



**Unaudited Condensed Interim Financial Information
For the Second Half and Financial Year
Ended 31 December 2023**

HOTEL ROYAL LIMITED

Incorporated in the Republic of Singapore

Company Registration Number - 196800298G

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**INTERIM FINANCIAL INFORMATION
FOR THE SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

**STATEMENTS OF FINANCIAL POSITION
For the financial year ended 31 December**

	Note	<u>The Group</u>		<u>The Company</u>	
		<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>ASSETS</u>					
Current assets					
Cash and bank balances		22,658	47,023	6,813	33,444
Financial assets at fair value through profit or loss	4	5,294	3,834	2,057	1,866
Financial assets at fair value through other comprehensive income	5	5,239	6,190	839	777
Trade receivables	6	2,516	1,925	548	356
Other receivables, deposits and prepaid expenses	7	1,940	1,758	131	154
Inventories		974	716	124	95
Income tax recoverable		53	83	-	-
Total current assets		38,674	61,529	10,512	36,692
Non-current assets					
Subsidiaries		-	-	259,343	227,769
Financial assets at fair value through other comprehensive income	5	18,804	18,581	15,553	15,500
Other assets		1,503	740	708	53
Property, plant and equipment	8	672,412	644,157	252,721	239,863
Investment properties	9	95,864	101,318	21,933	22,027
Total non-current assets		788,583	764,796	550,258	505,212
Total assets		827,257	826,325	560,770	541,904
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Bank loans	10	8,759	21,375	720	720
Trade payables		4,310	4,074	2,180	2,188
Other payables	11	6,033	4,723	3,508	2,708
Income tax payable		2,563	1,195	1,363	842
Total current liabilities		21,665	31,367	7,771	6,458
Non-current liabilities					
Other payables	11	36	35	8,442	14,602
Retirement benefit obligations		259	359	-	-
Long-term bank loans	10	149,971	152,930	71,860	70,947
Deferred tax liabilities		9,975	10,515	832	723
Total non-current liabilities		160,241	163,839	81,134	86,272
Capital and reserves					
Share capital	12(i)	190,836	190,836	190,836	190,836
Asset revaluation reserve		395,489	372,300	227,608	214,508
Employee benefit reserve		66	15	-	-
Fair value reserve		16,995	16,217	14,660	14,540
Foreign currency translation reserve		(23,513)	(14,133)	-	-
Retained earnings		65,478	65,884	38,761	29,290
Total equity		645,351	631,119	471,865	449,174
Total liabilities and equity		827,257	826,325	560,770	541,904

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the second half and financial year ended 31 December

<u>The Group</u>							
	<u>Note</u>	<u>6 months ended</u>			<u>12 months ended</u>		
		<u>31 December</u>			<u>31 December</u>		
		<u>2023</u>	<u>2022</u>	<u>+ / (-)</u>	<u>2023</u>	<u>2022</u>	<u>+ / (-)</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Revenue	13	30,799	25,075	22.8	58,340	41,890	39.3
Cost of sales		(15,158)	(13,872)	9.3	(29,474)	(24,749)	19.1
Gross profit		15,641	11,203	39.6	28,866	17,141	68.4
Other income	14	2,774	3,376	(17.8)	5,224	3,765	38.8
Distribution costs		(634)	(584)	8.6	(1,184)	(939)	26.1
Administrative expenses		(8,993)	(5,942)	51.3	(16,811)	(11,262)	49.3
Other expenses		(2,989)	(3,137)	(4.7)	(3,049)	(5,842)	(47.8)
Finance costs	15	(4,126)	(3,429)	20.3	(8,356)	(5,797)	44.1
Profit (Loss) before income tax	16	1,673	1,487	12.5	4,690	(2,934)	n.m.
Income tax expense	17	(1,074)	(1,067)	0.7	(2,135)	(505)	>100
Profit (Loss) for the period, attributable to owners of the Company		599	420	42.6	2,555	(3,439)	n.m.

n.m. : not meaningful

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the second half and financial year ended 31 December

	The Group					
	6 months ended			12 months ended		
	31 December			31 December		
	2023	2022	+ / (-)	2023	2022	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit (Loss) for the period	599	420	42.6	2,555	(3,439)	n.m.
Other comprehensive income (loss):						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Net fair value gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	285	(28)	n.m.	841	(1,971)	n.m.
Re-measurement of defined benefit obligations	8	(15)	n.m.	51	(17)	n.m.
Increase in valuation of freehold land - hotels	23,189	34,290	(32.4)	23,189	34,290	(32.4)
Total	23,482	34,247	(31.4)	24,081	32,302	(25.5)
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translation of foreign operations	929	(5,549)	n.m.	(9,380)	(11,943)	(21.5)
Other comprehensive income (loss) for the period	24,411	28,698	(14.9)	14,701	20,359	(27.8)
Total comprehensive income for the period, attributable to owners of the Company	25,010	29,118	(14.1)	17,256	16,920	1.99

