



此心安处是吾乡

Hotel Royal

L I M I T E D

ANNUAL REPORT 2023



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家



*Home is
where my heart feels at ease.*

jiā - Home

Meaning 'home' in the Chinese language, 家 is quintessentially Hotel Royal's Asian hospitality centred on our service credo, "**Every Room A Home**". It is our hope that our properties in Singapore, Malaysia and Thailand will serve as focal points for families to connect. We aspire to build a sense of home in every aspect of our operations.

Indeed, Asian cultures particularly value '**family**' and '**home**' as their bedrock. This is also why Hotel Royal's brand promise is centred on the concept of making every guest feel at home.

Corporate Profile

Listed on the Mainboard of the Singapore Exchange in 1968, Hotel Royal Limited owns a total of 8 hotels in Singapore, Malaysia and Thailand, with its latest acquisition of Hotel Royale Chulan Bukit Bintang in Kuala Lumpur in 2021. The 418-room hotel had been renamed Hotel Royal Signature.

The Group also owns Grand Complex, a prime commercial complex in the central business district of Wellington, New Zealand, which has approximately 278,000 square feet of lettable office and retail space, and 323 carpark lots.

Baba House, which is strategically located in the heart of Melaka's UNESCO Heritage Zone in West Malaysia, officially opened in January 2023 after a five-year refurbishment. The 100-room Baba House, known for its traditional Peranakan architecture, is minutes to Melaka's famed Jonker Street, and close to historical landmarks such as Stadthuys (Dutch Governor's House) and A'Famosa, as well as bustling shopping districts.

Meanwhile, the Group may acquire hotel and investment properties in the Asia-Pacific region to grow its portfolio when opportunities arise.

- **Hotel Royal**
Singapore
- **Hotel Royal @ Queens**
Singapore
- **Hotel Royal Kuala Lumpur**
Kuala Lumpur, Malaysia
- **Hotel Royal Signature**
Kuala Lumpur, Malaysia
- **Hotel Royal Penang**
Penang, Malaysia
- **Baba House**
Melaka, Malaysia
- **Hotel Royal Bangkok @ Chinatown**
Bangkok, Thailand
- **Burasari Resort**
Phuket, Thailand



Vision

Every Room A Home

Our service credo "Every Room A Home" forms the DNA of our brand promise. It defines our guests' experiences - from the minute that they enter the hotel, right through to the comfort that our guest rooms offer as well as other service touchpoints within the hotel. It also drives the way we remember our guests' preferences, and how each staff member approaches our guests. At Hotel Royal, every guest is part of our family, and we prefer to treat them as one.

Mission

It is by working all together, our **H**onour to serve you in every **O**pportunity because every **M**oment of truth with you counts for us to live up to your **E**xpectation.

"**HOME**" signifies our mission in providing excellent service to our guests.



At Home with the Chairman



We met up with the Chairman Mr Yang Wen-Wei to get a sense of his thoughts on the business and how he sees the Group going forward:

1. Hello Mr Yang, great to see you again. How has the hospitality business been one year after the reopening of the travel markets?

Thanks to the travel boom around the world, visitor arrivals in the countries that we operate in have registered positive growth. In Singapore, for example, we saw a 115% increase in visitor arrivals to 13.6 million, while Malaysia registered a 160% increase to 26.0 million year-on-year. Thailand welcomed some 27.3 million visitors, a jump of 144%.

2. Your new hotels - Baba House and Hotel Royal Signature – recently opened in Melaka and Kuala Lumpur respectively. How are they faring?

Baba House, which opened in January 2023, has performed better than expected, thanks to its strong product placement and the tourism recovery in Malaysia which saw a surge in both domestic and foreign visitors to the UNESCO World Heritage city. We are now planning an expansion to Baba House.

Hotel Royal Signature, our first flagship 5-star hotel, soft-launched successfully in October 2023. It has received excellent reviews and is performing well. We are transiting to the second phase of its renovation programme.

Both Baba House and Hotel Royal Signature have garnered strong ratings on the various booking platforms. Baba House won the Top Performance Hotel Award from Booking.com and the Top Production Hotel Award from Convergent. Its restaurant, Mari Chiak, received the 4th ASEAN Sustainable Tourism Award (Urban Project category) at the prestigious ASEAN Tourism Forum 2024. Newly-opened Hotel Royal Signature clinched the 2023 Gold Circle Award from Agoda and the Recognition Award from Tiket.com. These were impressive accomplishments given the relatively young age of the hotels.

Our other hotels also did well – Hotel Royal Singapore received the Gold Circle Award from Agoda and the Recognition Award from Tiket.com while Burasari Resort and its Kantok Restaurant bagged the Travelers' Choice Awards from Trip Advisor in 2023. Hotel Royal Bangkok @ Chinatown also won various awards from CIT, Booking.com and Traveloka. It was a great year for our hotels!

3. How do Baba House and Hotel Royal Signature fit in with the Group's brand architecture?

Hotel Royal Signature is our flagship in the newly-created 5-star **Luxury Collection**, and we hope to expand this category in the future. Our existing Hotel Royal-branded properties such as Hotel Royal Singapore, Hotel Royal @ Queens, Hotel Royal Kuala Lumpur, Hotel Royal Bangkok @ Chinatown will fall into our **City Hotel Collection**. Baba House is one of two properties within the third category and that is our **Boutique Collection**. Together with Burasari Resort in Phuket, these boutique properties share unique personalities and character.

4. How did the Group perform in FY 2023?

Thanks to the travel recovery that is gaining momentum, the Group performed relatively well, with hotel operations revenue increasing 45% to \$51.0 million in FY 2023 boosted by increased room and occupancy rates across all our hotels. This was also bumped up by the maiden contribution from our newly-launched Hotel Royal Signature in Kuala Lumpur. Revenue from our financial investments also improved by 53% despite the global volatilities.

As a result, we reported a pre-tax gain of \$4.7 million in FY 2023, as opposed to a loss of \$2.9 million in the preceding year.

5. What does the immediate future hold for the Group?

We are encouraged by the surge in guest arrivals from Greater China, Southeast Asia, Oceania, North Asia & West Asia since the reopening of travel borders which has elevated our hotel business.

Against this positive backdrop, we are also vigilant about the economic and geopolitical uncertainties ahead. We will continue to monitor the hotel business closely amidst these uncertainties as we seek to enhance our competitiveness.

6. What is the growth strategy like – will it be more acquisitions or greenfield opportunities? Which markets would interest you?

We are definitely open to expanding our geographical footprint but we have to be extra vigilant in these times. If the right opportunity comes along, the Board and Management will match it against our stringent investment criteria and due diligence processes.

7. What will shareholders look forward to by way of dividends for the year ended 31 December 2023?

In view of our sustained recovery story, the Board is proposing a first and final cash dividend of 2.5 Singapore cents per ordinary share at the upcoming Annual General Meeting. When approved, it will be paid out at a date to be announced.

8. Thank you for sharing your thoughts with us. Are there any parting words?

Yes, I would like to add that we deeply appreciate the support that our guests and customers, as well as our business partners, have extended to us all these years.

We are also grateful to all of our staff and management for their hard work in coping with the surge in demand for accommodation immediately following the recovery of travel.

Special thanks to my colleagues on the Board for their teamwork, counsel and wisdom. We also want to express our appreciation to Dr Tan Kim Song who has retired on 28 February 2024, having served on the Board for the last 9 years.

Together, as the Hotel Royal extended family, we shall journey together and create memorable experiences for our guests!

18 March 2024

Conversation with the CEO



We sit down with the Group's CEO Mr Lee Chou Hock to find out more about the Group's brands and growth strategies:

1. Hello Mr Lee, great to catch up with you. Why is the concept of home so important to you?

Thank you for having me. Hotel Royal's brand promise is "Every Room a Home", so the notion of home has always been close to our hearts. Through the years, social norms and family dynamics have evolved, and so has the idea of a home. We try to keep up with the times to ensure that the experience we deliver remains relevant to all of our guests both young and old.

2. What is the Hotel Royal Signature brand and why have you come up with it?

This is our foray into the 5-star luxury space while staying true to our brand promise of "Every Room A Home". Hotel Royal Signature provides us with a unique opportunity to refresh what a home represents and delivers an updated, curated experience for our guests.

3. How is this positioned with your other brands?

As we expand our hotel portfolio, we look at the strategy and brand placement for each property. We currently have three broad categories:

- **Luxury Collection** – our upscale Hotel Royal Signature-branded properties
 - Hotel Royal Signature, Kuala Lumpur



- **City Hotel Collection** – comprising the Hotel Royal-branded hotels in major cities
 - Hotel Royal Singapore
 - Hotel Royal @ Queens, Singapore
 - Hotel Royal Kuala Lumpur
 - Hotel Royal Penang
 - Hotel Royal Bangkok



- **Boutique Collection** – hotels and resorts with unique personalities and character, such as Baba House and Burasari Resort.
 - Baba House, Melaka
 - Burasari Resort, Phuket



4. What's happening with Hotel Royal Penang? What does the Group intend to do with the property?

The Group is still exploring the market of Penang. All options are on the table.

5. What have you done to elevate the brand experience of your guests?

Hotel Royal Signature, which reopened in 2023, is our very first flagship property in the luxury category. The Hotel Royal Signature brand redefines our "Every Room A Home" brand promise in a carefully-curated experience from the lobby to the room.

Baba House, a heritage property in the UNESCO World Heritage city of Melaka, offers our guests not only a homely space, but one that integrates with a unique cultural experience.

Apart from living spaces, we are also transforming our "heartware". We worked with external consultants in designing & planning the Group's 5-year roadmap which will better position ourselves to future-proof our service delivery.

6. What can your guests look forward to in the near future?

Our aspiration is to have our guests feel as comfortable as they can, and as quickly as possible. Our hotels will all evoke the comforts of home. We will renovate our properties with distinctive characteristics and come up with promising & diversified products to cater to different customer segments and expectations. However, this will all be anchored on the same mission in our service delivery.

7. What is the Group's outlook in the short to medium term?

Post-pandemic travel rebound continues to look very encouraging, particularly with visa waivers between China and various countries in the region. Countries in the region are also releasing more resources to boost tourism which will boost demand for rooms. Our new properties - Hotel Royal Signature and Baba House – will also be in a strategic position to meet these increased demand for hotel accommodation.

Despite this very encouraging outlook, we continue to be vigilant because the business environment around the world is always changing suddenly. However, we continue to be optimistic, albeit prudently.

Thank you for taking time to give us your perspectives. We hope to catch up with you again next year.

Business Review

HOSPITALITY

Revenue from our Hotel Operations increased by 45% to \$51.0 million in FY 2023. All the Group's hotels and resort recorded higher occupancy and room rates as compared to

prior year. Consequently, earnings before interest and tax nearly tripled to S\$14.4 million.

SINGAPORE

Our two hotels in Singapore posted revenue of \$28.9 million, up 34% year-on-year, thanks to the reopening of China's borders post-pandemic which also facilitated a large influx of student groups travelling for exchange programmes after a 3-year hiatus. The rejuvenation of MICE activities in Singapore further boosted the demand for accommodations.

In coping with the tight labour situation in Singapore, our hotels are implementing its digital strategy to improve efficiency and guest experience. Training and upskilling of staff continues unabated as we seek to better our service delivery.

We maintain our optimistic outlook for Singapore's hospitality industry which is bolstered by IATA's forecast that the global airline capacity will be fully restored to pre-pandemic levels in 2024. Singapore's travel-related sector is expected to normalise towards a lower but steadier pace spurred by the 30-day visa free agreement between Singapore and China implemented in February 2024.



THAILAND

Our two hotel properties in Thailand posted total revenue of \$ 13.5 million, up 66% as compared to the preceding year, mostly contributed by the surge in international visitors to Thailand.

Foreign tourists accelerated to reach 30 million in 2023 due to the reopening of China's borders earlier in the year. TAT envisages that the resurgence of Chinese tourists to Thailand will continue into 2024 and is hoping that this will help reinstate China as being Thailand's largest source market. It hopes to target 8.2 million tourist arrivals from China in 2024, more than double that was achieved in 2023.

Concurrently, Thailand is aware about the risk of being too dependent on a single source market and is focusing on growing 4 key markets - Malaysia, India, Russia and Taiwan, as well as other regions - Saudi Arabia, Commonwealth of Independent States, United States, Kazakhstan and Southeast Asia.

Going forward, Thailand aims to emphasise on quality and sustainable tourism. Domestically, the government is encouraging more people to travel within Thailand and explore more areas throughout the country with its "365 Days Marvellous Thailand Every Day" campaign. It also aims to promote secondary cities with these initiatives.



MALAYSIA

Revenue from our hotels in Malaysia increased by 57% to \$8.6 million. Baba House, which officially opened in January 2023, contributed to the Group's stellar performance. We are moving ahead with our plan to expand Baba House's room inventory and facilities. Newly-launched Hotel Royal Signature in Kuala Lumpur also contributed towards our good performance. Hotel Royal Signature is planning for its Grand Opening in April 2024. The hotel is currently undergoing the next phase of refurbishment, which will add another 215 rooms to its room inventory.

Overall, the Malaysian hospitality market has seen an increase in demand from Chinese wholesale agents as well as the international MICE market. The depreciation of the Malaysian Ringgit has been positive for corporate and incentive travel as well.

Malaysia's economy is getting a boost from the strong tourism recovery and tourist arrivals in 2024 are expected to exceed pre-pandemic levels. In addition, the Malaysian government is going all out to boost tourism, long regarded as a vital contributor to Malaysia's economy. These include budgets for "Visit Malaysia Year 2026" aimed at boosting international and domestic tourism.

It is also introducing a slew of initiatives to simplify the approval process for visas and employment passes to invest, contribute and stay longer in the country. The government has also agreed to ease the existing conditions for Malaysia My Second Home (MM2H) applications. Flight connectivity at Kuala Lumpur International Airport is also being expanded with airlines increasing flight frequencies and route network to and from the Malaysian aviation gateways.

Apart from reaching out to overseas visitors, Malaysia has also tapped its large domestic market with its "Jom Cuti-Cuti Malaysia" campaign which aims to boost domestic tourism activities and encourage people to take holidays within the country to boost its economy. With all of these initiatives, the country is on target to reach its target of 20 million tourist arrivals in 2024.



Business Review

PROPERTY INVESTMENTS

Revenue from the Group's Property Investments grew by 6.7% against prior year, to \$6.7 million in FY 2023. This was due to an increase in demand for retail and offices as the pace of economic recovery hastened. With rising demand, rental rates also increased.

SINGAPORE

Metro Residence is a freehold 14-storey residential block located on the northern side of Surrey Road, off Newton Road and approximately 5km from the city centre. With a total lettable area of about 1,720 sqm, the property's immediate surrounding is generally residential in nature, with some commercial amenities near Novena MRT station. Prominent developments nearby include Hotel Royal Singapore, United Square, Novena Square, Velocity, Mt. Elizabeth Novena Hospital, amongst others. The Group owns 91.63% share of the property while the remaining 8.37% is owned by a related party.

Kapo Factory Building is a freehold light industrial development comprising two sub-blocks of 7-storey flatted factories, located on the eastern side of Playfair Road, off Upper Paya Lebar Road and some 8km away from the city centre. The Group owns one strata unit of the building with an area of about 157 sqm.

Tong Lee Building is a freehold light industrial development comprising two 10-storey blocks. The building is situated on the north-eastern side of Kallang Pudding Road, off Macpherson Road and Aljunied Road, about 7km from the city centre. The Group owns four strata units in the building, with a total lettable area of 1,108 sqm.

MALAYSIA - PENANG

Penang Plaza, a freehold property connected to Hotel Royal Penang via a link bridge, is a 10-storey commercial complex comprising retail and office spaces. Located along Jalan Burma near its junction with Jalan Larut, Penang Plaza has a total lettable area of 5,956 sqm and 2,378 sqm for retail and office spaces respectively as well as 88 carpark lots. Its anchor tenants include Giant, Guardian and Noble Season Chinese Restaurant. The Group owns 100% of the property.

The Group is currently in the process of amalgamating and sub-dividing the land parcel of Hotel Royal Penang and Penang Plaza to better realise the potential of both properties.

Outlook:

Major infrastructure projects are underway in Penang that is set to transform its real estate appeal in the near future. These include Penang Silicon Island, light rail, expressways and a doubling of Penang International Airport's capacity.

Located in Singapore, Malaysia and New Zealand, the Group's investment properties, which derive rental income, are:

Outlook:

The Singapore residential property market showed signs of further moderation in the rental demand of private residences in 2023 – rising only by 8.7% as compared to the 29.7% recorded a year earlier. The Group believes that this moderation will continue in 2024 due to a time lag between the rental agreements and economic outlook.

The Group expects demand for light industrial properties to generally stay firm in 2024.



NEW ZEALAND - WELLINGTON

Grand Complex Properties is a mixed-use development comprising of Grade B office space, retail, carparking and a newly-reconfigured food hall. The properties are situated along 16-18, 20-42 Willis Street, 80 and 84 Boulcott Street, forming part of the Retail Golden Mile. The properties have a total leasable area of 25,812 sqm and 323 carpark lots. The Group owns 100% of the properties.

Grand Complex is required to undergo strengthening work to meet seismic performance requirements in accordance with New Zealand's Building Act 2024. We have engaged professionals to look into the matter and the latest results have been positive. The building is expected to be declassified as an earthquake prone building. However, we will proceed to engage consultants to look into proposals to further strengthen the building.

