expense	-	-	-	-	-	-	(2,120)
Unallocated foreign exchange loss	-	-	-	-	-	-	(2,407)
Profit for the year attributable to owners of the Company	-	-	-	-	-	-	<u>5,407</u>
Segment assets	607,100	5,718	249,163	289,617	14,584	(7,080)	1,159,102
Investment in associates	-	6,228	-	-	-	-	6,228
Cash and fixed deposits	127,690	16,654	151,272	12,236	2,347	-	310,199
Total assets	-	-	-	-	-	-	<u>1,475,529</u>
Segment liabilities	(14,261)	(160)	(11,259)	(9,261)	(1,286)	6,779	(29,448)
Loans and borrowings	-	-	-	(13,417)	-	-	(13,417)
Unallocated liabilities	-	-	-	-	-	-	(139,651)
Total liabilities	-	-	-	-	-	-	<u>(182,516)</u>
Capital expenditure	79	-	3,842	9,843	16	-	13,780
Depreciation and amortisation	5,264	70	3,423	1,417	440	-	10,614
1 January to 30 June 2021							
Revenue	9,796	21	40,172	14,063	488	-	<u>64,540</u>
Segment results	1,679	(160)	8,556	3,371	(393)	-	13,053
Finance costs	(3)	-	(1)	(218)	-	-	(222)
Interest income from fixed deposits	191	159	10	53	3	-	416
Share of results of associates	-	(224)	-	-	-	-	(224)
Income tax expense	-	-	-	-	-	-	(4,540)
Unallocated foreign exchange gain	-	-	-	-	-	-	(634)
Profit for the year attributable to owners of the Company	-	-	-	-	-	-	<u>7,849</u>
Segment assets	627,041	6,005	361,775	288,628	15,085	(6,808)	1,291,726
Investment in associates	-	6,583	-	-	-	-	6,583
Cash and fixed deposits	131,446	17,074	54,390	16,831	1,925	-	221,666
Unallocated assets	-	-	-	-	-	-	837
Total assets	-	-	-	-	-	-	<u>1,520,812</u>
Segment liabilities	(5,911)	(165)	(11,235)	(10,319)	(1,069)	6,506	(22,193)
Loans and borrowings	-	-	-	(13,631)	-	-	(13,631)
Unallocated liabilities	-	-	-	-	-	-	(161,463)
Total liabilities	-	-	-	-	-	-	<u>(197,287)</u>
Capital expenditure	22	-	1,588	8,382	4	-	9,996
Depreciation and amortisation	5,278	72	3,588	1,538	562	-	11,038

4.2 Disaggregation of revenue

	Group Half Year ended 30 June	
	2022 \$'000	2021 \$'000
Revenue from contracts with customers:		
- Hotel operations	56,032	55,443
Rental income from investment properties	6,993	9,097
	<u>63,025</u>	<u>64,540</u>

Disaggregation of revenue from contracts with customers

	Group Half Year ended 30 June	
	2022 \$'000	2021 \$'000
Primary geographical markets		
Singapore	11,974	9,796
Malaysia	99	21
Australia	38,967	40,172
New Zealand	11,551	14,063
China	434	488
	<u>63,025</u>	<u>64,540</u>
Major product or service line		
Room revenue	42,286	36,344
Food and beverage income	10,183	14,517
Others	10,556	13,679
	<u>63,025</u>	<u>64,540</u>
Timing of transfer of goods or services		
Over time	52,842	50,023
At a point in time	10,183	14,517
	<u>63,025</u>	<u>64,540</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 30 June 2022 and 31 December 2021.

	Group		Company	
	30 June 2022 \$'000	31 Dec 2021 \$'000	30 June 2022 \$'000	31 Dec 2021 \$'000
Financial assets carried at amortised cost				
Trade and other receivables	8,668	10,997	496	848
Cash and fixed deposits	310,199	230,874	102,164	112,940
	<u>318,867</u>	<u>241,871</u>	<u>102,660</u>	<u>113,788</u>
Financial assets carried at fair value through other comprehensive income				
Investment securities	19,614	19,889	19,614	19,889
	<u>19,614</u>	<u>19,889</u>	<u>19,614</u>	<u>19,889</u>
Financial liabilities carried at amortised cost				
Trade and other payables	15,154	11,841	4,275	4,132
Accrued operating expenses	1,993	2,336	622	972
Lease liabilities	4,351	4,683	41	51
Loans and borrowings	13,417	14,770	-	-
	<u>34,915</u>	<u>33,630</u>	<u>4,938</u>	<u>5,155</u>

6. Profit before taxation

6.1 Significant items

	Group Half Year ended 30 June	
	2022 \$'000	2021 \$'000
Income		
Dividend income	468	283
Interest income	549	416
Expenses		
Interest on bank loans and lease liabilities	176	222
Depreciation and amortisation	10,614	11,038
Foreign exchange loss	2,407	634

6.2 Related party transactions

There are no material related party transactions.