n.m. : not meaningful

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December

<u>The Group</u>	<u>Share capital</u> <u>\$'000</u>	<u>Asset revaluation reserve</u> <u>\$'000</u>	<u>Employee benefit reserve</u> <u>\$'000</u>	<u>Fair value reserve</u> <u>\$'000</u>	<u>Foreign currency translation reserve</u> <u>\$'000</u>	<u>Retained earnings</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
Balance at 1 January 2022	150,665	338,010	32	17,645	(2,190)	72,386	576,548
<i>Total comprehensive income (loss) for the year:</i>							
Loss for the year	-	-	-	-	-	(3,439)	(3,439)
Other comprehensive income (loss) for the year	-	34,290	(17)	(1,428)	(11,943)	(543)	20,359
Total	-	34,290	(17)	(1,428)	(11,943)	(3,982)	16,920
<i>Transactions with owners, recognised directly in equity:</i>							
Final dividends (Note 18)	-	-	-	-	-	(2,520)	(2,520)
Issuance of shares	40,171	-	-	-	-	-	40,171
Total	40,171	-	-	-	-	(2,520)	37,651
Balance at 31 December 2022	190,836	372,300	15	16,217	(14,133)	65,884	631,119
Balance at 1 January 2023	190,836	372,300	15	16,217	(14,133)	65,884	631,119
<i>Total comprehensive income (loss) for the year:</i>							
Profit for the period	-	-	-	-	-	2,555	2,555
Other comprehensive income (loss) for the year	-	23,189	51	778	(9,380)	63	14,701
Total	-	23,189	51	778	(9,380)	2,618	17,256
<i>Transactions with owners, recognised directly in equity:</i>							
Final dividends (Note 18)	-	-	-	-	-	(3,024)	(3,024)
Balance at 31 December 2023	190,836	395,489	66	16,995	(23,513)	65,478	645,351

STATEMENTS OF CHANGES IN EQUITY (Continued)
For the financial year ended 31 December

	<u>Share capital \$'000</u>	<u>Asset revaluation reserve \$'000</u>	<u>Fair value reserve \$'000</u>	<u>Retained earnings \$'000</u>	<u>Total \$'000</u>
The Company					
Balance as at 1 January 2022	150,665	194,308	14,435	16,583	375,991
<i>Total comprehensive income (loss) for the year:</i>					
Profit for the year	-	-	-	15,590	15,590
Other comprehensive income (loss) for the year	-	20,200	105	(363)	19,942
Total	-	20,200	105	15,227	35,532
<i>Transactions with owners, recognised directly in equity:</i>					
Final dividends (Note 18)	-	-	-	(2,520)	(2,520)
Issuance of shares	40,171	-	-	-	40,171
Total	40,171	-	-	(2,520)	37,651
Balance at 31 December 2022	190,836	214,508	14,540	29,290	449,174
Balance as at 1 January 2023	190,836	214,508	14,540	29,290	449,174
<i>Total comprehensive income (loss) for the year:</i>					
Profit for the year	-	-	-	12,517	12,517
Other comprehensive income (loss) for the year	-	13,100	120	(22)	13,198
Total	-	13,100	120	12,495	25,715
<i>Transactions with owners, recognised directly in equity:</i>					
Final dividends (Note 18)	-	-	-	(3,024)	(3,024)
Balance at 31 December 2023	190,836	227,608	14,660	38,761	471,865

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December

	<u>The Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Operating activities		
Profit (Loss) before income tax	4,690	(2,934)
Adjustments for:		
Allowance for doubtful receivables	18	193
Depreciation expense	7,193	7,002
Dividend income	(544)	(363)
Net fair value (gain) loss on financial assets at fair value through profit or loss	(160)	683
Loss on disposal of property, plant and equipment	30	-
Write back of impairment loss on property, plant and equipment	(2,933)	(2,755)
Net foreign exchange adjustment (gain)/loss	(863)	1,257
Impairment loss on investment properties	2,962	1,998
Interest expense	8,356	5,797
Interest income	(932)	(41)
Bad debts (recovered) expense	(11)	204
Write back of allowance for doubtful receivables	(29)	(265)
Operating cash flows before movements in working capital	17,777	10,776
Financial assets at fair value through profit or loss	(1,353)	(618)
Trade and other receivables	(1,629)	2,398
Inventories	(276)	179
Trade and other payables	1,689	214
Cash generated from operations	16,208	12,949
Dividend received	544	363
Interest paid	(8,356)	(5,797)
Interest received	932	41
Income tax paid	(1,090)	(588)
Net cash from operating activities	8,238	6,968
Investing activities		
Additions to investment properties	(396)	(1,362)
Additions to property, plant and equipment	(18,002)	(8,860)
Proceeds from disposal of financial assets held at fair value through other comprehensive income	1,895	1,320
Purchase of financial assets held at fair value through other comprehensive income	(269)	(599)
Net cash used in investing activities	(16,772)	(9,501)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the financial year ended 31 December

	<u>The Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Financing activities		
Dividends paid	(3,024)	(2,520)
Proceeds from bank loans	11,073	12,932
Repayment of bank loans	(23,274)	(29,669)
Proceeds from rights issue	-	40,171
Fixed deposits pledged to banks	189	(1,310)
Net cash (used in)/from financing activities	<u>(15,036)</u>	<u>19,604</u>
Net (decrease)/increase in cash and cash equivalents	(23,570)	17,071
Cash and cash equivalents at beginning of year	44,772	28,103
Effect of currency exchange adjustment	(478)	(402)
Cash and cash equivalents at end of year	<u><u>20,724</u></u>	<u><u>44,772</u></u>

Cash and cash equivalents consist of :

	<u>The Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash on hand	174	124
Cash at bank	15,124	13,069
Fixed deposits	7,360	33,830
	<u>22,658</u>	<u>47,023</u>
Less: Fixed deposits pledged	(1,934)	(2,251)
Total	<u><u>20,724</u></u>	<u><u>44,772</u></u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Hotel Royal Limited (the “Company”) is incorporated and domiciled in Singapore.