Outlook:

Office property market

Wellington's office market is facing a challenging period with reduced demand from government and private sector occupiers. The market is still facing residual effects from the "work from home" culture which was encouraged during the Covid pandemic. Premium Grade A office buildings are faring better with adequate demand. However, Grade B and Grade C office spaces have seen increased vacancy and relatively low rent growth over the past 24 months.

IN SUMMARY

Looking forward, the Group expects a continual increase in demand for rooms as the travel industry continues to make headway. The Group's revenue will increase further with the launch of Hotel Royal Signature & Baba House to meet the demand for hotel accommodation.

Even though the outlook of the hospitality industry looks positive, we must remain vigilant in view of the on-going geo-political tensions, the global inflation and interest rate increase 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.

Retail property market

On the retail front, large New Zealand departmental stores are facing challenges to stay profitable. This is evidenced by the closing of Wellington's upmarket department store David Jones. Smaller retailers and restaurants are moving into the spaces vacated. The return of cruise ship visitors should aid the recovery of the retail sector.



Board of Directors



MR YANG WEN-WEI, 52
Independent Non-Executive Chairman

Mr Yang Wen-Wei was appointed to the Board of Directors as an Independent Non-Executive Director on 28 April 2018. Mr Yang was re-designated as the Non-Executive Chairman of the Board on 24 April 2021.

He is the Chairman of the Remuneration and Nominating Committees and a member of the Audit and Risk Committee. He was last re-appointed as a director on 30 April 2022.

Mr Yang is currently the Executive Operating Officer for his family-run business, Merdeka Construction Company Pte Ltd. A commercially astute sales and business development professional in the Information Technologies industry, Mr Yang has built a successful track record. During his diverse and rewarding career, he had the opportunity to work for a number of leading international companies and start-ups to proactively sell customised, technology-driven solutions in the competitive markets. Known for his consultative approach, he has collaborated with different data analytics companies to provide data analysis service to many clients.

He graduated from Northeastern University in America with a Master of Science, Electrical Engineering (Wireless Engineering).



MR LEOW CHUNG CHONG YAM SOON, PAUL, 53
Independent Non-Executive Director

Mr Leow Chung Chong Yam Soon, Paul was appointed to the Board of Directors on 1 May 2023 as an Independent Non-Executive Director. He was re-designated as the Non-Executive Chairman of the Audit and Risk Committee on 28 February 2024. He is also a member of the Remuneration and Nominating Committees.

Mr. Paul Leow has more than 25 years of public and commercial accounting experience. He has been an audit and advisory partner at Ecovis Assurance LLP, since August 2012. Prior to that, he spent most of his career with Deloitte & Touche LLP, Singapore and left in July 2012 as an audit partner. On the professional front, Mr. Leow has served as a committee member of the Institute of Singapore Chartered Accountants (ISCA) Financial Statements Review Committee and Accounting and Corporate Regulatory Authority (ACRA) Complaints and Disciplinary Panel. Paul is currently a member of ISCA Auditing and Assurance Standards Committee Core Sub-Committee.

Mr. Leow is currently a practicing member of ISCA. He is also a Fellow Chartered Association of Certified Accounts, UK and Certified Public Accountants, USA.



MR LEE KIN HONG, 70
Non-Executive Director

Mr Lee Kin Hong was appointed to the Board of Directors on 21 June 2002 as a non-executive director. He was last re-appointed as a director on 24 April 2021.

He is currently a director of The Singapore-Johore Express (Private) Limited and has more than 40 years of experience in managing commercial, industrial and residential projects.

Mr Lee graduated from the National University of Singapore with a Bachelor of Science (Building) and Master of Science (Project Management). He is also a member of the Singapore Institute of Building. Mr Lee Kin Hong is an Honourable Chairman of Sian Chay Medical Institution, a charitable organisation registered with the Ministry of Health.



MR LEE KHIN TIEN, 72
Non-Executive Director

Mr Lee Khin Tien was appointed to the Board of Directors on 31 December 1996 as a non-executive director. He is a member of the Audit and Risk Committee, Nominating and Remuneration Committee. He was last re-appointed as a director on 30 April 2022.

He is currently on the board of Aik Siew Tong Limited, Melodies Limited and The Singapore-Johore Express (Private) Limited. He has more than 40 years of experience in real estate, bus transportation and plantation business. He graduated from Nanyang University with a Bachelor of Science (Biology).



DR LEE CHU MUK, 44
Non-Executive Director

Dr Lee Chu Muk was appointed to the Board of Directors on 27 April 2019 as a non-executive director. He was last re-appointed as a director on 28 April 2023.

He is a director of Hong Ching Pte Ltd and an alternate director of The Singapore Johore Express (Private) Limited, Aik Siew Tong Limited and Melodies Limited.

Dr Lee graduated from the National University of Singapore (M.B.B.S) in 2003 and has accumulated experience in diagnostic imaging as well as managing acute and chronic medical conditions. He is presently managing his own general practice (M Medical Clinic) since 2013.



MR LEE CHOU HOR GEORGE, 64
Non-Executive Director

Mr Lee Chou Hor George was appointed to the Board of Directors as a non-independent and non-executive director on 29 June 2020. He was last re-appointed as a director on 24 April 2021.

He has approximately 40 years of experience working in various organisations such as the Housing and Development Board, Singapore Airlines group and Hotel Royal Group. His areas of responsibilities included financial, leadership and management, as well as real estate and capital markets investments. He is currently the managing director of several companies in the family-owned/ controlled group of companies.

Mr George Lee graduated with Bachelor of Business Administration (Hons) and Master of Business Administration from the Schulich School of Business (York University, Toronto, Canada), a Master of Science (Real Estate) from the National University of Singapore and a Master of Professional Accounting from the Singapore Management University. He is a Chartered Accountant (Singapore) and a Certified Internal Auditor.

Senior Management



1. LEE CHOU HOCK **Chief Executive Officer**

Mr Lee Chou Hock joined the Group in 1985. He is responsible for the management of the day to day operations of the Company and its investments in the subsidiaries. Prior to joining Hotel Royal, he was with a public accounting firm in Singapore. He holds a Bachelor of Accountancy from the University of Singapore and a Master of Business Administration (Hospitality & Tourism Management) from Nanyang Technological University.

2. LEE CHU BING **Group Director of Operations**

Mr Lee Chu Bing joined the Group in 2004 in the Sales & Marketing Department and also assisted in the leasing of the Group's investment properties. He was appointed the General Manager of Hotel Royal @ Queens (Singapore) Pte Ltd in April 2007. He holds a Bachelor of Arts from the National University of Singapore.

In March 2021, he was re-designated as the Group Director of Operations.

3. LEE ZONGYE ZACH **Group Director of Project Development**

Mr Lee Zongye Zach joined the Group in 2018 as the Director of Project Development. He assists the Group in asset management and oversees capital improvement projects to the Group's real estate portfolio.

Prior to joining Hotel Royal Group, he has experience as an Architect and Project Manager in the United States and Singapore. He holds a Masters Degree in Architecture from Cornell University, and a Masters Degree in Real Estate from Harvard University.

4. TEOW SEOK BOEY **Chief Financial Officer**

Ms Teow Seok Boey joined the Group in September 2022 as Chief Financial Officer. She oversees the Group's overall financial and accounting function, including financial reporting, taxation and other corporate and regulatory matters of the Group.

Prior to joining Hotel Royal Group, she was a Senior Audit Manager with an international public accounting firm in Singapore. She holds a Bachelor of Accountancy (Honours) from University Utara Malaysia and is a member of Malaysian Institute of Accountants.

5. LEE SI MIN **General Manager** **Hotel Royal @ Queens**

Ms Lee Si Min joined the Group in 2020 as Assistant General Manager of Hotel Royal @ Queens (Singapore) Pte Ltd before being promoted to General Manager in March 2021.

Prior to joining the Group, Si Min was Senior Manager for Meetings and Incentive Travel at Singapore Tourism Board.

She began her career with sales and marketing roles at Singapore Marriott Hotel and Woolloomooloo Group Singapore after graduating from the University of Queensland, Australia with a bachelor's degree in International Hotel and Tourism Management (double major in Hospitality and Event Management).

6. SAZRUL BIN FADZIL **Regional General Manager** **Hotel Royal Kuala Lumpur**

Sazrul Bin Fadzil joined the Group in 2010 as General Manager of Hotel Royal Kuala Lumpur. He was recently appointed as Regional General Manager for Malaysia properties after 12 years stint with Hotel Royal Group.

After graduating from University of Institute Technology MARA Malaysia's Hotel and Catering Management School, he was selected for a one-year industrial training in ANA Hotel group in Tokyo, Japan as part of All Nippon Airways' scholarship programme. While in Japan, Mr Sazrul gained in-depth knowledge and experience in hotel management particularly in Front Office, Housekeeping, Maintenance and Security.

He started his career in 1990 as a management trainee in Rasa Sayang Resort, Penang, following which he joined the Genting Highlands Resorts for six years. He later took on a senior management role mainly in the opening and rebranding of new hotel properties.

Active as a NGO participant, Mr Sazrul is a committee member of Malaysia Association of Hotels and Vice Chairman of the Kuala Lumpur Chapter. In addition, he is also a Certified Inspector for the Ministry of Tourism, Arts and Culture, Malaysia where he evaluates star ratings for hotel properties, and a Certified Hotel Trainer for the American Hotel & Resort Association.

Our Business Footprint







Every room a home



Rumah Kediaman 'home' in the Bahasa Melayu language

Malaysia, where the Group has 4 hotels in Kuala Lumpur, Melaka and Penang, is an incredibly diverse country with various ethnicities, languages and religions. Collectively, its cultures focus on the concept of home and family. In the Malay culture, for instance, respect for elders is core and forms the fabric of Malaysian society.

Corporate Milestones



1968

Incorporated and listed on Main Board of Singapore Exchange



1969

Construction of Hotel Royal Singapore commenced



1972

Hotel Royal Singapore commenced operations



2007

- Disposal of Dapenso Building at Cecil Street Singapore
- Acquired Star Mansion at 1A Surrey Road Singapore



2008

Purchased Hotel Royal Penang and Penang Plaza in Penang, Malaysia



2010

Acquired Hotel Royal Kuala Lumpur in Kuala Lumpur, Malaysia



2017

Commencement of major upgrading of Baba House in Melaka into a heritage boutique hotel.



2018

Raised \$50.4 million through a Rights Issue of 16.8 million ordinary shares at \$3.00 each.



2019

Acquired Baba Mansion adjacent to Baba House, as part of Baba House's redevelopment



1992

Purchased Castle Mall Shopping Centre in NSW, Australia and sold in September 2002



1995

Purchased Grand Complex mixed commercial/retail development in Wellington, New Zealand



2004

- Purchased Dapanso Building at 158 Cecil Street Singapore
- Purchased Hotel Royal @ Queens at Queen Street Singapore



2011

- Acquired Hotel Royal Bangkok @ Chinatown in Bangkok, Thailand
- Redevelopment of Royal Residences (formerly Star Mansion) at 1A Surrey Road completed



2014

Acquired Burasari Resort in Phuket, Thailand



2015

Acquired The Baba House in Melaka, Malaysia



2021

Hotel Royal Bukit Bintang (former Royale Chulan Bukit Bintang Hotel) joins as the Group's second hotel in Kuala Lumpur, Malaysia.



2022

Raised \$40.32 million through a Rights Issue of 20.16 million ordinary shares at \$2.00 each



2023

- Official opening of Baba House, Melaka in January
- Hotel Royal Signature in Kuala Lumpur commenced operations in October

Group's Major Properties

Location	Name of Property	Description and Area	No. of Guest Rooms	Tenure
HOTELS				
Singapore	Hotel Royal Singapore 36 Newton Road	Land area of about 7,200 sqm Hotel building with built-up area of approximately 23,500 sqm	362	Freehold
	Hotel Royal @ Queens 12 Queen Street	Land area of about 1,979 sqm Hotel building with built-up area of approximately 14,605 sqm	236	Freehold
Malaysia	Hotel Royal Kuala Lumpur Jalan Walter Grenier 55100 Kuala Lumpur	Land area of about 773 sqm Hotel building with built-up area of approximately 20,027 sqm	285	Freehold
	Hotel Royal Signature 17-21, Bukit Bintang Street 55100 Kuala Lumpur	Land area of about 3,189 sqm Hotel building with built-up area of approximately 47,821 sqm	418	Freehold
	Hotel Royal Penang 3 Jalan Laut, Georgetown Penang	Land area of about 3,495 sqm Hotel building with built-up area of approximately 28,569 sqm	281	Freehold
	Baba House¹ No. 121, 123, 125,127, 129, 131, 133, 135 Jalan Tun Tan Cheng Lock, Melaka	Land area of about 4,138 sqm Hotel building with built-up area of approximately 10,428 sqm	100	Freehold / Leasehold
Thailand	Hotel Royal Bangkok @ Chinatown Yaowaraj Road, Bangkok	Land area of about 1,480 sqm Hotel building with built-up area of approximately 19,082 sqm	290	Freehold
	Burasari Resort 18/110 Ruamjai Road Phuket	Land area of about 6,722 sqm Hotel building built-up area of approximately 11,441 sqm	184	Freehold
Total Number of Guest Rooms			2,156	

Location	Name of Property	Description and Area	Tenure
INVESTMENT PROPERTIES			
Singapore	Metro Residences² 1A Surrey Road	Land area of about 718 sqm Residential building with total lettable area of about 1,720 sqm (The Company has a 91.63% share of the above property. The remaining 8.37% is owned by a related party)	Freehold
	Kapo Factory Building #05-14	Flatted factory unit Strata floor area of about 157 sqm	Freehold
	Tong Lee Building #02-14, #06-02, #07-02 and #09-08	Factory unit Strata floor area of about 277 sqm each (total of 1,108 sqm)	Freehold
Malaysia	Penang Plaza 126 Jalan Burma Georgetown, Penang	Land area of about 5,498 sqm Shopping centre and offices with total lettable retail area of 5,956 sqm; total lettable office area of 2,378 sqm and 88 carpark lots	Freehold
New Zealand	Grand Complex Properties 16-18 Willis Street 20-42 Willis Street 80 Boulcott Street 84 Boulcott Street Wellington	Land area of about 6,872 sqm Shopping centre and offices with lettable retail area of 4,336 sqm; Childcare of 793 sqm and lettable office area of 20,683 sqm and 323 carpark lots	Freehold

¹ 50.09% is freehold and 49.91% is leasehold

² Previously known as Royal Residences



Hotel Royal Singapore



Hotel Royal @ Queens, Singapore



Metro Residences, Singapore



Hotel Royal Signature, Malaysia



Hotel Royal Kuala Lumpur, Malaysia



Baba House, Melaka, Malaysia



Burasari Resort, Phuket, Thailand



Hotel Royal Penang, Malaysia



Penang Plaza, Malaysia



Hotel Royal Bangkok @ Chinatown, Thailand

Group's Financial Highlights

	2023	2022	2021	2020	2019
For the year (\$'000)					
Revenue	58,340	41,890	26,280	30,618	57,690
Gross Profit	28,866	17,141	5,081	8,823	27,325
Earnings (Loss) before Interest, Taxation, Depreciation and Amortisation (EBITDA)	20,239	9,865	8,450	(9,343)	20,678
Profit (Loss) before income tax	4,690	(2,934)	(3,358)	(20,101)	8,377
Profit (Loss) attributable to Owners of the Company	2,555	(3,439)	(3,726)	(20,844)	4,862
Finance Costs	(8,356)	(5,797)	(4,163)	(2,971)	(4,048)
Net Cash from (used in) Operating Activities	8,238	6,968	(3,033)	(3,243)	11,942
Capital Expenditure	18,398	10,222	74,297	9,955	16,373
At year end (\$'000)					
Total Assets	827,257	826,325	794,146	782,811	838,574
Total Liabilities	181,906	195,206	217,598	150,347	150,205
Total Equity	645,351	631,119	576,548	632,464	688,369
Cash and Bank Balances	22,658	47,023	29,139	16,202	20,903
Property, Plant & Equipment	672,412	644,157	615,647	614,389	671,464
Investment Properties	95,864	101,318	109,772	107,705	102,077
Total Borrowings	158,730	174,305	196,131	127,518	115,394
Asset Revaluation Reserve	395,489	372,300	338,010	382,010	424,469
Financial Ratios					
Revenue Growth (%)	39.27	59.40	(14.17)	(46.93)	(3.98)
Net Profit Growth (%)	174.29	7.70	82.12	(528.71)	(29.96)
Revalued Net Assets Value (RNAV) (\$'million) ⁽¹⁾	810.44	783.44	723.75	764.15	843.72
Debt to RNAV (times)	0.20	0.22	0.27	0.17	0.14
Per Share Information					
Earnings (Loss) per Share (cents) before Income Tax	3.88	(2.86)	(3.32)	(19.94)	8.31
Earnings (Loss) per Share (cents) after Income Tax	2.11	(3.35)	(3.69)	(20.68)	4.82
Net Assets Value (NAV) per Share (\$)	5.34	5.22	5.72	6.19	6.83
Revalued Net Assets Value (RNAV) per Share (\$) ⁽¹⁾	6.70	6.48	7.18	7.58	8.37
Dividend per Share (\$)	0.025	0.025	0.025	0.025	0.06
Number of Shares					
Number of Shares as at year end (million)	120.960	120.960	100.800	100.800	100.800
Weighted average number of Shares (million)	120.960	102.740	101.049	100.800	100.800
Market capitalisation (\$'million)					
at year end	226.20	246.76	312.48	274.18	303.41

⁽¹⁾ The revaluation surplus (net of tax effect) arising from land and buildings have been included in determining the Adjusted Net Assets Value.