7. 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 income statement are:

	Group Half Year ended 30 June	
	2022 \$'000	2021 \$'000
Current income tax expense	2,128	4,569
Deferred income tax expense relating to originating and reversal of temporary differences	(7)	(29)
	2,120	4,540

8. Dividends

Ordinary dividend provided for:
Final exempt (one-tier) dividend for 2021 - Ordinary: 1.0 cents (2020: 2.0 cents) per share

	Group Half Year ended 30 June	
	2022 \$'000	2021 \$'000
	7,394	14,531

9. Net Asset value

	Group		Company	
	30 June 2022 \$'000	31 Dec 2021 \$'000	30 June 2022 \$'000	31 Dec 2021 \$'000
Net asset value per ordinary share based on issued shares at the end of the period (Note 14)	1.76	1.79	0.97	0.97

10. Financial assets at fair value through other comprehensive income

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**)
- Inputs other than quoted prices included within Level 1 which are observable for the asset and or liability, either directly (i.e as prices) or indirectly (i.e derived from prices) (**Level 2**)
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**) (i.e derived from prices) (**Level 3**)

The following table presented the assets measured at fair value:

Group and Company	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2022				
Financial assets				
Investment securities	19,614	-	-	19,614
31 December 2021				
Financial assets				
Investment securities	19,889	-	-	19,889

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found in Notes 11 and 12.

11. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$13,780,000 (30 June 2021: \$9,996,000).

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land, leasehold land and hotel buildings and improvements are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land, leasehold land, and hotel buildings and improvements are measured at fair value less accumulated depreciation on leasehold land and hotel buildings and improvements and impairment losses recognised after the date of the revaluation. Valuations are performed at least once every three years to ensure that the carrying amount does not differ materially from the fair value of the freehold land, leasehold land and hotel buildings and improvements at the end of the reporting period. Due to the on-going COVID-19 pandemic in FY 2021, the Group engaged external professional valuers to update the fair value of some selected hotel assets which were more severely affected by the business disruption.

At the end of every half-year, the directors reviews the carrying values of the hotel assets carried at fair value and perform an internal valuation, where no independent valuer is involved. In assessing whether the fair values remained appropriate, management considered whether any movement in market data such as discount rate, capitalisation rates, changes in underlying cash flows or comparable sales would result in a material impact to the fair values of the hotel assets since the end of the previous financial year. The Group will engage external independent qualified valuer whenever carrying amounts of the hotel assets are likely to differ materially from the fair values recognised at the end of the previous financial year. The fair values determined based on the year-end valuations performed remained appropriate as at 30 June 2022 and as such no fair value movements have been recognised for the year ended 30 June 2022.

12. Investment properties

Investment properties comprise commercial properties that are leased to third parties on operating leases.

	Group	
	2022	2021
	\$'000	\$'000
At 1 Jan	156,356	263,549
Additions	333	1,690
Lease incentives	-	(121)
Net (loss)/gain from fair value adjustments recognised in profit or loss	-	(1,535)
Exchange differences	(10,912)	(9,171)
Completed investment properties	145,777	254,412
Reclassification from/(to) property held for sale	18,831	(98,056)
At 30 June	164,608	156,356

Investment properties are stated at fair value which has been determined based on valuation performed at the end of each financial year. The valuations were performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of properties being valued. The valuations are determined based on the capitalisation method and discounted cashflow method. Details of the valuation techniques and inputs used are disclosed in Note 28(c) of the Group's annual financial statements for the financial year ended 31 December 2021.

At the end of every half-year, the directors will assess whether fair values of the Group's properties remain appropriate by holding discussions with property managers and corroborating through independent research and market data. In assessing whether the fair values remained appropriate, the directors considered whether any movement in market data such as discount rate, capitalization rates, changes in underlying cash flows or comparable sales would result in a material impact to the fair values of the properties since the end of the previous financial year. The Group will engage external independent qualified valuer whenever carrying amounts of the properties are likely to differ materially from the fair values recognised at the end of the previous financial year. The fair values determined based on the year-end valuations performed remained appropriate as at 30 June 2022 and as such no fair value movements have been recognised for the half year ended 30 June 2022.

Investment properties pledged as securities

Investment property amounting to approximately \$96,266,000 had been mortgaged to a bank as security for a bank facility as at 30 June 2021. The facility had been fully repaid as at 30 June 2022.