These condensed interim financial statements as at and for the second half and financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group are:

- (a) owning and operating hotels and providing ancillary services (“hotel operation”);
- (b) owning and letting out investment properties (“property investment”); and
- (c) holding financial investments which comprise financial assets such as shares, bonds, funds and other financial products, to generate a stable stream of income through interest and dividends, and also for potential capital appreciation (“financial investment”)

2. BASIS OF PREPARATION

2.1 *Statement of compliance*

The condensed financial statements of the Group and the Company for the second half and financial year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements of the Group and the Company do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the period ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.4.

The condensed interim financial statements of the Group and the Company are presented in Singapore dollar which is the Company’s functional currency.

2.2 *Basis of measurement*

The interim financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

The interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

2.3 *Uses of estimates and judgements*

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that any instances of application of judgements are not expected to have significant effect on the amounts recognised in the financial statements (apart from those involving estimates which are dealt with below).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

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

Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. These levels are described below:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 *New and amended standards adopted by the Group*

On 1 January 2023, the Group and the Company adopted all the revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new and revised SFRS(I) pronouncements does not result in changes to the Group’s and the Company’s accounting policies and has no material financial effect on the amounts reported for the current or prior years.

3. SEASONAL OPERATIONS

The Group’s businesses are generally not affected significantly by seasonal or cyclical factors during the financial period. However, the Group’s operations and performance will continue to vary from period to period, depending on the conditions of the hospitality and leisure industry in the countries in which the Group operates.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Quoted bonds	2,075	3,834	1,434	1,866
Quoted funds	2,979	-	623	-
Keyman life insurance policy at fair value	240	-	-	-
	<u>5,294</u>	<u>3,834</u>	<u>2,057</u>	<u>1,866</u>

The investments in quoted bonds and quoted funds shown above offer the Group the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

The fair value of keyman life insurance policy is based on the total cash surrender value of the contracts stated in the annual statement of the policy (Level 2).

Changes in the fair value of financial assets at fair value through profit or loss, amounting to net gain of \$160,000 (2022 : net loss of \$683,000) have been included in profit or loss for the year as part of “other income” (2022 : “other expenses”).

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<i>Current assets</i>				
Quoted equity shares	5,239	5,621	839	777
Structured products	-	569	-	-
	<u>5,239</u>	<u>6,190</u>	<u>839</u>	<u>777</u>
<i>Non-current assets</i>				
Quoted equity shares	3,815	3,656	564	575
Unquoted equity share	14,989	14,925	14,989	14,925
	<u>18,804</u>	<u>18,581</u>	<u>15,553</u>	<u>15,500</u>
Total	<u>24,043</u>	<u>24,771</u>	<u>16,392</u>	<u>16,277</u>

The investments above offer the Group the opportunity for return through dividend income and fair value gains. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The financial assets held at fair value through other comprehensive income presented as current assets are those held in investment accounts managed on behalf of the Group by professional fund managers and are subject to changes in components of investments within the portfolio. The financial assets held at fair value through other comprehensive income presented as non-current assets are those managed directly by the Group and are held for long-term investments.

Fair value measurement

The Group and the Company determines fair values of financial assets and financial liabilities in the following manner:

- (a) *Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)*

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments.

- (b) *Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis*

The following financial assets are measured at fair value at the end of each reporting period. Fair values belong to the following levels in the fair value hierarchy.

	Level 1		Level 2		Level 3	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
<u>The Group</u>						
Financial assets at fair value through profit or loss:						
- Quoted bonds	2,075	3,834	-	-	-	-
- Quoted funds	2,979	-	-	-	-	-
- Keyman life insurance policy at fair value	-	-	240	-	-	-
Financial assets at fair value through other comprehensive income:						
- Quoted equity shares	9,054	9,277	-	-	-	-
- Structured products	-	-	-	-	-	569
- Unquoted equity shares	-	-	-	-	14,989	14,925
<u>The Company</u>						
Financial assets at fair value through profit or loss:						
- Quoted bonds	1,434	1,866	-	-	-	-
- Quoted funds	623	-	-	-	-	-
Financial assets at fair value through other comprehensive income:						
- Quoted equity shares	1,403	1,352	-	-	-	-
- Unquoted equity shares	-	-	-	-	14,989	14,925

Fair values of investments classified as Level 1 of the fair value hierarchy are based on publicly available quoted prices. Level 3 investments are measured based on net assets of the unquoted funds as provided by the fund managers and measured based on adjusted net assets of the unquoted equity shares. There is no investment falling within Level 2 of the fair value hierarchy.

Reconciliation of Level 3 fair value measurement:

	<u>Financial assets at FVTPL (Unquoted managed funds) \$'000</u>	<u>Financial assets at FVTOCI (Structured products and equity shares) \$'000</u>	<u>Total \$'000</u>
<u>2023</u>			
<u>The Group</u>			
Opening balance	-	15,494	15,494
Purchase/(Disposal)	-	(569)	(569)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	64	64
Closing balance	-	14,989	14,989
<u>The Company</u>			
Opening balance	-	14,925	14,925
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	64	64
Closing balance	-	14,989	14,989
<u>2022</u>			
<u>The Group</u>			
Opening balance	11	15,784	15,795
Disposal	(11)	-	(11)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	(290)	(290)
Closing balance	-	15,494	15,494
<u>The Company</u>			
Opening balance	11	14,925	14,936
Disposal	(11)	-	(11)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	-	-
Closing balance	-	14,925	14,925

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

The gains and losses included in other comprehensive income relate to investments designated at FVTOCI held at the end of the reporting period and are reported as changes of “fair value reserves”.