Value-Added Statement

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Revenue earned	58,340	41,890	26,280	30,618	57,690
Less: Cost of sales	(29,474)	(24,749)	(21,199)	(21,795)	(30,365)
Gross value-added from operations	28,866	17,141	5,081	8,823	27,325
Other income	4,361	3,765	20,503	983	565
Other expenses	(3,049)	(4,585)	(12,140)	(16,199)	(2,206)
Net foreign exchange adjustment (loss) gain	863	(1,257)	(1,474)	(330)	978
Total value-added	31,041	15,064	11,970	(6,723)	26,662
Distribution:					
To employees in salaries and other related costs	15,295	11,278	7,999	8,968	15,757
To government in corporate and other taxes	2,135	505	368	743	3,515
To providers of capital:					
- Interest paid on borrowing from banks	8,356	5,797	4,163	2,971	4,048
Retained for re-investment and future growth					
- Depreciation and amortisation	7,193	7,002	7,645	7,787	8,253
- Accumulated losses	(1,945)	(8,893)	(15,054)	(41,962)	(4,844)
Non-production costs and income:					
- Allowance for doubtful receivables	18	193	154	320	12
- Bad debt expense	-	204	-	-	-
- Bad debt recovered	(11)	-	-	-	-
- Write back of allowance for doubtful receivables	(29)	(265)	(222)	(18)	(2)
- Fair value (gain) loss on derivative financial instruments	-	-	(196)	196	-
- Impairment loss on property, plant and equipment	-	-	7,209	8,765	-
- Impairment loss on goodwill	-	-	-	2,007	-
- Impairment loss on investment properties	2,962	1,998	-	3,500	-
- Reversal of impairment loss on investment properties	-	-	(96)	-	-
- Reversal of impairment loss on property, plant and equipment	(2,933)	(2,755)	-	-	(77)
Total distribution	31,041	15,064	11,970	(6,723)	26,662
PRODUCTIVITY DATA					
Number of employees	608	424	431	568	750
Value-added per employee (\$'000)	51.05	35.53	27.77	(11.84)	35.55
Value-added per \$ of employee cost	2.03	1.34	1.50	(0.75)	1.69
Value-added per \$ revenue earned	0.53	0.36	0.46	(0.22)	0.46
Value-added per \$ of investment in investment properties, property, plant and equipment	0.04	0.02	0.02	(0.01)	0.03



ไฮเทค สบาย
Hotel Royal Bangkok @ C



Every home a family



บ้าน (pronounced as 'Bān') 'home' in the Thai language, the concept of Thai hospitality

Thailand, where we own and operate 2 hotels in Bangkok and Phuket, is known as the "Land of Smiles", where the family is the bedrock of its society known for its inclusivity and filial piety. Family always comes first in the Thai culture and this sense of family is extended to the Thai way of life where hospitality is second nature.



Operation and Financial Review

The Group's core activities are as follows:

A) HOTEL OPERATIONS

The Group owns and operates a portfolio of 8 hotels in Singapore, Malaysia and Thailand:

Singapore

Hotel Royal Singapore
Hotel Royal @ Queens

Malaysia

Hotel Royal Kuala Lumpur
Hotel Royal Penang
Baba House, Melaka
Hotel Royal Signature, Kuala Lumpur

Thailand

Hotel Royal Bangkok @ Chinatown
Burasari Resort, Phuket

B) PROPERTY INVESTMENTS

The Group's investment properties, which derive rental income, are located in Singapore, Malaysia and New Zealand.

C) FINANCIAL INVESTMENTS

The Group also invests in a portfolio of shares, bonds, funds and other investment instruments to generate a stable stream of income through interest, dividends, and capital appreciation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (extract) Year ended 31 December 2023

	2023 \$'000	2022 \$'000	Change %
Revenue			
Hotel operations segment	51,009	35,197	44.9
Property investments segment	6,713	6,289	6.7
Financial investments segment	618	404	53.0
Total revenue	58,340	41,890	39.3
Less: Cost of sales	(29,474)	(24,749)	19.1
Gross profit	28,866	17,141	68.4
Less: Operating expenses	(17,995)	(12,201)	47.5
Add: Other income	5,224	3,765	38.8
Less: Other expenses	(3,049)	(5,842)	(47.8)
Less: Finance costs	(8,356)	(5,797)	44.1
Profit (Loss) before income tax	4,690	(2,934)	n.m.
Less: Income tax expense	(2,135)	(505)	>100
Profit (Loss) for the year attributable to owners of the Company	2,555	(3,439)	n.m.

Operation and Financial Review

REVENUE

Group revenue comprises proceeds from room sales, food and beverage ("F&B") operations, as well as income from investment properties and financial instruments.

In FY 2023, the increase in business and leisure travel to Singapore, Malaysia and Thailand led to a 44.9% uplift in revenue from the Group's hotel segment to \$51.0 million.

	Financial year ended 31 Dec				Increase (Decrease)	
	2023		2022		\$'000	%
	\$'000	%	\$'000	%		
Hotel operations segment	51,009	87	35,197	84	15,812	44.9
Property investments segment	6,713	12	6,289	15	424	6.7
Financial investments segment	618	1	404	1	214	53.0
	58,340	100	41,890	100	16,450	39.3

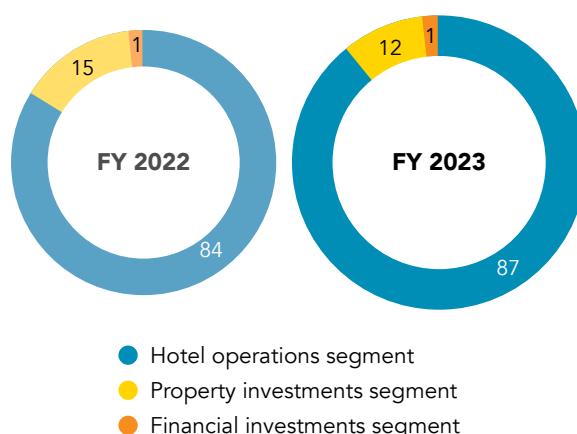
In terms of segmental revenue, sales from its 3 divisions rose by 39.3% to \$58.3 million in FY 2023.

Following the recovery of business with the easing of the border controls in Singapore, Thailand and Malaysia, an upward trend in the Group's hotel revenue was observed. This resulted in a 44.9% increase in revenue to \$51.0 million in FY 2023.

The Group's property investment revenue derives primarily from rental collections. Rental income from investment properties was up by 6.7% to \$6.7 million in FY 2023 boosted by higher occupancy at its New Zealand and Malaysia properties.

The Group's financial investment was volatile due to the pandemic and the overall geo-political situation. Nevertheless, with the increasingly positive outlook, the Group's financial investment revenue had an uplift of 53.0% to \$0.6 million during the year in review.

REVENUE BY SEGMENT (%)



	Financial year ended 31 Dec				Increase (Decrease)	
	2023		2022		\$'000	%
	\$'000	%	\$'000	%	\$'000	%
Singapore	30,548	52	22,984	55	7,564	32.9
Malaysia	9,575	17	6,357	15	3,218	50.6
Thailand	13,505	23	8,122	19	5,383	66.3
New Zealand	4,712	8	4,427	11	285	6.4
	58,340	100	41,890	100	16,450	39.3

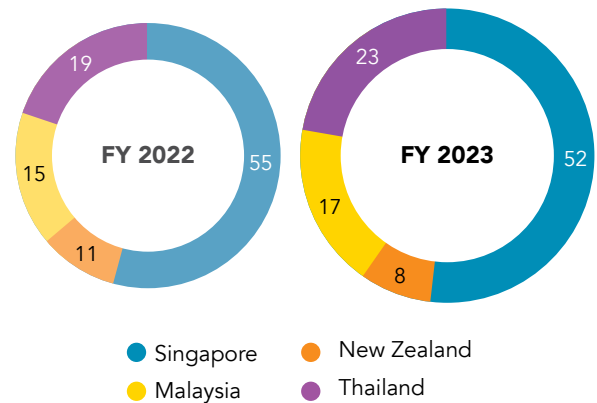
In terms of revenue by geographical locations, Singapore was still the largest market for the Group, making up 52% of total revenue. Thailand was our second largest market, accounting for 23%, followed by Malaysia 17% and New Zealand 8%.

On a geographical basis, the Group's operations in Singapore, Malaysia and Thailand recovered following the reopening of international borders, characterized by improved room occupancy and upward adjustment of room rates in all of the Group's hotels.

Revenue from Singapore was up by 32.9% to \$30.6 million while Malaysia reported a 50.6% increase to \$9.6 million. Revenue from Thailand surged by 66.3% to \$13.5 million.

Rental income from its investment properties in New Zealand posted a 6.4% rise in Group revenue to \$4.7 million.

REVENUE BY GEOGRAPHICAL LOCATION (%)



Operation and Financial Review

PROFITABILITY

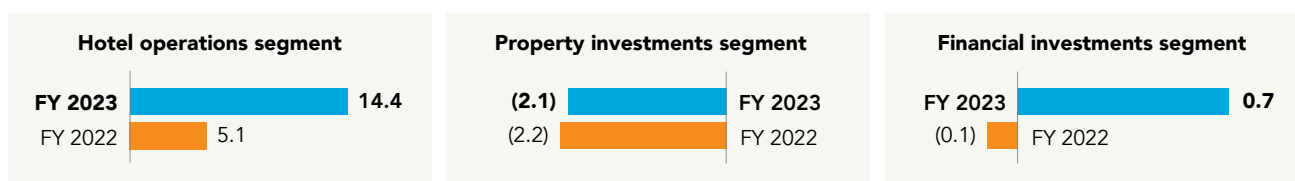
During the year in review, the Group's gross profit gained 68.4%, from \$17.1 million in FY2022 to \$28.9 million.

Operating income grew 38.8% to \$5.2 million boosted by interest income from bank deposits, net foreign exchange gain and fair value gain on financial assets at fair value through profit or loss recorded in FY 2023.

Other expenses decreased by 47.8% to \$3.0 million due to the absence of foreign exchange loss and fair value loss on financial assets at fair value through profit or loss in FY 2023 as gain was recorded in other income.

As a result, the Group achieved a marked improvement in pre-tax profit of \$4.7 million in FY 2023, reversing a pre-tax loss of \$2.9 million in FY 2022.

PROFITABILITY BY SEGMENT (\$ million)



	Financial year ended 31 Dec				Increase (Decrease)	
	2023		2022		\$'000	%
	\$'000	%	\$'000	%	\$'000	%
Hotel operations segment	14,443	110	5,133	179	9,310	>100
Property investments segment	(2,143)	(16)	(2,154)	(75)	(11)	(0.5)
Financial investments segment	746	6	(116)	(4)	862	n.m.
Profit before interest and income tax	13,046	100	2,863	100	10,183	>100

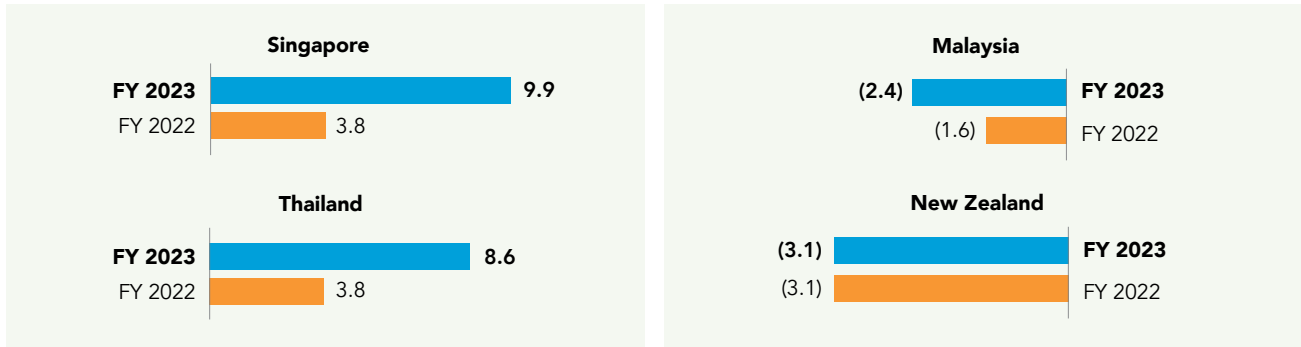
The Group's profit before interest and income tax increased by \$10.2 million to \$13.0 million in FY 2023, with the largest contribution from its hotel segment which saw its pre-tax profit jump more than 100% in profit before interest and income tax to \$14.4 million.

The property segment showed a slight improvement, recording a loss before interest and income tax of \$2.1 million.

Profit before interest and income tax attributable to financial investment increased to \$0.7 million in FY 2023.



PROFITABILITY BY GEOGRAPHICAL LOCATION (\$ million)



	Financial year ended 31 Dec				Increase (Decrease)	
	2023		2022			
	\$'000	%	\$'000	%	\$'000	%
Singapore	9,941	76	3,762	131	6,179	>100
Malaysia	(2,358)	(18)	(1,612)	(56)	(746)	(46.3)
Thailand	8,561	64	3,799	133	4,762	>100
New Zealand	(3,098)	(24)	(3,086)	(108)	(12)	(0.4)
Profit before interest and income tax	13,046	100	2,863	100	10,183	>100

Along with the overall increase in revenue, the Group's profit before interest and income tax improved significantly from \$2.9 million in FY2022 to \$13.0 million in this financial year. The Group's profit before interest and income tax in Singapore registered a profit of \$9.9 million, an increase of \$6.2 million over the preceding year. This was mainly due to improved room occupancy and upward adjustment of room rates.

During the year in review, Malaysia and New Zealand recorded loss before interest and income tax of \$2.4 million and \$3.1 million respectively. This was mainly due to a ramp up period for a new hotel in Kuala Lumpur, Malaysia and impairment of New Zealand's properties in this financial year. Thailand enjoyed a profit before interest and income tax of \$8.6 million, buoyed by the write back of impairment loss of a building in Bangkok, improved room occupancy and upward adjustment of room rates.



Operation and Financial Review

CASHFLOW

In FY 2023, the Group generated \$8.2 million in operating cash flow from operations and operating activities, and invested a total of \$16.8 million in capital expenditure for renovation and upgrading works for Hotel Royal Signature. The net cash of \$15.0 million used in financing activities was

mainly due to net principal loan repayments and dividend payment during the financial year.

As at 31 December 2023, the Group's cash and bank balances stood at \$22.7 million

GROUP CASH AND BANK BALANCES

	FY 2023 \$'000	FY 2022 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2019 \$'000
Cash on hand	174	124	113	110	154
Cash at bank	15,124	13,069	16,703	12,251	18,664
Fixed deposits	7,360	33,830	12,323	3,841	2,085
Total	22,658	47,023	29,139	16,202	20,903

The Group's cash and bank balances comprise cash on hand and at bank as well as fixed deposits. The fixed deposits of subsidiary companies are pledged for loan facilities which are secured by a mortgage over the subsidiary's freehold hotel property, investment property, fixed and floating charges on all the assets of the subsidiary, subordination

of intercompany advances made to the subsidiary, fixed deposits and corporate guarantees from the Company.

The short-term fixed deposits earn interest ranging from 2.05% to 3.62% per annum, with terms ranging from one month to twelve months.

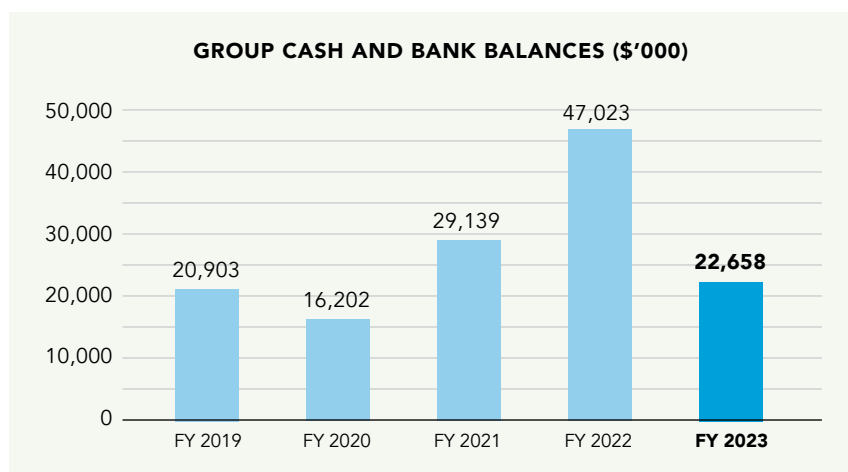
The increase was derived from the operating activities of the hotel, investment properties and fund management, mainly due to the recovery of business and leisure travel in Singapore, Thailand and Malaysia.

The increase was mainly due to renovation and upgrading works for Hotel Royal Signature and upgrading works for properties in New Zealand during the financial year

The decrease was due to net principal loan repayments and dividend payment during the financial year.