13. Loans and borrowings

	Group	
	30 June 2022	31 Dec 2021
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured	13,417	14,770

The bank borrowings of the Group are secured over certain fixed deposits of the Group.

14. Share capital

	Group and Company			
	30 June 2022		31 Dec 2021	
	No. of shares	\$'000	No. of shares	\$'000
	000		000	
Issued and fully paid ordinary shares				
At beginning and end of the financial period	739,426	515,009	739,426	515,009

The Company did not hold any treasury shares as at 30 June 2022 (2021: Nil).

15. Earnings per share

	Group	
	Half Year ended 30 June	
	2022	2021
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:		
(a) based on the weighted average number of shares	0.73 cents	1.08 cents
(b) on a fully diluted basis	0.73 cents	1.08 cents

16. Subsequent events

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

G. Other Information Required by the Listing Rule Appendix 7.2

17. Review

The condensed consolidated statement of financial position of Hotel Grand Central Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated income statement and condensed comprehensive income statement and condensed statement of changes in equity and condensed consolidated statement of cashflows for the six-month period ended and certain explanatory notes have not been audited or reviewed.

18. Review of performance of the Group

a) Condensed consolidated income statement

i. Group Revenue Commentary

In the reporting period, all hotels that were participating as government contracted facilities for COVID-19 related guests ceased. These hotels were Adelaide Hindley Street and Brisbane and Singapore's Hotel Chancellor @ Orchard. Notwithstanding this, all hotels recorded increase in turnover. The Group's turnover, however, recorded a decrease mainly due to the loss of turnover from investment properties. The Flinders Street Building was sold in the 1st quarter of 2022.

The Group's hotel revenue increased in Singapore, Australia and Malaysia. This was due to an improvement in the hotels' room occupancies and room rates. New Zealand and China recorded lower sales as travelling was still affected by Covid 19 travelling restrictions. Notwithstanding the higher hotel revenue in Australia, the Australia revenue was offset by lower rental income from investment property after the sale of the Flinders Street building in the 1st quarter of 2022.

Group revenue during the 1st half of 2022 was also affected by lower average exchange rates of the Australia and New Zealand Dollar against the Singapore Dollar.

ii. Group Profit Commentary

General

The decrease in the Group Revenue resulted in the drop in the profit after tax compared to last year. In addition, the profit after tax during the period was affected by the following factors:

- a) Foreign exchange loss of \$2.4 million compared to a loss of \$0.6 million in last corresponding period
- b) Increased staff and operating costs due to inflation
- c) Increase of interest income
- d) Decrease in taxation during the period due to lower operating profits

iii. Finance costs

Finance costs reduced due to a reduction in the outstanding loan amount.

iv. Interest income from fixed deposits

Interest income from fixed deposits increased due to an increase in the fixed deposits placed and higher interest rates.

v. Foreign exchange loss

The foreign exchange loss arose due to weakening of the Australia and New Zealand Dollars against the Singapore Dollars.

b) Condensed consolidated statement of comprehensive income

vi. Fair value changes of equity investments at fair value

The fair value gain of equity investments was mainly due to higher share prices of investment securities held by the company.

vii. Foreign exchange translation

The foreign currency translation loss in 2022 was mainly due to the effects of depreciation of the Australian dollar and New Zealand dollar against the Singapore dollar on the Australia and New Zealand subsidiaries' net assets respectively.

c) Condensed statement of financial position

viii. Investment securities

Investment securities decreased mainly due to a disposal of some securities offset by an increase in share prices of the investment securities.

ix. Fixed deposits

Fixed deposits increased due to the placement of the sale proceeds of the Flinders Street building to fixed deposits.

x. Loans and borrowings

Loans and borrowings reduced due to repayments during the period.

xi. Foreign currency translation reserve

The foreign currency translation reserve deficit increased as at 30 June 2022 mainly due to the effects of depreciation of the Australian dollar and New Zealand dollar against the Singapore dollar on the Australia and New Zealand subsidiaries' net assets respectively.

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

Nil

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

Many countries have relaxed border closures and travel restrictions. The recovery of the hotel industry is largely dependent upon the post pandemic recovery of the global economy and the sustained resumption of global business and leisure travelling.

Whilst there are signs of a recovery in travelling in 2022, the outlook is still uncertain. The growth in the global economy is threatened by inflation and ongoing geopolitical conflicts.

21. Dividend information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

N.A

(d) Book closure date

N.A

22. Interested person transaction

The Company does not have a shareholders' mandate for interested person transactions.

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

The Company has received undertaking 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.

24. Confirmation By Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the half year ended 30 June 2022 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Yoo Loo Ping
Secretary
13 August 2022