6. TRADE RECEIVABLES

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade receivables	2,618	2,188	548	356
Related parties ⁽¹⁾	16	33	-	-
Total	<u>2,634</u>	<u>2,221</u>	<u>548</u>	<u>356</u>
Less: Loss allowance	<u>(118)</u>	<u>(296)</u>	<u>-</u>	<u>-</u>
	<u>2,516</u>	<u>1,925</u>	<u>548</u>	<u>356</u>

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

7. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Outside parties	229	539	-	87
Refundable deposits	579	562	3	-
Prepaid expenses	1,132	657	128	67
	<u>1,940</u>	<u>1,758</u>	<u>131</u>	<u>154</u>

8. PROPERTY, PLANT AND EQUIPMENT

During the financial year ended 31 December 2023, the Group acquired assets (which was mainly due to renovation and upgrading of a hotel in Malaysia) amounting to \$18,002,000 (31 December 2022: \$8,860,000) and disposed of assets amounting to \$351,000 (31 December 2022: \$342,000).

Valuation processes, techniques and inputs used in Level 3 fair value measurements

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings classified as property, plant and equipment and investment properties ("Group's properties"), on an annual basis and whenever their carrying amounts are likely to differ materially from their revalued amounts.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2023 and 2022, the fair value measurement of the Group's properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the financial year.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income capitalisation method and discounted cash flow method) which involve certain estimates and significant unobservable inputs. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the properties. Income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows.

9. INVESTMENT PROPERTIES

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and capital appreciation and are not occupied by the Group. They are leased to third parties under operating leases.

	The Group	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost		
Beginning of financial year	127,112	134,015
Improvements	396	1,362
Currency translation differences	(2,123)	(8,265)
End of financial year	<u>125,385</u>	<u>127,112</u>
Accumulated depreciation and impairment losses		
Beginning of financial year	25,794	24,243
Depreciation charge for the financial year	1,231	1,300
Impairment loss charge for the financial year	2,962	1,998
Currency translation differences	(466)	(1,747)
End of financial year	<u>29,521</u>	<u>25,794</u>
Carrying amount	<u>95,864</u>	<u>101,318</u>
	The Company	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost		
Beginning of financial year	25,961	25,961
Improvements	6	-
End of financial year	<u>25,967</u>	<u>25,961</u>
Accumulated depreciation		
Beginning of financial year	3,934	3,823
Depreciation charge for the financial year	100	111
End of financial year	<u>4,034</u>	<u>3,934</u>
Carrying amount	<u>21,933</u>	<u>22,027</u>

10. BANK LOANS / LONG-TERM BANK LOANS

	The Group		The Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Amount repayable within one year or on demand				
Secured	<u>8,759</u>	<u>21,375</u>	<u>720</u>	<u>720</u>
Amount repayable after one year				
Secured	<u>149,971</u>	<u>152,930</u>	<u>71,860</u>	<u>70,947</u>

The bank borrowings are secured by mortgages on certain of the Company's and subsidiaries' freehold land and buildings and investment properties; and assignment of rental proceeds of certain subsidiaries' investment properties and a floating charge on certain Company's and subsidiaries' assets.

11. OTHER PAYABLES

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Outside parties	5,978	4,664	256	39
Subsidiaries	-	-	8,442	14,602
Deferred grant income	91	94	-	-
Financial guarantee contract liabilities	-	-	3,252	2,669
Total	6,069	4,758	11,950	17,310
Less: Amount payable within 12 months (shown under current liabilities)	(6,033)	(4,723)	(3,508)	(2,708)
Amount payable after 12 months	36	35	8,442	14,602

12(i). SHARE CAPITAL

	<u>The Group and the Company</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>Number of ordinary shares</u>	<u>Number of ordinary shares</u>	<u>\$'000</u>	<u>\$'000</u>
	<u>('000)</u>			
Issued and fully paid:				
Balance at beginning of financial year	120,960	100,800	190,836	150,665
Issue of new ordinary shares under rights issue	-	20,160	-	40,171
Balance at end of financial year	120,960	120,960	190,836	190,836

In 2022, the Company issued an aggregate rights issue of 20,160,000 new ordinary shares at an issue price of \$2.00 for each rights share on the basis of one rights share for every five existing shares. The rights issue expenses amounted to \$0.15 million.

In 2022, the total number of issued ordinary shares of the Company had increased from 100.80 million ordinary shares to 120.96 million ordinary shares and net paid-up capital had increased from \$150.665 million to \$190.836 million.

These rights shares rank pari passu in all respects with the then existing shares for any dividends, rights, allotments or other distributions.

Use of the Rights Issue's Proceeds

As at the date of this report, the status of the utilisation of the proceeds raised from the Company's Renounceable Non-Underwritten Rights Issue are as follows: -

	S\$ million
Total rights issue proceeds, net	40.2
Less: Utilisation as reported previously in 1H 2023	(21.3)
Balance unutilised as at 30 June 2023	18.9
Less: Utilisation in 2H 2023	(15.9)
Balance unutilised as at 31 December 2023	3.0

S\$10.0 million was utilised in 4Q 2022 to repay part of Group's bank borrowings. The balance amount was initially for working capital of the Group. With the rising interest rate and the weakening of the New Zealand Dollar, the Company took the opportunity to repay a further S\$8.4 million of a subsidiary's bank borrowing. As the Company is able to draw up on the bank borrowing for working capital, this additional loan repayment will not affect the Company's working capital requirement.