Net cash from operating activities	8,238	6,968
Net cash (used in) investing activities	(16,772)	(9,501)
Net cash (used in) from financing activities	(15,036)	19,604
Net (decrease) increase in cash and cash equivalents	(23,570)	17,071
Cash and cash equivalents at end of year	20,724	44,772
Add fixed deposits pledged	1,934	2,251
Cash and bank balances at end of year	22,658	47,023

	2023 \$'000	2022 \$'000
Net cash from operating activities	8,238	6,968
Net cash (used in) investing activities	(16,772)	(9,501)
Net cash (used in) from financing activities	(15,036)	19,604
Net (decrease) increase in cash and cash equivalents	(23,570)	17,071
Cash and cash equivalents at end of year	20,724	44,772
Add fixed deposits pledged	1,934	2,251
Cash and bank balances at end of year	22,658	47,023





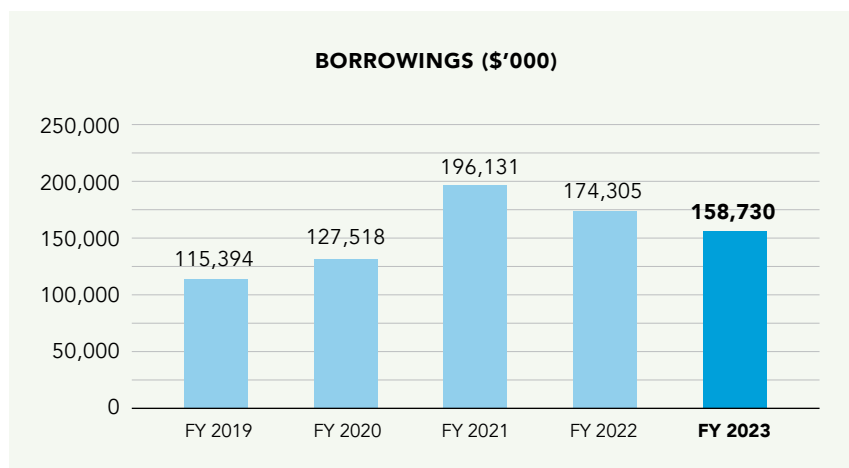
	FY 2023 \$'000	FY 2022 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2019 \$'000
Secured	158,730	174,305	196,131	127,518	115,394

The Group's borrowings comprise short-term and long-term bank loans.

From FY 2019 and FY 2021, the Group's borrowings increased from new loan drawdowns for the acquisition of Hotel Royale Chulan Bukit Bintang, the redevelopment of

Baba House and the upgrading of Grand Complex in New Zealand.

From FY 2021 to FY 2023, the Group's bank borrowings have decreased as the Group had repaid part of its bank loan.



Operation and Financial Review

The Group's total shareholders' equity rose 2.3% to \$645.4 million mainly due to the increase in assets revaluation reserve primarily arising from increase in land valuation from 2 hotels in Singapore.

In FY 2023, the Group continued to upgrade its hotel and investment properties progressively, and to enhance its market share in these countries.

STATEMENTS OF FINANCIAL POSITION (extract)

31 December 2023

	2023 \$'000	2022 \$'000	Change %
Total Assets	827,257	826,325	0.1
- Property, plant and equipment	672,412	644,157	4.4
- Investment properties	95,864	101,318	(5.4)
- Investments	29,337	28,605	2.6
- Inventories	974	716	36.0
- Trade receivables and other receivables	4,456	3,683	21.0
- Cash and bank balances	22,658	47,023	(51.8)
Total Liabilities	181,906	195,206	(6.8)
- Trade and other payables	10,379	8,832	17.5
- Tax liabilities	12,538	11,710	7.1
- Bank borrowings	158,730	174,305	(8.9)
Capital and reserves	645,351	631,119	2.3
- Share capital	190,836	190,836	-
- Asset revaluation reserve	395,489	372,300	6.2
- Fair value reserve	16,995	16,217	4.8
- Translation reserve	(23,513)	(14,133)	66.4
- Retained earnings	65,478	65,884	(0.6)

Total Assets increased by \$0.9 million or 0.1% as of 31 December 2023 and this was largely from:

- Increase in property, plant and equipment of \$28.3 million from the revaluation surplus arising from freehold hotel land in Singapore, upgrading works for Hotel Royal Signature and net write back of impairment loss of Thailand's and Malaysia's properties.
- Decrease in investment properties of \$5.5 million arising from impairment loss and depreciation recognised during the financial year.
- Increase in trade and other receivables of \$0.8 million from increase in hotel revenue towards end of FY2023.
- Decrease in cash and bank balances of \$24.4 million from the partial repayment of bank loans and dividend payment during the financial year.

Total Liabilities declined by \$13.3 million or 6.8% from lower bank borrowings of \$15.6 million as a result of net repayment of bank loans during the financial year.

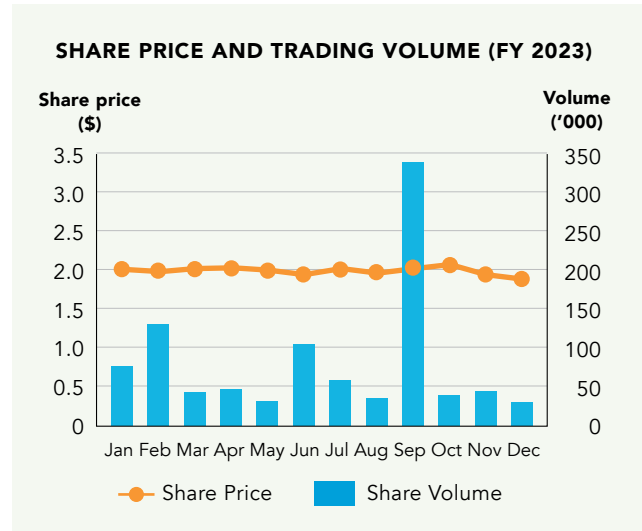
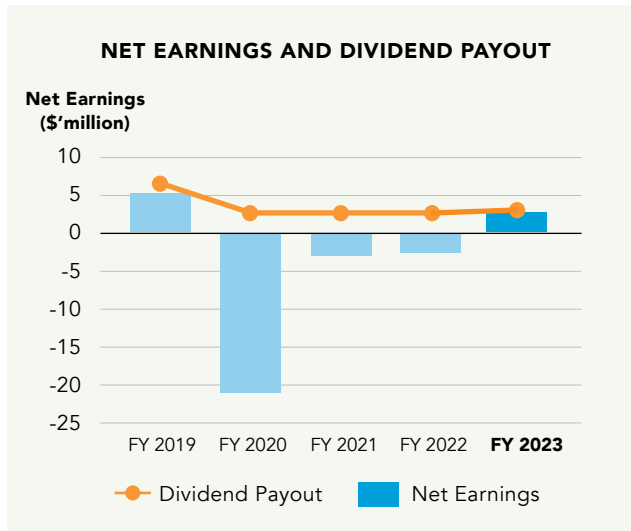
Capital and reserves rose by \$14.2 million or 2.3% from the increase in assets revaluation reserve of \$23.2 million primarily arising from increase in land valuation from 2 hotels in Singapore. This increase was reversed by an increase in translation reserve loss of \$9.4 million as a result of the strengthening of SGD against RM, THB and NZD.



SHAREHOLDER RETURNS

The Group aims to establish long-term capital growth for its shareholders and has a policy of retaining accumulated earnings, for future growth. The Group is also committed to rewarding its shareholders, and as such, it intends to distribute appropriate annual dividends as long as cash flow permits.

In FY 2023, the Directors proposed a one-tier, tax-exempt first and final dividend of 2.5 cents per ordinary share. Amounting to approximately \$3.02 million, the proposed dividend, if approved by shareholders at the upcoming Annual General Meeting, will be disbursed at a date to be announced.







Our planet our future



Our planet is the one home that all of mankind, regardless of geography, finds sustenance. For far too long, we have ignored the needs of our planet while we focus on ours. We have the moral responsibility to look after it for the future generations. It is about time that we show our Earth more love!

Sustainability Report

FOREWORD BY THE CHAIRMAN

The strong rebound in foreign visitor arrivals has spurred room demand further as the travel industry continues to recover. Although the outlook of the hospitality industry looks positive, the Group remains vigilant amidst the on-going geopolitical conflicts, the global inflationary environment coupled with rising interest rates and foreign exchange volatilities that threaten to adversely influence the Group’s performance, including our managed fund portfolio. We will closely monitor the development of these events and take the necessary measures to enhance value to our stakeholders as we plan for the long-term sustainability of our business.

The Board of Directors (“**Board**”) continues to play an integral role in leading our Group’s sustainability endeavours. Through our management committee, we direct the efforts of the Group in implementing our sustainability management measures. These include, but are not limited to, transparency in reporting, conducting risk governance, ensuring a culture of safety in daily operations as well as promoting diversity. We believe that paying close attention to such sustainability issues is not only critical to profitability and shareholder value, but also to the long-term viability of our business.

Increasingly, our stakeholders are expecting proactive leadership on environmental, social and governance (“**ESG**”) matters, and as such, we focus on providing a more illustrative reporting. To this end, I am pleased to present the Group’s sustainability report (“**Report**”) for financial year (“**FY**”) 2023.

Yang Wen-Wei
Chairman

18 March 2024

ABOUT THIS REPORT

BOARD STATEMENT

With this Report, we reaffirm our commitment to sustainability. We also provide a summary of our approaches, initiatives and strategies relating to our sustainable and responsible business practices and discussed the development and progress of our sustainability journey through the pillars of our environmental, social, governance and economic performance (collectively referred to as “**Sustainability Factors**”). Having considered the Group’s sustainability issues as part of our strategic formulation and business strategies, the Board determined the key Sustainability Factors and provided oversight to the management and the monitoring of the key Sustainability Factors.

Whilst mindful of our profit-oriented objective, we are committed to driving sustainable business growth, protecting the environment, empowering our people and communities as well as strengthening corporate stewardship. In line with our commitment, the Board acknowledges its responsibility for the Group’s sustainability reporting and affirms that it provides strategic directions to the Group on sustainability matters.

This Report communicates our support towards the United Nations’ Sustainable Development Goals (“**SDGs**”). We work closely with stakeholders in our value chain and their inputs drive our focus on the key Sustainability Factors and the SDGs as follows:



SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our key sustainability performance is as follows:

Sustainability Pillars	Performance indicator	Sustainability performance	
		FY 2023	FY 2022
Economic	Customer satisfaction score (%)	89	86
	Employee satisfaction score (%)	77	74
	Value-added (\$'million) ¹	31.0	15.1
	Salaries to employees (\$'million)	15.3	11.3
	Tax to governments (\$'million)	2.1	0.5
	Payment to providers of capital (\$'million) ²	8.4	5.8
	Non-production costs and income (\$'million)	<0.1	(0.6)
	Value retained for re-investment and future growth (\$'million) ³	5.2	(1.9)
Environmental	Greenhouse gas ("GHG") emissions (Scope 1 and 2) (tonnes CO2e)	9,365	6,726 ⁴
	GHG emissions intensity (tonnes CO2e/number of guest nights)	0.012	0.011
	Water consumption intensity (Cubic metres/number of guest nights)	0.396	0.367
	Waste generated intensity (tonnes/number of guest nights)	0.001	0.001
Social	Employee turnover rate (%)	25	26
	Number of substantiated complaints concerning breaches of customer privacy and loss of customer data ⁵	–	–
	Number of workplace fatalities	–	–
	Number of high consequence work-related injuries ⁶	–	–
	Number of recordable work-related injuries	3	2
	Number of work-related ill health cases ⁷	–	–
	Number of reported incidents of unlawful discrimination against employees ⁸	–	–
	Number of reported incidents of labour or human rights violations	–	–
Governance	Number of reported incidents of serious offence ⁹	–	–

¹ Value-added includes revenue earned net of cost of sales, net foreign exchange adjustment, other income and expenses.

² Payments to providers of capital include interest paid on borrowing from banks.

³ Value retained for re-investment and future growth includes accumulated loss, depreciation and amortisation.

⁴ Figure is restated as a correction.

⁵ A substantiated complaint refers to a complaint that has been investigated by the Personal Data Protection Commission and a violation of regulations has been established.

⁶ High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.

⁷ Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

⁸ An unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

⁹ A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two years, which is being or has been committed against a company by officers or employees of the company.

Sustainability Report

OUR BUSINESS

Our key revenue streams are mainly derived from our hotel operations and investment property segments. An overview of our business segments is as follows:

Hotel Operations Segment



SUPPLIERS AND SERVICE PROVIDERS

We requisite goods and services from the following suppliers:

- Suppliers for housekeeping and cleaning supplies, operating equipment and food and beverages (“F&B”);
- Contractors; and
- Service providers for maintenance works.



OPERATIONS

We own and operate a chain of hotels by provision of ancillary services.



CUSTOMERS

We serve hotel guests from a variety of channels such as on our website, online platforms and walk-ins.

Property Investment Segment



SUPPLIERS

We own investment properties across Asia.



OPERATIONS

We let out our investment properties.



CUSTOMERS

Our customers are lessees of our investment properties.



REPORTING PERIOD AND SCOPE

This Report articulates our strategies and practices in all aspects of sustainability and provides a detailed account of our sustainability performance in our operations for FY2023. It covers the Group's business activities including: (i) its hotel operations; and (ii) its F&B sales at its properties which together contributed 87% of the Group's revenue (FY 2022: 84%).

Singapore

- Hotel Royal Singapore
- Hotel Royal @ Queens



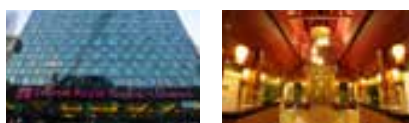
Malaysia

- Hotel Royal Kuala Lumpur
- Hotel Royal Signature
- Baba House



Thailand

- Hotel Royal Bangkok @ Chinatown
- Burasari Resort Phuket



REPORTING FRAMEWORK

This Report is prepared in accordance with Mainboard Listing Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as well as in accordance with the Global Reporting Initiative ("**GRI**") standards for the period from 1 January 2023 to 31 December 2023 ("**Reporting Period**"). We chose to report using the GRI Standards as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped out our sustainability efforts in accordance to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its core are the 17 SDGs, which form an urgent call for action by all countries. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are prepared based on the 11 recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**").

We relied on our internal data monitoring and verification to ensure accuracy for this Report. Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle and we will work towards external assurance in the future.

AVAILABILITY

A PDF version of the Annual Report, which encloses the full Report, is available for download at our investor relations website – <https://hotelroyal.listedcompany.com/reports.html>, or at the SGX website.

FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account at IR@hotelroyal.com.sg.

Sustainability Report

STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we identified key stakeholder groups with whom we prioritise our engagements with. These include individuals or groups whose interests are influenced or potentially influenced by our business activities.

Our efforts on sustainability focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. As a Group, we actively engage with all our stakeholder groups through regular formal and informal engagements such as follows:

Stakeholders	Hotel Royal's commitment	Engagement method	Frequency	Key feedback/concern
Communities	Minimise business impact and contribute to the communities where we operate in	<ul style="list-style-type: none"> • Outreach programmes • Sponsorship of events 	Ongoing	<ul style="list-style-type: none"> • Support from businesses in the area • Responsible and ethical business practices
Customers	Maximise customer satisfaction through delivering quality service and products	<ul style="list-style-type: none"> • Marketing collaterals • Guest feedback channels • Website • Customer satisfaction surveys 	Ongoing	<ul style="list-style-type: none"> • Comfort of environment • Quality service • Timely response to feedback and complaints • Data privacy
Employees	Maximise the full potential of our people resources through continual employee development and training	<ul style="list-style-type: none"> • Induction programmes for new employees • Staff training and development • Regular emails and meetings • Recreational and wellness activities • Employee feedback channels • Appraisals 	Ongoing	<ul style="list-style-type: none"> • Safe working environment • Good pay and benefits • Job security • Equal employment opportunities • Training and development opportunities
Regulators	Adopt high standards of corporate governance practices in our operations	Consultations and briefings organised by key regulatory bodies	As and when required	Compliance with laws and regulations
Shareholders	Maximise shareholder value through our corporate strategies and business fundamentals	<ul style="list-style-type: none"> • Annual general meetings • Annual reports 	Annually	<ul style="list-style-type: none"> • Sustainable profits and shareholder value • Long-term growth • Compliance with laws and regulations
		Result announcements	Half-yearly	
		<ul style="list-style-type: none"> • Investor relations website • Emails 	Ongoing	
Suppliers	Build strong partnerships with suppliers in the pursuit of the best in environmental, health and safety standards in our operations	<ul style="list-style-type: none"> • Regular meetings • Conferences and forums • Emails • Phone calls 	Ongoing	<ul style="list-style-type: none"> • Timely payment to suppliers and service providers • Fair procurement practices

Through the above channels, we seek to understand the views of our key stakeholders, communicate effectively with them and respond to their concerns.

POLICY, PRACTICE AND PERFORMANCE REPORTING

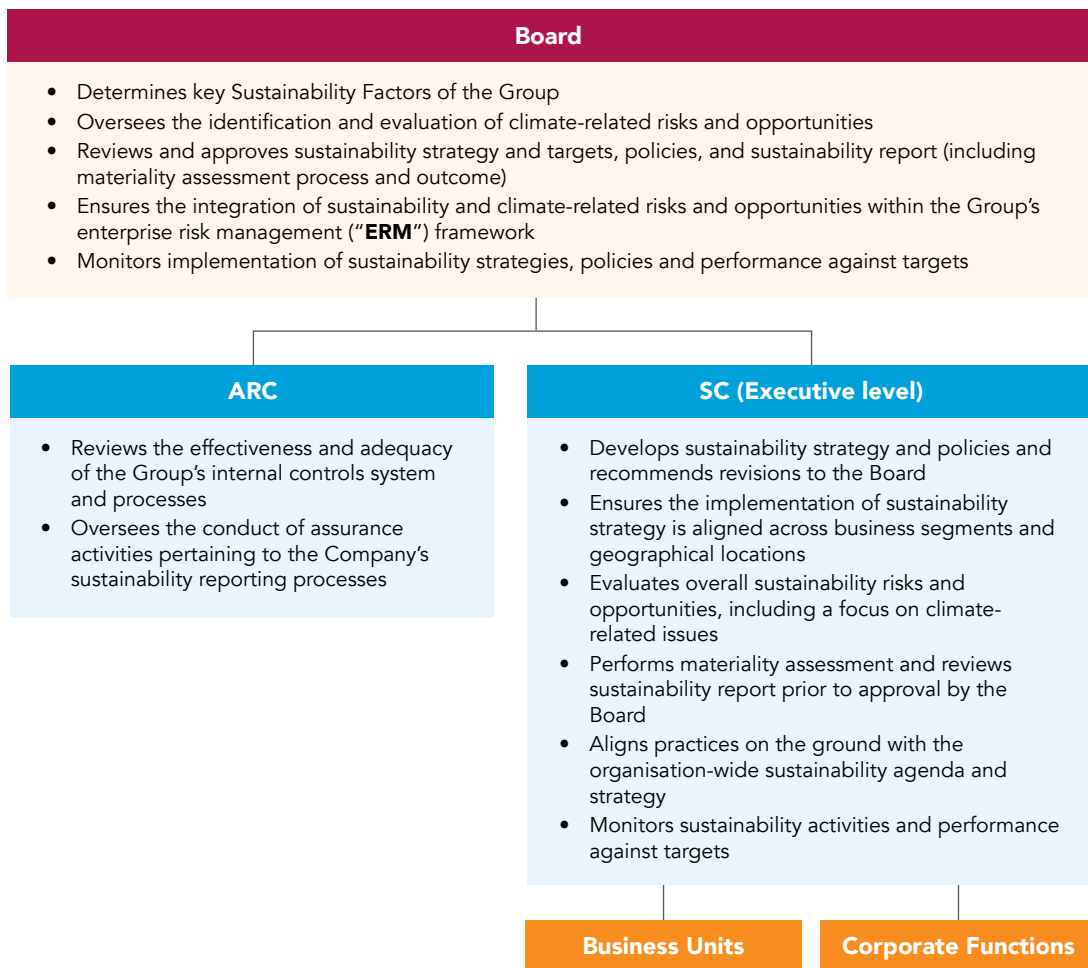
A sustainability policy (“**SR Policy**”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors is in place. This SR Policy serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback that we receive from our engagements with our stakeholders as well as organisational and external developments.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board is ultimately responsible for the oversight of the Group’s sustainability matters and is primarily supported by an executive Sustainability Committee (“**SC**”) by virtue of delegation. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720 (7) of SGX-ST, we confirm that all 7 of our directors (FY2022: 6) have attended one of the approved sustainability training courses.

The SC is led by the Chief Executive Officer (“**CEO**”) and its members comprise C-suite executives, Country Heads and Heads of Departments. The SC is further supported by selected staff from the key business units and corporate functions.

Besides the SC, the Board is supported by the Audit and Risk Committee (“**ARC**”) on specific sustainability matters under its terms of reference. Our sustainability governance structure and the responsibilities of component parties are detailed as follows:



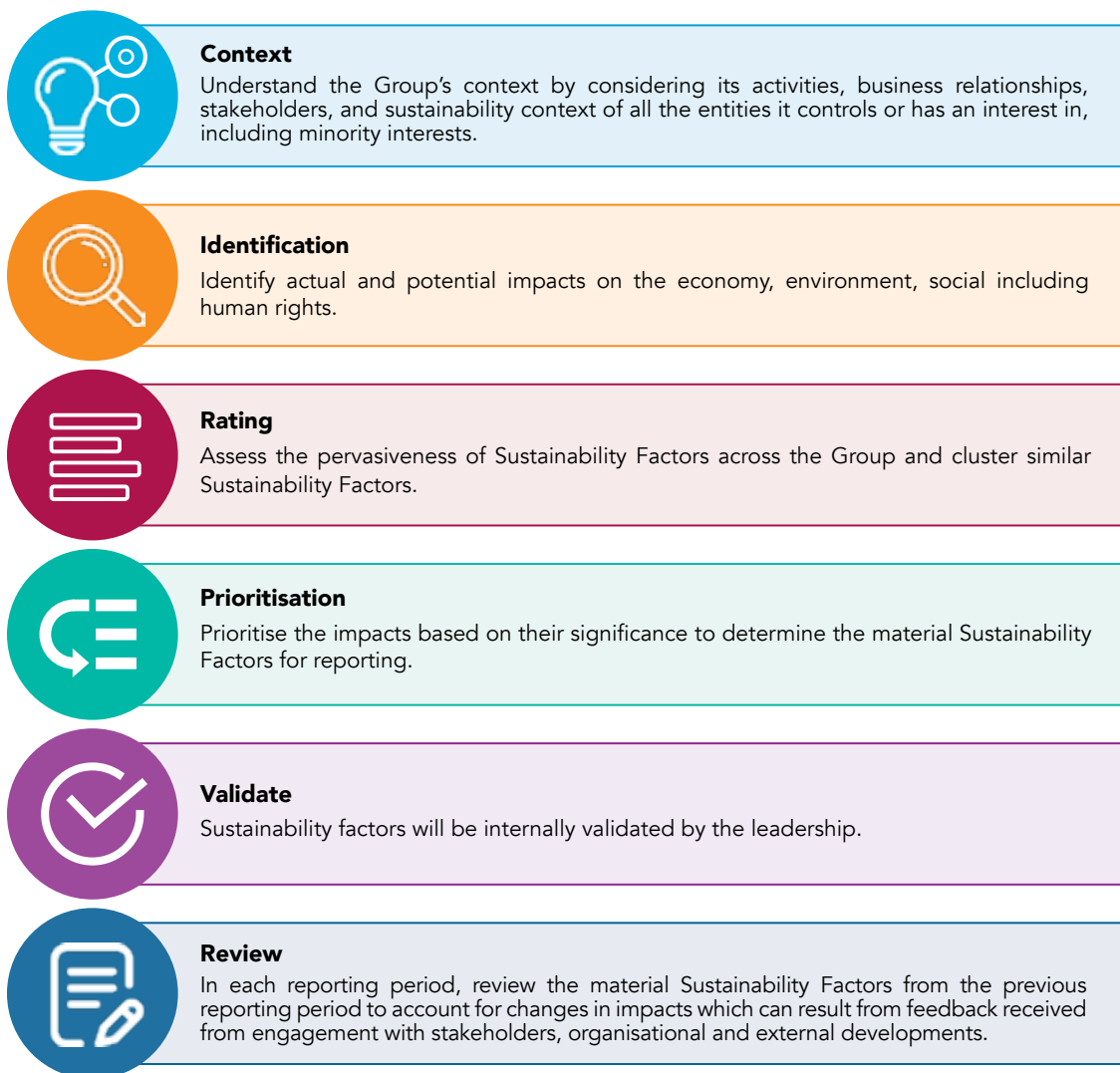
As we are still refining our sustainability-related metric measuring, tracking and target-setting mechanism, we will link key executives’ remuneration to sustainability performance when the mechanism is more mature and stable.

Sustainability Report

SUSTAINABILITY REPORTING PROCESSES

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Process involved are shown in the chart below:



MATERIALITY ASSESSMENT

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of the occurrence of actual and potential negative and positive impacts and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.

PERFORMANCE TRACKING AND REPORTING

We track our key Sustainability Factors by identifying, monitoring and measuring the relevant data points. In addition, performance targets, synchronised with our strategy, are established to ensure that we stay on the correct trajectory as we pursue sustainability. We also consistently enhance our performance-monitoring processes and improve our data capturing systems.

KEY SUSTAINABILITY FACTORS

In FY 2023, a stakeholder engagement exercise¹⁰ and materiality assessment were undertaken to understand the concerns and expectations of our key stakeholders and update our sustainability factors with significant impacts on the economy, environment, people and their human rights. In this Report, we discuss our progress in managing these factors and set related targets to improve our sustainability performance.

Presented below is a list of Key Sustainability Factors applicable to our Group:

S/N	Key Sustainability Factors	Key stakeholder	SDG
Economic			
1	Customer Satisfaction and Service Quality	<ul style="list-style-type: none"> • Customers • Employees 	Decent work and economic growth
2	Sustainable Business Performance	<ul style="list-style-type: none"> • Employees • Shareholders • Suppliers 	Decent work and economic growth
Environmental			
3	Energy Conservation and GHG Emissions Reduction	<ul style="list-style-type: none"> • Communities • Shareholders 	Affordable and clean energy
4	Water Conservation	<ul style="list-style-type: none"> • Communities • Shareholders 	Clean water and sanitation
5	Responsible Waste Management	<ul style="list-style-type: none"> • Communities • Shareholders 	Responsible consumption and production
Social			
6	Employee Development and Retention	<ul style="list-style-type: none"> • Employees 	Quality education
7	Commitment to Data Protection	<ul style="list-style-type: none"> • Customers 	Peace, justice and strong institutions
8	Employee Safety and Well-Being	<ul style="list-style-type: none"> • Employees 	Good health and well-being
9	Diversity and Equal Opportunity	<ul style="list-style-type: none"> • Employees 	Reduced inequalities
10	Human Rights and Labour Standards	<ul style="list-style-type: none"> • Employees 	Peace, justice and strong institutions
11	Ongoing Community Engagement	<ul style="list-style-type: none"> • Communities 	Sustainable cities and communities
Governance			
12	Robust Corporate Governance Framework	<ul style="list-style-type: none"> • Regulators • Shareholders 	Peace, justice and strong institutions

¹⁰ The Group engaged internal and external stakeholders of employees and customers for the materiality assessment.

Sustainability Report

ECONOMIC

CUSTOMER SATISFACTION AND SERVICE QUALITY

As a leading hospitality service provider, we hold customer experience and customer satisfaction close to our hearts. Our vision 'Every Room A Home', is a guiding principle and we are committed to provide exceptional customer service and develop a loyal customer base in order to establish a sustainable and lasting relationship with our customers. We seek to improve customer satisfaction in the following ways:

Rendering Good Customer Service

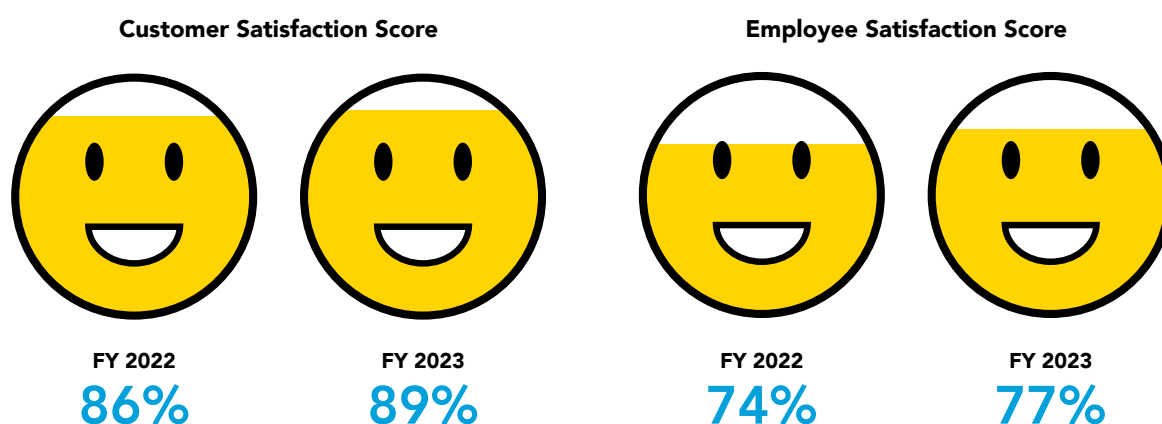
In FY 2023, 59 (FY 2022: 27) of our employees in Singapore received recognition from the industry for delivering good service quality, winning accolades such as the Singapore Hotel Association's Excellence Service Award, Hotel Security Awards (jointly organised by Singapore Hotel Association, Singapore Police Force and the National Crime Prevention Council), as well as Honesty Award. Apart from national awards, our best performing employees for the year in Singapore are recognised internally through the 'Employee of the Month', 'Employee of the Quarter' and 'Employee of the Year' accolades. Please refer to the People Report on pages 74 to 79 for their stories and achievements.

Proactively Gathering Feedback for Improvements and Developing Strategies

Customer satisfaction is our utmost priority. In line with our service credo, we endeavour to understand our customers better through reviews and feedback so as to attract and retain customers. Customer feedback collected from various touchpoints such as guest feedback forms and reviews on online travel platforms are mined to gather valuable insights into current and future customer requirements. Insights gathered are analysed and discussed during management meetings to drive service improvements, enhance operational efficiency and provide inputs for new strategies.

Maintain a Team of Proficient and Experienced Employees

We believe that our employees are key to delivering quality service. We encourage and train our employees to engage more with our guests in order to build strong connections with our customers. We aim to expand on the scope of our on-the-job training and development to further equip our employees with the necessary customer service skills as well as to boost their morale and confidence. For further details on how we motivate, train and retain our employees, please refer to the section 'Employee development and retention'. Statistics on how we are engaging these two key stakeholders are as follows:



Adopting Market Standards

Our services are certified under various recognised quality standards:

Standard/certification	Certification attained by	Nature of certification
ISO 9001:2015	<ul style="list-style-type: none"> Hotel Royal Singapore Hotel Royal @ Queens 	ISO 9001:2015 specifies requirements of a quality management system for any organisation that needs to demonstrate its ability to consistently provide products and services that meet customer and applicable regulatory requirements and aims to enhance customer satisfaction.
Building Construction Authority Green Mark Award (Gold) (" BCA Gold ")	<ul style="list-style-type: none"> Hotel Royal @ Queens 	A voluntary scheme that evaluates a building's environmental impact and performance to promote sustainable design and best practices in construction and operations in buildings.
BizSAFE Level 3 Certification	<ul style="list-style-type: none"> Hotel Royal @ Queens 	BizSAFE Level 3 recognises any company that has conducted risk assessments for every work activity and process in the workplace, in compliance with the requirements in the Workplace Safety Health (" WSH ") (Risk Management) Regulations.

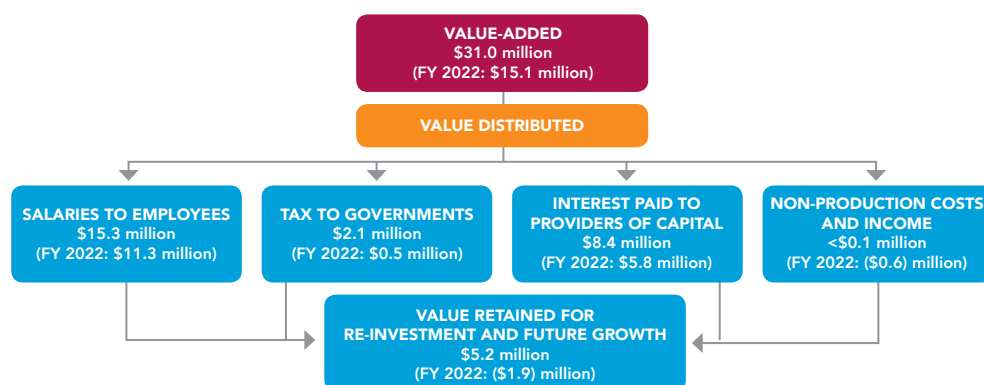
Continually Innovating

We are committed to exploring new technologies to enhance service quality. We adopted new information technology solutions at Hotel Royal to improve overall productivity and enhancing guest experience as follows:

- A cloud-based property management system ("**PMS**") and F&B point of sales system are in place to enable staff to manage hotel properties off-site or anywhere within the hotel properties. The PMS serves to centralise reservations and guest profiles. The adoption of cloud technology helps to facilitate remote working and reduce system downtime;
- Contactless guest journey via online check in/out to minimise physical touchpoints and maintain high level of hygiene;
- Mobile devices for housekeeping room attendants and front office agents to access real-time information and be updated on housekeeping requests on-the-go;
- An online chatbot is available on <https://app.vouchconciierge.com/m/royalqueens> or upon scanning the QR code available in the guest rooms to provide 24/7 automated responses to frequently asked questions; and
- A Learning eXperience Platform is available to all full-time employees, where they will be able to learn on-the-go to improve productivity and efficiency through honing new competencies and strengthening existing skills and knowledge.

SUSTAINABLE BUSINESS PERFORMANCE

We believe in creating long-term economic value for stakeholders by adopting responsible business practices and growing our business in a sustainable manner. In line with this commitment, we present the distribution of our values created in FY 2023 as follows:



Further details of our economic performance can be found in the value-added statement and audited financial statements of our Annual Report for FY 2023.

Sustainability Report

ENVIRONMENTAL

We aspire to efficiently manage the environmental impact of our hotel operations. Our environmental impact arises mainly from the consumption of energy and water in running our operations.

Our key Sustainability Factors on environment are presented as follows:

ENERGY CONSERVATION AND GHG EMISSIONS REDUCTION

Our Commitment

The Group acknowledges that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we make the transition to become a low-carbon organisation.