An amount of S\$18.8 million was utilised for the upgrading of Hotel Royal Signature in Kuala Lumpur, Malaysia.

12(ii). TREASURY SHARES

There are no treasury shares.

12(iii). A STATEMENT SHOWING ALL SALES, TRANSFERERS, CANCELLATION AND /OR USE OF SUBSIDIARY HOLDINGS AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

This is not applicable as the Company did not have any such subsidiary holdings during and as at the end of the current financial period reported on.

13. REVENUE

Revenue comprises the following:

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Hotel operations:		
Room revenue	40,858	28,402
Food and beverage revenue	5,998	3,726
Spa revenue	542	360
Car park revenue	328	272
Rental income	2,523	2,071
Others	760	366
Properties investments:		
Rental income	6,713	6,289
Financial investment:		
Interest income from investments	74	41
Dividend income from:		
Quoted equity investments	366	260
Unquoted equity investments	178	103
Total	<u>58,340</u>	<u>41,890</u>

14. OTHER INCOME

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Government grants	300	355
Other income	70	390
Write back of allowance for doubtful receivables	29	265
Write back of impairment loss on property, plant and equipment	2,933	2,755
Recovery of bad debts	11	-
Fair value gain on financial assets at FVTPL	160	-
Net foreign exchange adjustment gain	863	-
Interest from bank deposits	858	-
Total	<u>5,224</u>	<u>3,765</u>

15. FINANCE COSTS

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest expense on bank loans	<u>8,356</u>	<u>5,797</u>

16. PROFIT (LOSS) BEFORE INCOME TAX

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

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Net foreign exchange adjustment loss	-	1,257
Depreciation	7,193	7,002
Allowance for doubtful debts	18	193
Net fair value loss on financial assets at FVTPL	-	683
Bad debts expenses	-	204
	<hr/>	<hr/>

17. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Current tax	1,865	847
Withholding tax	435	363
Deferred tax	(383)	(341)
	<hr/>	<hr/>
	1,917	869
Under/(Over) provision in prior years:		
- current tax	186	(188)
- deferred tax	32	(176)
	<hr/>	<hr/>
	218	(364)
	<hr/>	<hr/>
Total income tax expense	2,135	505

18. DIVIDENDS

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Ordinary dividends paid:		
Final dividend of \$0.025 per share (2022: \$0.025 per share)	3,024	2,520
	<hr/>	<hr/>

19. EARNINGS PER ORDINARY SHARE (EPS)

	The Group	
	Financial Year Ended 31 December	
	<u>2023</u>	<u>2022</u>
EPS (based on consolidated profit (loss) after taxation)		
- on weighted average number of shares (cents)	2.11	(3.35)
- on a fully diluted basis (cents)	2.11	(3.35)
	<hr/>	<hr/>

Basic profit (loss) per share is calculated based on the Group’s profit after income tax expense of S\$2.555 million (2022: loss after income tax expense of S\$3.439 million) divided by 120.96 million ordinary shares (2022: 102.74 million), being the weighted average number of shares in issue.

Diluted profit/(loss) per ordinary share are the same as basic profit/(loss) per ordinary shares as there were no dilutive potential ordinary shares.

20. NET ASSET VALUE (NAV)

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
NAV per share based on issued number of shares as at the end of the respective period (\$)	5.34	5.22	3.90	3.71

The NAV per share as at 31 December 2023 and 31 December 2022 were calculated based on the number of shares in issue of 120.96 million ordinary shares.

21. OPERATING SEGMENTS

The Group is primarily engaged in the following operations:

- Owning and operating hotels and providing ancillary services (“hotel operations”).
- Owning and letting out investment properties (“property investments”).
- Holding financial investments such as shares, bonds and funds to generate income through interest and dividends, and also for potential capital appreciation (“financial investments”).

I Revenue For second half ended 31 December

	<u>External</u>		<u>Inter-segment</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hotel operations						
Singapore	15,344	13,477	-	-	15,344	13,477
Malaysia	5,062	2,989	-	-	5,062	2,989
Thailand	6,575	5,200	-	-	6,575	5,200
	26,981	21,666	-	-	26,981	21,666
Property investments						
Singapore	497	484	49	50	546	534
New Zealand	2,412	2,138	-	-	2,412	2,138
Malaysia	510	522	-	-	510	522
	3,419	3,144	49	50	3,468	3,194
Financial investments	399	265	2,493	10,372	2,892	10,637
Segments total	30,799	25,075	2,542	10,422	33,341	35,497

II Net profit (loss)
For second half ended 31 December

	Net profit (loss) for the period	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Hotel operations		
Singapore	4,970	3,544
Malaysia	(1,255)	(1,052)
Thailand	4,277	4,538
	<u>7,992</u>	<u>7,030</u>
Property investments		
Singapore	177	138
New Zealand	(3,144)	(2,493)
Malaysia	345	70
	<u>(2,622)</u>	<u>(2,285)</u>
Financial investments	<u>429</u>	<u>171</u>
Segments total	<u>5,799</u>	<u>4,916</u>
Finance costs	<u>(4,126)</u>	<u>(3,429)</u>
Profit before income tax	<u>1,673</u>	<u>1,487</u>
Income tax expense	<u>(1,074)</u>	<u>(1,067)</u>
Profit after income tax	<u>599</u>	<u>420</u>