Our Approach

We aim to reduce our environmental footprint and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders such as communities, shareholders, employees, customers and suppliers. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

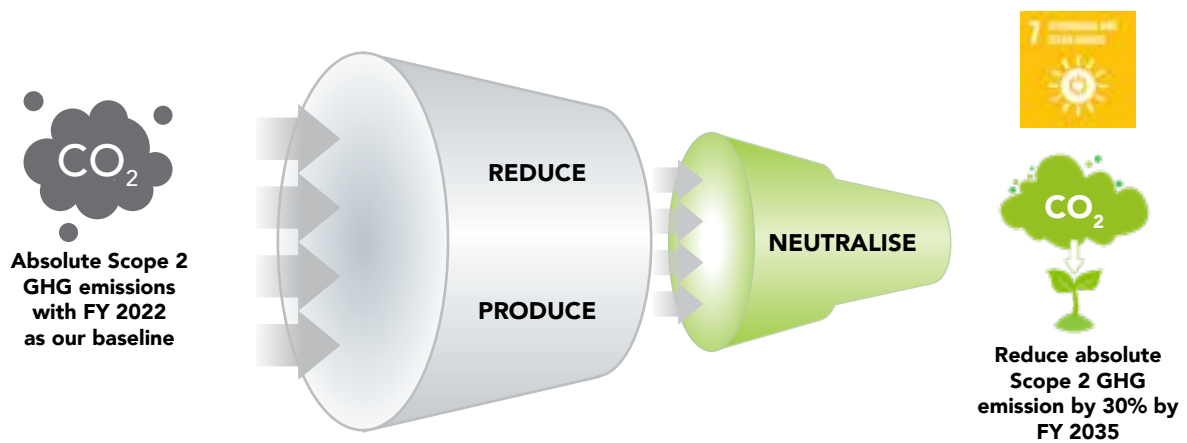
To achieve our decarbonisation goals, we set up a seven-step continuous circular process for our decarbonisation efforts as follows:



We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track our other categories of our scope 3 GHG emissions, where relevant and practicable. We also developed a climate change transition plan and will refine and improve it as we progressively implement the plan, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our sustainability reports with assurance on the reporting process covered by an internal review.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our absolute Scope 2 GHG emissions by 30% by FY 2035, with FY 2022 as our baseline and the reporting boundary set in sustainability report FY 2022 (“**SR22 Reporting Boundary**”). As our Scope 1 GHG emissions constitute less than 1% of our total GHG emissions, target setting for Scope 1 GHG emissions is deferred till a time whereby our Scope 1 GHG emissions are material. Our climate change transition plan is focused on three strategic levers of reduce, produce and neutralise as follows:



Details of our strategic levers are as follows:

LEVER	REDUCE	PRODUCE	NEUTRALISE
Description	<ul style="list-style-type: none"> Reduce absolute GHG emissions first within our operations and followed by our supply chain Replace existing energy source with low or zero-carbon sources 	On-site generation of green or renewable energy	Neutralise unavoidable residual GHG emissions
Focus Area	<ul style="list-style-type: none"> Energy efficiency <ul style="list-style-type: none"> - Machinery & Equipment - Motor vehicles - Cooling - Lighting Building design Local supply Clean energy Electric vehicles 	Solar energy	<ul style="list-style-type: none"> Renewable energy certificates (“REC”) Carbon credits

Sustainability Report

We track and review spending on energy consumption regularly to control usage and take corrective actions when there are unusual consumption patterns. We continuously strive to improve our energy use and efficiency through the following initiatives:

Lever	Key initiative	Description
Reduce	Reduction in energy consumption through efficient machinery and equipment	Our initiatives on this front include: <ul style="list-style-type: none"> • Routine maintenance of air-conditioning system to optimise energy efficiency; • Upgrading to automated chillers with enhanced operating system that adjusts the compressor load according to users' consumption; • Upgrading to high energy efficiency air-cooling towers to reduce evaporation and water usage; • Switching to environmentally-friendly variable refrigerant volume air-conditioning systems for Hotel Royal @ Queens and Hotel Royal Bangkok @ Chinatown that enable variable temperature settings within our hotel property and minimise refrigerants required; • Switching to energy-saving light emitting diode lighting where practicable.
	Reduction in energy consumption through energy efficient building design	Hotel Royal @ Queens was recognised for its environmental performance for its building design, operations and was awarded the BCA Gold.
	Reduction in energy consumption through energy efficient lighting	We use motion sensors in our lighting systems.
	Reduction through switching to clean energy	We constantly explore opportunities to source for clean and/or renewable energy available in the locations that we operate in.
Produce	Solar energy	<ul style="list-style-type: none"> • Solar panels are installed on the rooftop of Hotel Royal Singapore for water heating purposes. • We will explore installing solar panels on our hotels to further reduce our GHG emissions when practicable.
Neutralise	<ul style="list-style-type: none"> • REC • Carbon credits 	We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.

Key statistics on energy consumption are as follows:

Performance Indicator	Unit of Measurement	FY 2023	FY 2022
Energy Consumption			
Town gas consumption	Litres	135,474	79,959
Electricity consumption	kWh	19,535,556	14,150,044
Energy consumption intensity			
Town gas consumption intensity	Litres/ Number of guest nights	0.17	0.13
Electricity consumption intensity	kWh/ Number of guest nights	24.11	22.19
GHG Emissions			
Direct GHG emissions (Scope 1 ¹¹)	Tonnes CO ₂ e	0.16	0.10 ⁴
Indirect GHG emissions (Scope 2 ¹²)	Tonnes CO ₂ e	9,365	6,726
Total Scope 1 and 2 GHG emissions	Tonnes CO ₂ e	9,365	6,726 ⁴
GHG emissions intensity	Tonnes CO ₂ e/ Number of guest nights	0.012	0.011

The increase in energy consumption and the resultant GHG emissions are primarily due to the opening of Hotel Royal Signature and Baba House.

During the Reporting Period, we started tracking our Scope 3 GHG emissions arising from, purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7):

Category	Coverage	Entity	Unit of measurement	FY 2023 ¹³
Category 1: Purchased goods and services	Purchased potable water	<ul style="list-style-type: none"> Hotel Royal Singapore Hotel Royal @ Queens 	tonnes CO ₂ e	204,542
Category 6: Business travel	Air travel		tonnes CO ₂ e	9
Category 7: Employee commuting	Transportation of employees between their homes and their worksites		tonnes CO ₂ e	46

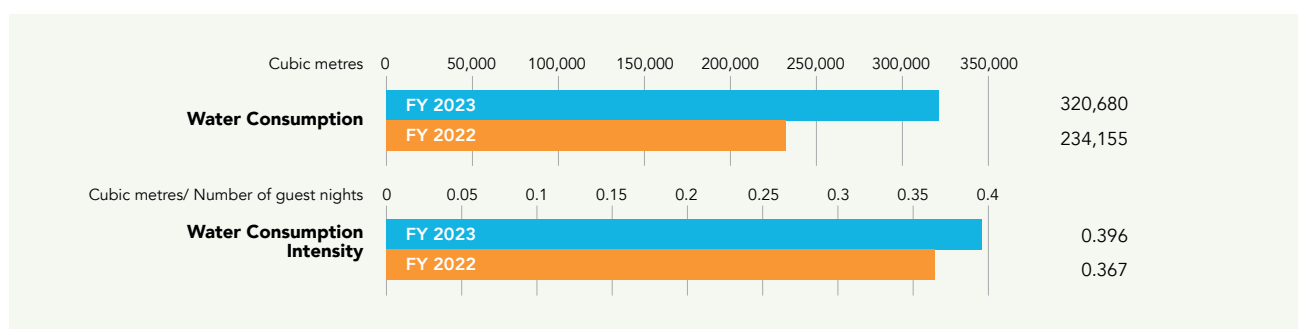
WATER CONSERVATION

Water is an essential natural resource used in all aspects of our hospitality operations, which include guest rooms, hot water supply, cooling towers, F&B, housekeeping, laundry, recreational facilities and public amenities. As such, it is our duty to ensure that water usage is optimised and not wasted.

We implemented water-monitoring systems and water-saving initiatives to ensure proper usage of water resources and these include:

- Installing motion sensor taps in washrooms open to public and water meters at different retail outlets within the hotels for close monitoring of water flow;
- Conducting regular preventive checks on all taps to detect and repair water leakage;
- Moderating water pressure of water valves to reduce water flows at guest rooms and toilets open to public; and
- Installing advanced water treatment systems for cooling towers in our hotels based in Singapore. The system uses ultra-low frequency electromagnetic waves to reduce deposits in cooling towers as compared to the use of chemicals in conventional water treatment systems. With this new water treatment system, water consumption is reduced as water need not be drained out completely during cleaning of cooling towers.

We will continue to focus on driving efficiency in water consumption. Key statistics on water consumption are as follows:



The increase in water consumption intensity is primarily due to a water leakage at Hotel Royal Kuala Lumpur as a result of wear and tear. We took active actions to rectify the issues and shall continue to track and monitor our water consumption proactively to prevent such issues from occurring.

¹¹ GHG emissions from consumption of town gas controlled by the Company (Scope 1) are calculated based on the GHG Emissions Measurement and Reporting Guidelines published by the National Environment Agency ("NEA").

¹² GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

¹³ No comparative data is available as we started tracking Scope 3 emissions in FY2023. Scope 3 emissions are calculated using a mix of emission factors from "Life cycle assessment of water supply in Singapore — A water-scarce urban city with multiple water sources", and calculation tools comprising International Civil Aviation Organization Carbon Emissions Calculator and Carbon and Emissions Recording Tool.

Sustainability Report

RESPONSIBLE WASTE MANAGEMENT

We believe that responsible waste management can help preserve the environment in which we operate in. Accordingly, we strive to: (i) improve the management of waste; (ii) utilise resources to the fullest; (iii) reduce the usage of resources; and (iv) build a circular economy. Measures taken are as follows:

Management of General Waste and Recyclables

As a Group, we implemented various initiatives to minimise waste materials that are generated in the course of our operations. We promote and practise 'Reduce, Reuse, Recycle' policy throughout our business operations. Proper recycling processes are set up to collect non-hazardous recyclables such as cardboards, papers, plastics and glass. Third-party licensed waste collectors are engaged to dispose 100% (FY 2022: 100%) of the non-hazardous waste from all entities.

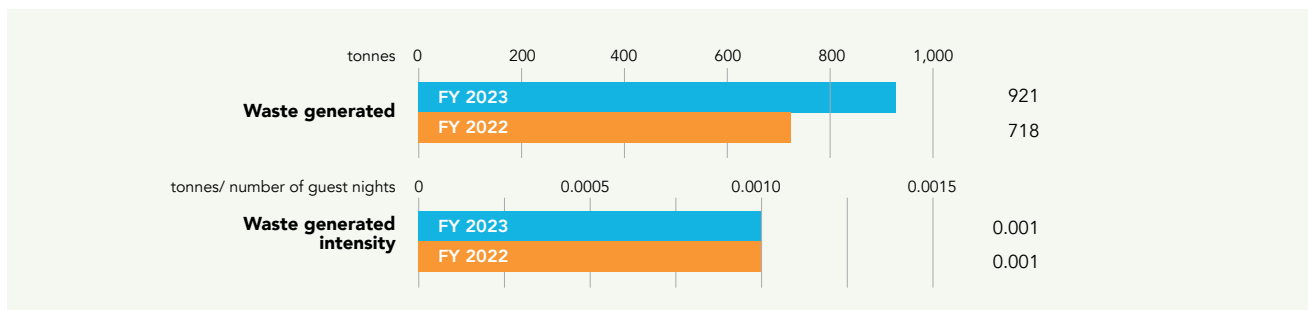
Reducing Single-Use Plastics Consumption

In line with our objective to reduce waste from our operations, the Group installed water dispensers on each floor at Hotel Royal Singapore and Hotel Royal @ Queens as well as water filters in every room at Hotel Royal Signature as we strive to reduce the use of plastic bottles. Moreover, we procure from eco-friendly suppliers to further minimise the use of single-use plastics packaging materials.

Management of Food Waste

To increase our efforts in managing food waste, we purchased two units of food waste bio-digestors to convert food waste into organic fertiliser for landscaping. In addition, we implemented food process control procedures to minimise food wastage such as usage controls during preparation of food, evaluation of suppliers with the consideration of level of sustainability practice as a criterion and minimising package options for our customers.

Meanwhile, we are exploring with different stakeholders on potential partnerships to convert food waste into electricity and are committed to delivering more of such projects to preserve our environment in the future.



The increase in waste generated is primarily due to the opening of Hotel Royal Signature and Baba House.



SOCIAL

EMPLOYEE DEVELOPMENT AND RETENTION

Our goal is to always have a team of highly motivated and well-trained workforce to deliver our brand promise. To achieve this goal, our training programme focuses on the four service deliverables – customer service, attitude, recognition, and efficiency – as inspired by our service credo.

We have a diverse range of training programmes available to upskill and develop our employees such as air-con servicing course, sustainability leadership in hospitality and occupational first aid training. These programmes equip our employees with the right skillsets in delivering good services and care to our guests.

Key statistics on training hours provided for our full-time employees are as follows:

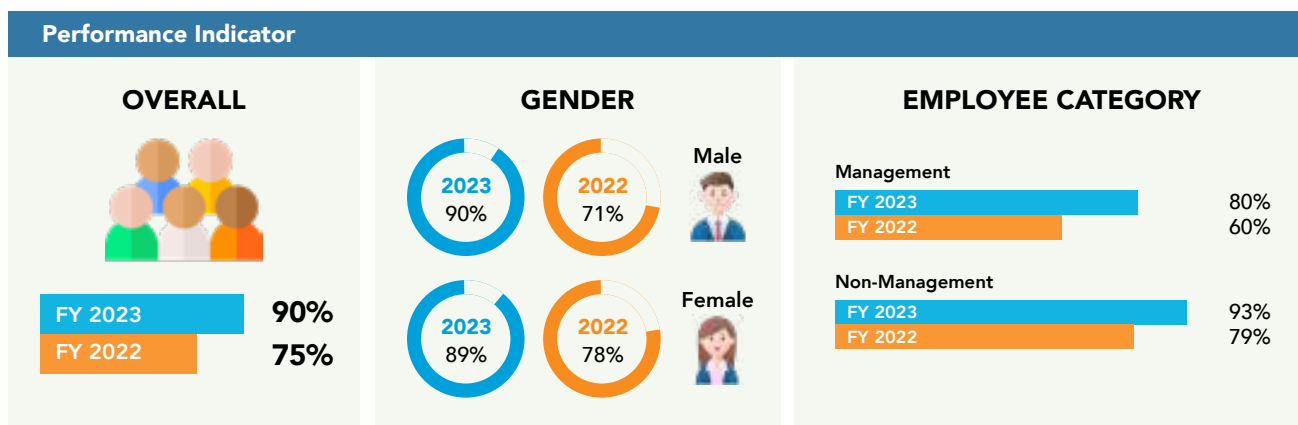
Performance indicator		FY 2023	FY 2022	
Overall				
Total training hours	5,603	3,818		
Average training hours per employee	10.0	9.7		
Gender (Male)				
Total training hours	3,484	2,013		
Average training hours per employee	11.2	10.0		
Gender (Female)				
Total training hours	2,119	1,805		
Average training hours per employee	8.6	9.4		
Management				
Total training hours	1,807	978		
Average training hours per employee	13.7	11.4		
Non-management				
Total training hours	3,796	2,840		
Average training hours per employee	8.9	9.2		



Sustainability Report

The rise in overall training hours and average training hours per employee can be attributed primarily to the new employees hired for the commencement of business for Hotel Royal Signature and Baba House. New employees are generally granted more training hours to familiarise themselves with our operational requirements.

We believe that fair and competitive remuneration based on merit is one of the key factors in retaining employees. Regular performance and career development reviews are conducted for full-time employees to facilitate feedback on their career progress and allow them to take self-initiated actions to improve their capabilities. During the Reporting Period, 90% (FY 2022: 75%) of our full-time employees received regular performance and career development reviews. Performance appraisal is performed for employees on a merit basis and is not performed for employees who are under probation, serving notice period and have received confirmation performance appraisal just prior to the regular performance review. Key statistics on confirmed full-time employees who received regular performance appraisal and career development reviews are as follows:



We also provide pro-family benefits to eligible confirmed employees which include maternity leave, childcare leave and paternity leave as well as employee allowance for meal, books and housing to promote healthy living and work-life balance.



Sustainability Report

EMPLOYEE SAFETY AND WELL-BEING

We treat the health and safety of our employees seriously and strive to foster a safe working environment for our workers by continuously identifying and eliminating potential hazardous situations in the workplace. We also facilitate training and education of our employees and contractors to minimise injuries or accidents. Guidelines aligned with the industry's best practices are also in place for our reference and adherence.

Each of our hotels has a WSH committee which comprises representatives from both management and employees so as to ensure a collaborative approach to health and safety at the workplace. The WSH committees regularly monitor and review their safety procedures and protocols to identify and resolve potential risk to employees and guests. The WSH committees also seek to identify risks and safety hazards at the workplace, and regularly review them to ensure all outstanding issues are addressed and resolved whilst prevailing safety standards and certifications are complied with. Adhering to the industry's practices, the WSH Committees established relevant reporting channels for accidents and injuries that occurred at the workplace and they are monitored by the respective human resource departments from respective hotels.

In addition, our employees undergo training in workplace safety, first aid, handling fire hazards and evacuation exercises. For instance, in order to minimise potential fatalities and casualties from fire incidents, a Company Emergency Response Team ("CERT") and relevant fire safety equipment are in place. CERT members are required to attend trainings relating to incident management, fire emergency response and first aid to ensure a high level of readiness to respond and evacuate during a fire incident.

All our hotels conduct fire drill trainings periodically to ensure efficient evacuation of incumbents in the event of an emergency.