III Other segment information
For second half ended 31 December

	Depreciation		Additions to non-current assets	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hotel operations				
Singapore	967	1,445	882	446
Malaysia	1,809	1,123	9,351	5,875
Thailand	189	195	330	147
	<u>2,965</u>	<u>2,763</u>	<u>10,563</u>	<u>6,468</u>
Property investments				
Singapore	71	76	6	-
New Zealand	460	476	205	110
Malaysia	79	83	-	-
	<u>610</u>	<u>635</u>	<u>211</u>	<u>110</u>
Consolidated total	<u>3,575</u>	<u>3,398</u>	<u>10,774</u>	<u>6,578</u>

IV Geographical information
For second half ended 31 December

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

	<u>Revenue from</u> <u>external customers</u>		<u>Non-current assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	16,240	14,226	486,571	463,503
Malaysia	5,572	3,511	154,598	150,111
New Zealand	2,412	2,138	63,336	67,934
Thailand	6,575	5,200	84,078	83,248
	30,799	25,075	788,583	764,796

I Revenue
For financial year ended 31 December

	<u>External</u>		<u>Inter-segment</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hotel operations						
Singapore	28,940	21,617	-	-	28,940	21,617
Malaysia	8,564	5,458	-	-	8,564	5,458
Thailand	13,505	8,122	-	-	13,505	8,122
	51,009	35,197	-	-	51,009	35,197
Property investments						
Singapore	990	963	99	105	1,089	1,068
New Zealand	4,712	4,427	-	-	4,712	4,427
Malaysia	1,011	899	-	-	1,011	899
	6,713	6,289	99	105	6,812	6,394
Financial investments	618	404	2,969	10,491	3,587	10,895
Segments total	58,340	41,890	3,068	10,596	61,408	52,486

II Net profit (loss)
For financial year ended 31 December

	Net profit (loss) for the period	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Hotel operations		
Singapore	8,849	3,402
Malaysia	(2,967)	(2,068)
Thailand	8,561	3,799
	<u>14,443</u>	<u>5,133</u>
Property investments		
Singapore	346	476
New Zealand	(3,098)	(3,086)
Malaysia	609	456
	<u>(2,143)</u>	<u>(2,154)</u>
Financial investments	<u>746</u>	<u>(116)</u>
Segments total	13,046	2,863
Finance costs	<u>(8,356)</u>	<u>(5,797)</u>
Profit (Loss) before income tax	4,690	(2,934)
Income tax expense	<u>(2,135)</u>	<u>(505)</u>
Profit (Loss) after income tax	<u>2,555</u>	<u>(3,439)</u>

III Segment assets and liabilities
For financial year ended 31 December

	Segment assets		Segment liabilities	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hotel operations				
Singapore	449,111	427,378	3,733	3,603
Malaysia	151,587	144,856	3,753	2,540
Thailand	90,135	87,028	2,159	1,748
	<u>690,833</u>	<u>659,262</u>	<u>9,645</u>	<u>7,891</u>
Property investments				
Singapore	24,114	24,409	115	118
New Zealand	64,717	69,606	856	1,161
Malaysia	9,151	9,883	-	-
	<u>97,982</u>	<u>103,898</u>	<u>971</u>	<u>1,279</u>
Financial investments	<u>31,029</u>	<u>29,252</u>	<u>22</u>	<u>21</u>
Segments total	819,844	792,412	10,638	9,191
Unallocated items	<u>7,413</u>	<u>33,913</u>	<u>171,268</u>	<u>186,015</u>
Consolidated total	<u>827,257</u>	<u>826,325</u>	<u>181,906</u>	<u>195,206</u>

IV Other segment information
For financial year ended 31 December

	<u>Depreciation</u>		<u>Additions to non-current assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Hotel operations				
Singapore	2,313	2,891	1,339	585
Malaysia	2,933	2,065	16,206	8,087
Thailand	716	746	457	188
	<u>5,962</u>	<u>5,702</u>	<u>18,002</u>	<u>8,860</u>
Property investments				
Singapore	142	152	6	-
New Zealand	929	979	390	1,362
Malaysia	160	169	-	-
	<u>1,231</u>	<u>1,300</u>	<u>396</u>	<u>1,362</u>
Consolidated total	<u>7,193</u>	<u>7,002</u>	<u>18,398</u>	<u>10,222</u>

V Geographical information
For financial year ended 31 December

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

	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	30,548	22,984	486,571	463,503
Malaysia	9,575	6,357	154,598	150,111
New Zealand	4,712	4,427	63,336	67,934
Thailand	13,505	8,122	84,078	83,248
	<u>58,340</u>	<u>41,890</u>	<u>788,583</u>	<u>764,796</u>

22. SUBSEQUENT EVENTS

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. AUDIT

The statement of financial positions of the Company and its subsidiaries as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of comprehensive income, statements of changes in equity, consolidated statement of cash flows and explanatory notes have not been audited or reviewed by the Company's auditor.

2. REVIEW OF GROUP PERFORMANCE

a) Consolidated Statement of Profit or Loss

i. REVENUE

Revenue comprises the following:

	<u>The Group</u>		<u>+ / (-)</u>
	<u>Full Year Ended 31 December</u>		
	<u>2023</u>	<u>2022</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>	
Hotel operations:			
Room revenue	40,858	28,402	43.9
Food and beverage revenue	5,998	3,726	61.0
Spa revenue	542	360	50.6
Car park revenue	328	272	20.6
Rental income	2,523	2,071	21.8
Others	760	366	>100
Properties investments:			
Rental income	6,713	6,289	6.7
Financial investment:			
Interest income from investments	74	41	80.5
Dividend income from:			
Quoted equity investments	366	260	40.8
Unquoted equity investments	178	103	72.8
Total	<u>58,340</u>	<u>41,890</u>	<u>39.3</u>

Room revenue

Group room revenue increased by 43.9% for FY 2023 as compared to FY 2022 was mainly due to improved room occupancy and upward adjustment of room rates in some of the Group's hotel.