Key statistics on our work-related injuries and ill health cases are as follows:


Performance indicator	FY 2023	FY 2022
Number of fatalities	–	–
Number of high-consequence work-related injuries ⁶	–	–
Number of recordable work-related injuries	3	2
Number of work-related ill health cases ⁷	–	–

The recordable work-related injuries are due to minor slips and falls while attending to our guests. We will continuously work towards reducing both the occurrence and severity of workplace accidents.

DIVERSITY AND EQUAL OPPORTUNITY

We aim to achieve diversity and equal opportunity for our employees and have zero tolerance for employee discrimination or gender-bias in our staff recruitment and advancement policies. As at 31 December 2023, we have no (FY 2022: Nil) reported incident of unlawful discrimination against employees.

As at 31 December 2023, the Group has a workforce of 608 permanent full-time and part-time employees (FY 2022: 424 permanent full-time and part-time employees) to support its operations in Singapore, Malaysia and Thailand:

	Singapore	Malaysia	Thailand	Total
 Workforce ¹⁴	193	210	205	608
Full-time	182	171	205	558
Part-time ¹⁵	11	39	–	50

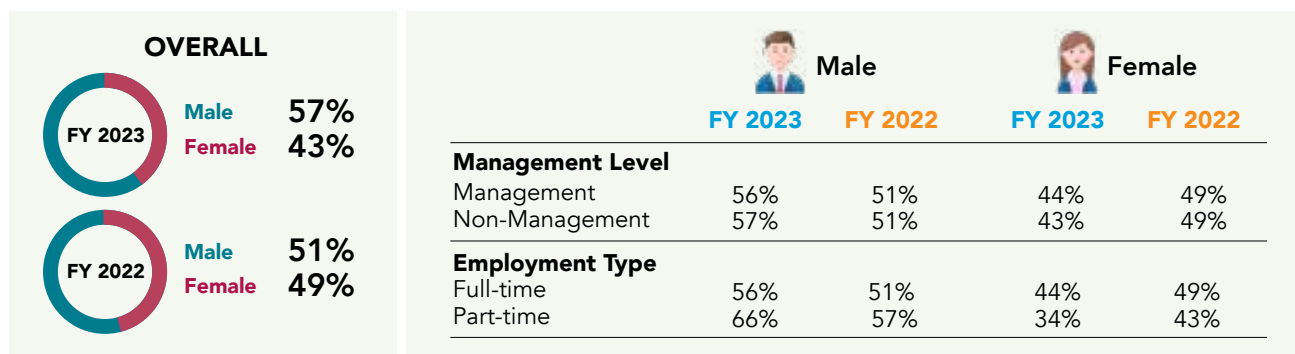
¹⁴ Non-guaranteed employees are excluded from the headcount of part-time employees as they only amount to 2% of the Group's headcount, which is immaterial to the total number of Group's employees.

¹⁵ Part time employees are employees who are under a contract of service to work less than a certain number of hours a week as defined by the relevant authorities.

Gender Diversity

The Group does not practice gender discrimination. During recruitment, candidates are assessed based on their competencies and experience. A Board Diversity Policy is in place as we view diversity at the board level as an essential element in supporting sustainable development. Currently, we have no female representation on our Board, but we will work towards increasing the number of female directors as we believe that a diverse Board helps to enhance decision-making capability and the performance of the Group.

Key statistics on gender diversity of our employees are as follows:



Age Diversity

We recognise mature and experienced employees as assets to the Group due to their skills, knowledge and understanding of the Group's expectations. Key statistics on age diversity of our employees are as follows:

Performance Indicator	FY 2023			FY 2022		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	26%	53%	21%	22%	52%	26%
Management level						
Management	12%	63%	25%	5%	58%	37%
Non-management	30%	50%	20%	23%	53%	24%
Employment type						
Full-time	26%	54%	20%	26%	50%	24%
Part-time	26%	42%	32%	4%	63%	33%

Diversity in Educational Background

We seek to create an inclusive environment for employees from different educational backgrounds. Key statistics on educational background diversity of our employees are as follow:

Performance Indicator	FY 2023		FY 2022	
	Tertiary	Non-tertiary	Tertiary	Non-tertiary
Performance of employees by educational diversity	33%	67%	¹⁶	¹⁶

¹⁶ No comparative data is available as not tracked previously.

Sustainability Report

HUMAN RIGHTS AND LABOUR STANDARDS

Human rights are fundamental to everyone and it is essential that all our employees are entitled to their rights. We are committed in upholding the internationally accepted human rights principles, including those related to child labour, forced labour and human trafficking. Our policies comply with the prevailing legislations in the countries that we operate in.

As part of Hotel Royal’s due diligence process, all contract workers hired must be duly supported by legal identification documents such as identity cards or passports, work permits and the rights of contract workers. The protection of rights at work is an integral part of fulfilling human rights obligations and we promote respect and protect the rights of our employees by supporting freedom of association and collective bargaining.


In FY 2023, we have no (FY 2022: Nil) incidents of labour or human rights violations.

ONGOING COMMUNITY ENGAGEMENT

We believe in giving back to the community as an integral part of our role as a corporate citizen and we recognise that the long-term success of our business is closely knitted to the health and prosperity of the communities that we operate in.

As part of our commitment to enrich the lives of communities, we promote programmes across our geographical operations, focusing on three key areas (“**Focus Areas**”) of:

Focus Areas of our Community Programmes

 <p>THE ARTS Sponsoring room nights for regular arts beneficiary.</p>	 <p>THE PEOPLE Enriching the communities and the needy.</p>	 <p>THE ENVIRONMENT Preserving and restoring the environment.</p>
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SUPPORTING THE ARTS

Our Care for the Community

We regularly support the Theatre Practice, an arts group that consciously nurtures and empowers people who care about humanity. In 2023, we sponsored a total of 308 room nights¹⁷ for its production of ‘The Soldier & His Virtuous Wife’, ‘Four Horse Road’, ‘Artist Farm’, ‘XIMI’ and ‘I came at last to the seas’. We are one of the Theatre Practice’s Company Patrons in view of our long-term support of their activities.

In addition, Hotel Royal Singapore extended subsidised rates in support of the ‘30th Spring in the City cum Happy Chinese New Year’ Cultural, Arts and Travel Fair jointly organised by Huaxia Cultural Hub and Golden Travel Service Pte Ltd.

¹⁷ We sponsored 308 room nights for the Theatre Practice’s production crew during their filming.



SUPPORTING THE PEOPLE

Enriching the Community

In FY 2023, Burasari Resort Phuket supported the World Food Day by donating 100 portions of food to the local community in Phuket. On top of that, Burasari Resort Phuket signed an agreement with Scholars of Sustenance Food Rescue (“SOS”) to donate any leftovers¹⁸ to the underprivileged, that would otherwise be disposed of. On a daily basis, SOS collects and distributes the food to the underprivileged in Phuket’s communities.



In support of the Singapore Association of the Visually Handicapped, Hotel @ Queens engaged visually handicapped technicians to provide massage services to Hotel employees from 25 to 27 September 2023. We hope that this will equip the technicians with new skills and help them with their integration into the society.



On 27 September 2023, Hotel Royal Kuala Lumpur organised Tahil & Bacaan Yassin, an Islamic practice that involves reciting verses from the Quran and making supplications for the deceased or other intentions with Anak-Anak Tahfiz, children who memorise the Quran.



¹⁸ The leftovers are mainly from our breakfast buffets that are deemed hygienic and safe for consumption.

SUPPORTING THE ENVIRONMENT

We are dedicated to preserving the environment and have set up long-standing commitments in creating positive and impactful environmental contributions through an array of initiatives as follows:

Preservation of the Environment

Hotel Royal Bangkok @ Chinatown believes that animal welfare is an important factor in constructing a world where animal lives are valued and respected. We worked with Animal Welfare Foundation, Bang Len Branch, at Nakhon Pathom for two days in July 2023 to raise elephants. Under this initiative, our employees carried out activities such as mudding, feeding and bathing the elephants.



In conjunction with the Phuket Hotel Association, Burasari Resort Phuket on 15 September 2023 continued its regular participation in the beach cleaning efforts along Phuket’s famed Patong Beach. Our employees collected 21.7 kilogrammes of garbage along the beach.



Key statistics on our community outreach activities are as follows:

Performance Indicator	FY 2023	FY 2022
Community investments	\$102,327	\$5,031

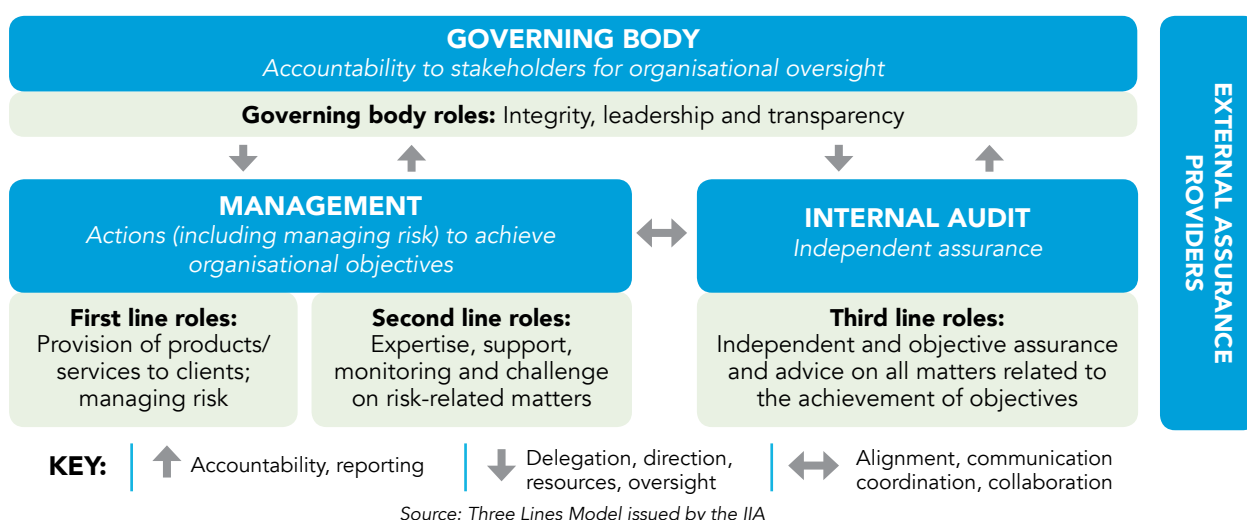
Sustainability Report

GOVERNANCE

ROBUST CORPORATE GOVERNANCE FRAMEWORK

As the business landscape gets increasingly volatile, complex and fraught with uncertainties, it is essential to have in place a robust corporate governance framework to ensure the sustainability of the Group.

Accordingly, we aligned our corporate governance framework on internal controls and risk management with the Three Lines Model published by the Institute of Internal Auditors ("IIA") as illustrated below:



Our risk management and internal control systems are designed to provide reasonable assurance of the achievement of objectives and form an integral part of our business decision-making process in delivering value for our stakeholders. Our risk management framework covers ESG-related risks and you may refer to pages 105 to 110 of this Annual Report for a more detailed discussion of our Risk Management initiatives and results.

The Group also continues to be highly committed to the best practices of corporate governance which ensures a company's long-term sustainability, by adhering to the Singapore's Code of Corporate Governance. Please refer to pages 81 to 104 of this Annual Report for a detailed discussion of our Corporate Governance practices.

Ethics and integrity are also of critical importance to the Group and we have zero tolerance towards any form of bribery, corruption, fraud, money laundering and other financial crimes. We strictly respect all prevailing anti-corruption legislations in all the countries that we operate in. The Group is aware that regulatory compliance is critical to protecting our brand and business, as well as fostering trust amongst our stakeholders.

Our employees are expected to conduct themselves in an honest, professional way in their daily roles and responsibilities and in dealing with both internal and external stakeholders.

To guide our employees, we established internal controls and written policies in the areas of employee code of conduct, conflict of interest, whistleblowing and anti-corruption. These policies are also communicated to new employees. The Group's whistle-blowing policy allows staff and other parties to report any matters that may be suspicious or concerns regarding business matters, from accounting, financial reporting, auditing, internal controls to business operations. The whistle-blowing policy also provides procedures and practices to ensure concerns are investigated independently and followed up with the appropriate response. All employees may report any irregularities anonymously or otherwise with confidence that they shall face no reprisal.

A set of guidelines for our employees concerning the receiving and giving of gifts, entertainment, sponsorships and charitable contributions in the course of business is in place. In addition, our finance departments have strict oversight of payments and receipts with appropriate controls and procedures in place to monitor and prevent any irregular forms of payments and receipts.

In FY 2023, there was no (FY 2022: Nil) reported incident of serious offence. We also have no reported incidents of non-compliance with the relevant legal and regulatory requirements.

TARGETS AND PROGRESS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our key Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress Tracking
○○○	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Key Sustainability Factor	Target ¹⁹	Current Year Performance
Economic			
1	Customer Satisfaction and Service Quality	Ongoing and long-term <ul style="list-style-type: none"> • Maintain or improve customer satisfaction score • Maintain or improve employee satisfaction score 	●●●
2	Sustainable Business Performance	Short-term Improve or maintain our financial performance subject to market conditions	●●●
Environmental			
3	Energy Conservation and GHG Emissions Reduction	Short term Maintain or reduce GHG emissions intensity by FY 2025 with FY 2022 as baseline Ongoing and long-term Reduce absolute Scope 2 GHG emissions by 30% and by FY 2035 with FY 2022 as baseline	○○○
4	Water Conservation	Short-term Maintain or reduce water consumption intensity	●○○
5	Responsible Waste Management	Short-term Maintain or reduce waste generated intensity	●●●
Social			
6	Employee Development and Retention	Short-term <ul style="list-style-type: none"> • Maintain or improve average training hours per employee • Maintain or reduce employee turnover rate 	●●●
7	Commitment to Data Protection	Ongoing and long-term Maintain zero incident of substantiated complaint concerning breaches of data privacy and losses of personal data	●●●
8	Employee Safety and Well-Being	Ongoing and long-term Maintain zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and ill health cases	●●●
9	Diversity and Equal Opportunity	Ongoing and long-term Maintain zero incident of unlawful discrimination against employees	●●●
10	Human Rights and Labour Standards	Ongoing and long-term Maintain zero reported incident of labour or human rights violations	●●●
11	Ongoing Community Engagement	Ongoing and long-term Continue to initiate campaigns to help the communities	●●●
Governance			
12	Robust Corporate Governance Framework	Ongoing and long-term Maintain zero reported incident of serious offence	●●●

¹⁹ Time horizons for target setting are: (1) short-term: before FY 2025; (2) medium-term: FY 2025 – FY2035; (3) long-term: after FY 2035; and (4) ongoing: continuous time horizon.

Sustainability Report

SUPPORTING THE SDGs

The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its core are the 17 SDGs which form an urgent call for action by all countries. We believe that everyone plays an important part in advancing sustainable development and we identified a number of SDGs that we can contribute to sustainability development through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDG		Our Effort
	Ensure healthy lives and promote well-being for all at all ages	Employee Safety and Well-Being We implemented measures to ensure a safe and secure working environment for our employees.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Employee Development and Retention We invested in training, education and development of our people to upskill our human assets and enhance our business competencies.
	Ensure availability and sustainable management of water and sanitation for all	Water Conservation We implemented water monitoring systems and initiatives aimed at conserving water to minimise wastage. These efforts contributed to our commitment to achieving sustainable management and the efficient utilisation of natural resources.
	Ensure access to affordable, reliable, sustainable and modern energy for all	Energy Conservation and GHG Emissions Reduction We implemented measures to reduce our energy consumption which help to improve energy efficiency and reduce GHG emissions. These actions also contributed to a reduction in operating costs.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Customer Satisfaction and Service Quality We are determined to improve our products and service offerings, enhance our service levels and ensure our employees are continually motivated and trained to deliver customer satisfaction and uphold our brand promise. Sustainable Business Performance We contributed to economic growth through delivering long-term and sustainable value for our stakeholders.
	Reduce inequality within and among countries	Diversity and Equal Opportunity We fostered a diverse and inclusive workplace to introduce new perspectives to our business, thereby strengthening our capacity to overcome emerging challenges.
	Make cities and human settlements inclusive, safe, resilient and sustainable	Ongoing Community Engagement We initiated various campaigns to promote social inclusion and sustainable communities.
	Ensure sustainable consumption and production patterns	Responsible Waste Management We implemented initiatives to minimise waste materials generated in our operations, recycle waste whenever possible and ensure proper disposal of hazardous waste.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Commitment to Data Protection We implemented reasonable physical, electronic and procedural safeguards to ensure the protection of personal data in compliance with data protection legislation. Human Rights and Labour Standards We are dedicated to upholding internationally-recognised human rights principles, including those pertaining to child labour, forced labour and human trafficking. Robust Corporate Governance Framework We maintained a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholder value.

TCFD DISCLOSURES

We are committed to supporting the recommendations by the TCFD and disclosed our climate-related financial disclosures in the following key areas:

TCFD Recommended Disclosures

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

Our sustainability governance structure includes the Board, SC and various working groups across from our various business functions. The Board has ultimate oversight of the climate-related risks and opportunities and considers climate-related issues in setting the Group's strategic direction, policies and targets.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Our sustainability strategy is formulated by the Group's SC in consultation with the Board. The SC, which includes C-suite executives, Country Heads and Head of Departments from various functions, is led by the CEO. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy and policy, target setting, collection, monitoring and reporting of performance data, as well as management of risks and opportunities including those associated with climate change.

Strategy

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. These include physical risks and transition risks which can have adverse operational and financial impact on our operation.