Food and beverage revenue

The increase in food and beverage revenue by 61.0% for FY 2023 as compared to FY 2022 was mainly due to higher breakfast sales with higher occupancy rates.

Rental income from hotel operations

The increase in rental income from hotel operations by 21.8% for FY 2023 as compared to FY 2022 was mainly due to better occupancy and higher rental rates.

Rental income from properties investments

Rental income from properties investments increased by 6.7% for FY 2023 as compared to FY 2022 was mainly due to higher contributions from investment property in New Zealand and Malaysia subsidiary.

ii. Cost of sales

The increase in cost of sales for FY 2023 as compared to FY 2022 was mainly due to higher operation costs in the Group's hotels.

iii. Other income

The increase in other income for FY 2023 as compared to FY 2022 was mainly due to write back of impairment loss of Bangkok and Malaysia's properties in this financial year, higher interest from fixed deposits, foreign exchange gain and fair value gain on financial assets at fair value through profit or loss recorded in FY 2023.

iv. Distribution costs

The increase in distribution costs for FY 2023 as compared to FY 2022 was mainly due to higher sales and marketing expenses from travel agents and online reservation portals in the Group's hotels.

v. Administrative expenses

The increase in administrative expenses for FY 2023 as compared to FY 2022 was mainly due to higher overhead expenses such as utilities and payroll costs in the Group's hotels.

vi. Other expenses

Other expenses comprise mainly impairment loss of investment properties, foreign exchange loss, fair value loss on financial assets at fair value through profit or loss and miscellaneous other expenses.

The decrease in other expenses for FY 2023 as compared to FY 2022 was mainly due to absence of foreign exchange loss and fair value loss on financial assets at fair value through profit or loss in FY2023 as gain was recorded in other income as explained above and offset by higher impairment loss of New Zealand's properties in this financial year.

vii. Finance costs

The increase in finance costs for FY 2023 as compared to FY 2022 was mainly due to increase in interest rate.

viii. Income tax expense

The increase in income tax expense for FY 2023 as compared to FY 2022 was mainly due to higher taxable income in the Group's hotels.

ix. Net profit (loss) of segment performance for the full year ended 31 December

	The Group			
	Net profit (loss)			
	2023	2022	+ / (-)	+ / (-)
	\$'000	\$'000	\$'000	%
Hotel operations	14,443	5,133	9,310	>100
Property investments	(2,143)	(2,154)	11	0.5
Financial investments	746	(116)	862	n.m.
Segments total	13,046	2,863	10,183	>100
Finance costs	(8,356)	(5,797)	(2,559)	44.1
Profit (Loss) before income tax	4,690	(2,934)	7,624	n.m.
Income tax expense	(2,135)	(505)	(1,630)	>100
Profit (Loss) after income tax	2,555	(3,439)	5,994	n.m.

n.m. : not meaningful

The performance for the hotel operations segment increased by S\$9.310 million from net profit of S\$5.133 million in FY 2022 to net profit of S\$14.443 million in FY 2023. This was mainly due to better performances in the Singapore and Thailand hotels.

Investment property segment continued to record a loss in 2023 as the New Zealand property recorded an impairment loss of S\$2.962 (2022: S\$1.998 million). This is mitigated by a positive operational performance from the Singapore and Malaysian investment properties.

The financial investment segment's performance increased by \$0.862 million from net loss of S\$0.116 million in FY 2022 to net profit of S\$0.746 million in FY 2023. This was mainly due to higher fair value gain on financial assets.

(a) Consolidated Statement of Financial Position

Total assets (Group) as at 31 December 2023 increased by \$0.932 million from \$826.325 million to \$827.257 million.

The increase was mainly due to:

- Property, plant and equipment increased by \$28.255 million mainly due to increase in valuation of the Group's freehold land of \$23.189 million, offset by depreciation charged during the financial year.
- Increase in financial assets at fair value through profit or loss of \$1.460 million mainly due to acquisition of financial assets at fair value assets through profit or loss and fair value gain resulted from strengthened stock market conditions.

The increase was offset by:

- Decrease in cash and bank balances of \$24.365 million mainly due to partial repayments of bank loans.

Total liabilities (Group) as at 31 December 2023 decreased by \$13.300 million from \$195.206 million to \$181.906 million.

The decrease was mainly due to decrease in bank loans of \$15.575 million due to net principal loan repayment during the financial period.

(b) Consolidated Statement of Cash Flows

Net cash from operating activities was derived from the operating activities of the hotel, investment properties and investment in financial products. The increase in net cash from operating activities was mainly due to recovery of business.

Net cash used in investing activities was mainly due to renovation works for Hotel Royal Signature.

Net cash used in financing activities was mainly due to dividend payment and net repayment of partial bank loans.

3. VARIANCE FROM A FORECAST OR PROSPECT STATEMENT

No forecast or prospect statement was previously issued in respect of the current reporting period.

4. OUTLOOK

The Group posted \$58.3 million in revenue for the financial year ended December 2023, an increase of 39.3% compared to the corresponding period last year. This is due to the strong recovery of international visitor arrivals, from a low base this time last year when restrictions on inbound travel were still in place for Singapore, Malaysia and Thailand.

In line with the positive outlook projected by the tourism boards in Singapore, Malaysia and Thailand, room demand is expected to increase further as the travel industry continues to recover.

Even though the outlook of the hospitality industry looks positive, we need to remain vigilant in view of the on-going geo-political tensions and the global inflation which can adversely influence the Group's performance, including its managed fund portfolio.

Fluctuations in exchange rates of the New Zealand dollar, United States dollar, Malaysian ringgit and Thai baht against Singapore dollar will continue to affect the Group's performance.

5. DIVIDENDS

(a) Current Financial Period Reported On

The following dividend is proposed for the financial year ended 31 December 2023:

First and Final Dividend

Name of Dividend	First and final
Dividend Type	Cash
Dividend Rate	2.5 cents per ordinary share (one-tier tax exempt)
Tax Rate	Exempt

The proposed first and final dividend is subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting.

(b) Corresponding Period of the Immediately Preceding Financial Year

The following dividend was declared for the FY2022:

First and Final Dividend

Name of Dividend	First and final
Dividend Type	Cash
Dividend Rate	2.5 cents per ordinary share (one-tier tax exempt)
Tax Rate	Exempt

No interim dividend was recommended for the corresponding period of the immediately preceding financial year.

(c) **Total Annual Dividend**

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Ordinary dividends paid:		
Interim	-	-
Final	3,024	2,520
	<u>3,024</u>	<u>2,520</u>

(d) **Date payable**

To be announced at a later date.

(e) **Books closure date**

To be announced at a later date.

6. DISCLOSURE PURSUANT TO RULE 706A OF THE LISTING MANUAL

During FY 2023 and as at the date of this announcement, there were no changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities.

7. INTERESTED PERSON TRANSACTIONS

The Group does not have a general mandate from its shareholders for interested person transactions. The aggregate value of the interested person transactions entered during the financial period under review is as follows:-

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Ms Lee Xin Ying Vivian	Daughter of Lee Chou Hor George, a director of the Company ⁽¹⁾	S\$111,111	Nil

Note:

⁽¹⁾ Mr Lee Chou Hor George is a Director and a substantial shareholder of Hotel Royal Limited holding direct and deemed interest of 10.77% of the total number of voting shares in the Company. Pursuant to Rule 904 of the Listing Rules of SGX, rental income received from Ms Vivian Lee by a subsidiary constitute an interested person transaction.

8. CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

9. PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO THE DIRECTORS, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDERS

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, we set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Lee Chou Hock (BAcc, MBA)	70	<p>Nephew of Lee Khin Tien and Lee Kin Hong, directors of the Company</p> <p>Brother of Lee Chou Hor George, a director of the Company</p> <p>Cousin of Lee Chu Muk, a director of the Company</p>	<p>Joined the group in 1985. Presently the Chief Executive Officer of the Company. His duties include the general management of the Company and Group.</p>	Nil
Mr. Lee Chu Bing (BA)	44	<p>Nephew of Lee Khin Tien and Lee Kin Hong, directors of the Company</p> <p>Brother of Lee Chu Muk, a director of the Company</p> <p>Cousin of Lee Chou Hor George, a director of the Company</p> <p>Cousin of Lee Chou Hock, CEO</p>	<p>Joined the group in 2004. He was redesignated to Director of Operations with effect from 1 March 2021.</p> <p>His duties include the general management of operations of Hotel Royal Group.</p>	Nil

9. PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO THE DIRECTORS, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDERS
(Continued)

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Lee Zongye Zach (BA.Arch, M.Arch, M.Des Real Estate)	41	<p>Son of Mr. Lee Chou Hock, CEO</p> <p>Grand-nephew of Lee Khin Tien and Lee Kin Hong, directors of the Company</p> <p>Nephew of Lee Chou Hor George and Lee Chu Muk, directors of the Company</p>	<p>Joined the group in 2018.</p> <p>Presently the Director of Project Development for the Company.</p> <p>His duties include the supervision of construction works and lease management to the Group's real estate assets. He also assists in evaluating potential real estate investments for the Group.</p>	Nil
Ms. Lee Si Min (Bachelor of International Hotel and Tourism Management)	35	<p>Daughter of Lee Kin Hong, a director of the Company</p> <p>Niece of Lee Khin Tien, a director of the Company</p> <p>Cousin of Lee Chou Hor George and Lee Chu Muk, directors of the Company</p> <p>Cousin of Lee Chou Hock, CEO</p>	<p>Joined the group in January 2020 as the Assistant General Manager of Hotel Royal @ Queens. She was promoted to General Manager on 1 March 2021.</p> <p>Her duties include the general management of Hotel Royal @ Queens.</p>	Nil

9. PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO THE DIRECTORS, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDERS
(Continued)

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mrs. Lee Siew Choo	78	<p>Sister of Lee Khin Tien and Lee Kin Hong, directors of the Company</p> <p>Aunt of Lee Chou Hor George and Lee Chu Muk, directors of the Company</p> <p>Aunt of Lee Chou Hock, CEO</p>	<p>Joined the Company in 1973.</p> <p>Presently the Revenue Controller of the Company and alternate Company Secretary (since 2 August 1975).</p> <p>Her duties include the overall supervision of the Company's cash management and credit control.</p>	Nil

BY ORDER OF THE BOARD

Sin Chee Mei
Company Secretary

28 February 2024