The Group undertook a climate scenario analysis to assess potential implications of the climate-related risks using the Representative Concentration Pathway ("**RCP**") adopted by the IPCC:

Scenario	Description
IPCC RCP 2.6/1.5°C	This scenario is in line with Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategy.
IPCC RCP 8.5/4°C	The 'business-as-usual' scenario assumes that GHG emissions continue to rise with significant increases in global temperatures of about 4.3°C by 2100, as no concerted efforts are made to reduce GHG emissions.

Based on a climate scenario analysis, the Group identified the potential impact of climate change, both physical and transitions risk on our business as well as climate-related opportunities which the Group can capitalise on:

Sustainability Report

TCFD Recommended Disclosures

Type	Climate-related risk	Potential impact	Climate-related opportunity
Physical Risk	Increased extreme weather events and rising sea level	Rising sea levels and increased extreme weather events such as floods, as a result of climate change, may lead to adverse impact on our hotels especially those that are situated in low lying areas. This will consequentially increase our cost of hotel business operations and reduce our revenue.	Raising awareness amongst our employees to be more environmentally conscious and to reduce our environmental impact throughout our operations.
Transition Risk	Expansion of carbon pricing mechanism	Changes in governmental policies such as expansion in carbon tax coverage and increase in carbon tax rates may lead to increased operating costs.	By raising climate awareness amongst our employees and defining job responsibilities and training, we will be in a better position to use energy resources responsibly to meet the expectations of regulators, our customers and shareholders.
	Enhanced emissions reporting obligations	Failure to comply with relevant climate reporting requirements imposed by authorities may lead to adverse impact on our reputation and financial performance.	Ensure strict adherence to and compliance with rules and regulations to meet growing expectations from regulators, our customers and shareholders.

The impact of the above climate-related risks is analysed on group-wide activities in the short term (before FY 2025), medium term (FY 2025 – FY 2035) and long term (FY 2035 onwards) with details as follows:

Warming scenario 1: 1.5°C warming (RCP 2.6)

Risk	Significance of financial impact ²⁰		
	Short term	Medium term	Long term
Key physical risk identified			
Increased extreme weather conditions such as floods arising from climate change may lead to adverse impact on long-lived infrastructure	●	●	●
Key transition risk identified			
Changes in policy and regulations such as expansion in carbon tax coverage and increase in carbon tax rates which may lead to increased operating costs	●	●	●
Imposition of more stringent climate reporting requirements may give rise to higher operating cost and regulatory risk	●	●	●

²⁰ Significance of financial impact is determined based on the risk appetite established in accordance with the Group's climate scenario assessment.

TCFD Recommended Disclosures

Warming scenario 2: > 4°C warming (RCP 8.5)

Risk	Significance of financial impact		
	Short term	Medium term	Long term
Key Physical Risk Identified			
Increased extreme weather conditions, such as floods arising from climate change, may lead to adverse impact on long-lived infrastructure	NA ²¹		●
Key Transition Risk Identified			
Changes in policies and regulations, such as expansion in carbon tax coverage and increase in carbon tax rates, may lead to increased operating costs	NA ²¹		●
Imposition of more stringent climate reporting requirements may give rise to higher operating cost and regulatory risk	NA ²¹		●

²¹ Not applicable as this scenario is unlikely in the short and medium term.

Legend

● Minor ● Moderate ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities. Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario 2: > 4°C warming) may result in major financial impact after FY 2035. Under warming scenario 1: 1.5°C, there may be moderate level of financial impact arising from the combined effects of carbon tax increase, compliance with stringent reporting requirements, increased cost on operating expenses and potential revenue loss in the medium-to-long term. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Sustainability Report

TCFD Recommended Disclosures

Risk Management

- a. Describe the organization's processes for identifying and assessing climate-related risks.**
- b. Describe the organization's processes for managing climate-related risks.**
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.**

We acknowledge that maintaining a sound system of climate-related risk management is imperative to safeguarding the interests of the Group and foster trust with our stakeholders. To keep abreast with any changes in existing regulatory requirements and maintain good corporate governance, we proactively identify any major climate-related risks relevant to our business, as well as review key climate-related risk performance regularly.

Climate-related risk management is covered under our ERM framework whereby potential climate-related risks are identified, assessed, monitored and managed. Under the framework, business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that may hinder their progress towards contributing to the Group's business objectives. Climate-related risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM assessment exercise and are subsequently presented to the ARC along with the other key enterprise-wide risks. Climate-related risks are also monitored based on the trend of climate-related performance indicators.

Metrics and Targets

- a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

Our environmental performance, including water consumption, waste management, energy consumption and GHG emissions are tracked, measured, and its related metrics are subsequently disclosed in our sustainability report. Monitoring and reporting of these metrics assist us in identifying areas with material climate-related risks and enable us to track our progress towards reaching our goals.

- b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.**

To support the climate change agenda, we disclosed our Scope 1 and Scope 2 GHG emissions in the Report and set climate related targets such as those related to energy and GHG emissions.

We recognised the importance of monitoring our indirect Scope 3 GHG emissions and have since started tracking and disclosing indirect Scope 3 GHG emissions from purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY 2023. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories relevant to the Group and where data is available.

- c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**

As a commitment towards mitigating climate change, climate-related targets related to water consumption, waste management and GHG emissions are set. For further details, please refer to section 'Targets and Progress'.

GRI CONTENT INDEX

Statement of use	Hotel Royal reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 in accordance to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI standard	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-1 Organisational details	1-2, 8-11,126, 175-176
	2-2 Entities included in the organisation's sustainability reporting	41
	2-3 Reporting period, frequency and contact point	41
	2-4 Restatements of information	39, 50
	2-5 External assurance	41
	2-6 Activities, value chain and other business relationships	38-40
	2-7 Employees	56-57
	2-8 Workers who are not employees	We have approximately 114 workers who are not employees in FY 2023. These include workers in front office, kitchen, housekeeping and maintenance.
	2-9 Governance structure and composition	12-13, 43
	2-10 Nomination and selection of the highest governance body	89-92
	2-11 Chair of the highest governance body	12, 88-89
	2-12 Role of the highest governance body in overseeing the management of impacts	43, 63
	2-13 Delegation of responsibility for managing impacts	43, 63
	2-14 Role of the highest governance body in sustainability reporting	43, 63
	2-15 Conflicts of interest	83-86
	2-16 Communication of critical concerns	39, 60, 98
	2-17 Collective knowledge of the highest governance body	43, 83-84, 88
	2-18 Evaluation of the performance of the highest governance body	92-93
	2-19 Remuneration policies	93-96
	2-20 Process to determine remuneration	93-96
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	4-7, 38
	2-23 Policy commitments	55, 58, 60-66
	2-24 Embedding policy commitments	58, 60, 104
	2-25 Processes to remediate negative impacts	60, 98
	2-26 Mechanisms for seeking advice and raising concerns	60, 98
	2-27 Compliance with laws and regulations	60
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	45
	2-30 Collective bargaining agreements	As at 31 December 2023, 20% of our full-time employees in our workforce are covered by collective bargaining agreements. The collective bargaining agreements only cover the rank-and-file employees who are mainly clerical, sales and service staff.

Sustainability Report

GRI standard	Disclosure	Location
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	44
	3-2 List of material topics	45
	3-3 Management of material topics	46-60
Sustainable Business Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	47
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	47
	201-2 Financial implications and other risks and opportunities due to climate change	63-66
	201-3 Defined benefit plan obligations and other retirement plans	164, 168
	201-4 Financial assistance received from government	167
Robust Corporate Governance Framework		
GRI 3: Material Topics 2021	3-3 Management of material topics	60
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	96
	205-2 Communication and training about anti-corruption policies and procedures	60
	205-3 Confirmed incidents of corruption and actions taken	60
Energy Conservation and GHG Emissions Reduction		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-51
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	48-51
	302-2 Energy consumption outside of the organization	51
	302-3 Energy intensity	50
	302-4 Reduction of energy consumption	50
	302-5 Reductions in energy requirements of products and services	50
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50
	305-2 Energy indirect (Scope 2) GHG emissions	50
	305-3 Other indirect (Scope 3) GHG emissions	51
	305-4 GHG emissions intensity	50
	305-5 Reduction of GHG emissions	49-50
	305-6 Emissions of ozone-depleting substances (ODS)	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
Water Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	51
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	51
	303-2 Management of water discharge-related impacts	Disclosure is not applicable as we do discharge a material amount of wastewater or effluents in our operations.
	303-3 Water withdrawal	51
	303-4 Water discharge	Disclosure is not applicable as we do discharge a material amount of wastewater or effluents in our operations
	303-5 Water consumption	51

GRI standard	Disclosure	Location
Responsible Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	52
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	52
	306-2 Management of significant waste-related impacts	52
	306-3 Waste generated	52
	306-4 Waste diverted from disposal	52
	306-5 Waste directed to disposal	Moving forward, we plan to develop a tracking mechanism and report on our waste directed to disposal wherever practicable.
Employee Development and Retention		
GRI 3: Material Topics 2021	3-3 Management of material topics	53-55
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	55
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	54
	401-3 Parental leave	54
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	53
	404-2 Programs for upgrading employee skills and transition assistance programs	53
	404-3 Percentage of employees receiving regular performance and career development reviews	54
Employee Safety and Well-Being		
GRI 3: Material Topics 2021	3-3 Management of material topics	56
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	56
	403-2 Hazard identification, risk assessment, and incident investigation	56
	403-3 Occupational health services	56
	403-4 Worker participation, consultation, and communication on occupational health and safety	56
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Investor Relations

The Group continually aims to build and maintain investor confidence and trust through open dialogue and two-way communications.

The Board's Investor Relations ("IR") policy ensures that all shareholders are informed regularly, comprehensively and on a timely basis, concerning every significant development that impacts the Group. We do not practise preferential and selective disclosures to any group of shareholders. This is in line with the requirements of Singapore Exchange Listing Rules and the Singapore Companies Act.

We believe that by disseminating our financial performance, business strategies and other relevant corporate information in a clear and timely manner, our shareholders and investors will have a better understanding of the Group's strategic and material developments. Disseminated through various platforms such as SGXNet and the Company's website, our communications come in the form of notifications of corporate results, press releases and other relevant announcements, annual and sustainability reports. Our corporate website contains information on the Company, including, but not limited to, announcements, news releases, financial statements (current and past), Annual Reports (current and past years) and key events.

In addition, we interact with shareholders via our Annual General Meetings, where we actively engage with shareholders to provide them with information that they need to make decisions about the Company, and to take the opportunity to solicit and understand their views.

Shareholders can also contact us directly via a dedicated email - ir@hotelroyal.com.sg - that is featured in the inside cover page of the annual reports as well as our website. The Company endeavours to respond to all queries.

Apart from timely disclosures pertaining to our financial and operations performance, we have also focused on environmental, social and governance ("ESG") matters which have gained increasing attention from various investors. Our engagements in these issues are mainly conveyed through multiple touch points, participation in industry conferences as well as our Investor Relations website.

CALENDAR OF EVENTS

FY 2022	FY 2023	Event
1-Mar	1-Mar	Full-Year Results Announcement
15-Apr	12-Apr	Annual Report
30-Apr	28-Apr	Annual General Meeting
10-Jun	9-Jun	Payment of Dividend
12-Aug	10-Aug	Half-Yearly Results Announcement
9-Dec	NA	Rights Issue



Corporate Social Responsibility

THE ENVIRONMENT

The Group aspires to better manage the impact that our operations have on the environment through the consumption of energy, water and generation of waste materials.

Our hotels comply with the relevant regulations laid out by the governments in Singapore, Malaysia and Thailand. Whilst mindful of our profit-oriented objective, we are committed to driving sustainable business growth, protecting the environment, empowering our people and communities and strengthening corporate stewardship. It is also this reason that CSR and sustainability are part of our 5-Year Roadmap to future-proof the Group's competitiveness and growth. We believe that close attention to such sustainability issues is critical to not only profitability and shareholder value, but also to the long-term viability of our business.

We recognise that our energy consumption and the resultant GHG emissions contribute to climate change and therefore, are committed to reducing our carbon footprint whilst looking for opportunities to make the transition to becoming a low-carbon organisation.

Our Sustainability Report on Pages 38 to 69 articulates in detail our plan, strategy and targets to achieve that. Our aim is to reduce our environmental footprints and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders. This is achieved by adopting a balanced approach in effectively managing and minimising the impact of our business operations on the environment.

Energy Conservation and Emissions Reduction

We track and review spending on energy consumption regularly to control usage and take corrective actions when there are unusual consumption patterns. We continuously strive to improve our energy use and efficiency through the following initiatives:

• REDUCE

Reduce absolute emissions first within our operations, followed by our supply chain

- Energy efficiency
- Machinery & Equipment
- Motor vehicles
- Cooling
- Lighting
- Building design
- Local supply

Energy Efficiency in Machinery, Equipment & Cooling Systems

- Upgrading chillers with better flexibility in operating system that adjusts compressor load according to users' consumption
- Replacing with higher energy efficiency air-cooling towers to reduce evaporation and water usage

- Regular cleaning of filters for air-conditioning systems to reduce air flow resistance
- Maintaining equipment in good working condition to optimise energy efficiency

Energy Efficiency in Lighting

- Switching to energy-saving LED lighting where practicable
- Using motion sensors in lighting systems

Building Design

- Hotel Royal @ Queens is recognised for the environmental performance of its building design and operations and awarded with the BCA Green Mark Award (Gold).

• REPLACE

- We continually look for opportunities to replace existing energy source with low or zero-carbon sources
- Clean energy
- Electric vehicles

• PRODUCE

- On-site generation of green and renewable energy. To date, Hotel Royal Singapore has installed solar panels on its rooftop for water heating purposes.

• NEUTRALISE

- We plan to explore the use of renewable energy certificates and carbon credits to offset unavoidable residual emissions when the relevant markets mature.

Key Statistics

At our hotels in Singapore, Malaysia and Thailand, we mainly rely on municipal sources for electricity that power most of our activities. In FY 2023, our hotels consumed a total of 19.5 million kWh of electricity, about 38% more than the same period last year. The electricity consumption intensity increased to 24.11 kWh per guest night.

Scope 1 and 2 greenhouse gas emissions also rose 39% to 9,365 tonnes CO₂e while the GHG emissions intensity was raised slightly to 0.012 tonnes CO₂e per guest night. The increase in energy consumption and emissions were largely due to the opening of Hotel Royal Signature and Baba House.

Our properties also rely on town gas for cooking purposes for our food and beverage operations. In FY 2023, our hotels consumed a total of 135,474 litres of gas. electricity, a 69% jump year-on-year. This translated to 0.17 litres per guest night. The increase in town gas consumption was also attributed to the opening of the two new hotels.

Corporate Social Responsibility



Water Conservation

Water is a precious resource that is critically essential in our daily lives, and in every aspect of our hotel operations - such as the guest rooms, hot water supply, cooling towers, food and beverage, housekeeping, laundry, recreational facilities and public amenities. We are therefore committed to ensure that water is not wasted in our operations.

Some of our initiatives include:

- Installing motion sensor taps in common washrooms and water meters at different retail outlets within the property for closer monitoring
- Conducting regular preventive checks on all taps to detect and repair water leakage
- Moderating water pressure of water valves to reduce water flows at guest rooms and common toilets
- Installing advanced water treatment systems for cooling towers - the system uses ultra-low frequency electromagnetic waves to reduce deposits in cooling towers as compared to the use of chemicals in conventional water treatment systems. With this new water treatment system, water consumption is reduced as water need not be drained out completely during cleaning of cooling towers.

In FY 2023, our water consumption increased by 37% to 320,680 cubic metres year-on-year which translates to a water consumption intensity of 0.396 cubic metres per guest night.

Waste Management

Apart from energy, emissions and water management, it is equally critical that we have initiatives in place to minimise waste materials that are generated in the course of our operations, in line with our policy "Reduce, Reuse, Recycle". We strive to improve our waste management practices, utilize resources to the fullest, reduce the usage of these resources and build a circular economy.

In all of our hotels, proper recycling processes are set up to collect non-hazardous recyclables such as cardboard, paper, plastics, glass and general waste. These are then disposed by third-party contractors.

To avoid the use of single-use plastics, we have installed water dispensers on each floor at Hotel Royal Singapore as well as water filters in every room at Hotel Royal Signature.

During the year, we purchased 2 units of food waste biogas digestors to convert procedures to minimise wastage such as usage controls during food preparation. In addition, we also evaluated suppliers for their sustainability practices and packaging options for our customers.

Meanwhile, we are also exploring a project with potential partner to convert food wastes into electricity and are committed to delivering more of such projects to preserve our environment in the future.

In FY 2023, the Group's properties generated 921 tonnes of waste, a 28% increase over the preceding year. This translates to a waste generate intensity of 0.001 tonnes per guest night which is similar to the same intensity the year before.

THE COMMUNITY & THE ARTS

As a business group, it is our corporate responsibility to make a difference to the communities where we operate. In FY 2023, the Group's properties donated in cash and kind, a total of \$102,327 which was a significant increase from the preceding year.

During the year, Hotel Royal Singapore and Hotel Royal @ Queens sponsored a total of 308 room nights as part of our long-standing sponsorship arrangement with Singapore-based arts group - The Theatre Practice.

In addition, Hotel Royal Singapore extended subsidised rates in support of the "30th Spring in the City cum Happy Chinese New Year" Cultural, Arts and Travel Fair jointly organized by Huaxia Cultural Hub and Golden Travel Service Pte Ltd.

Hotel Royal @ Queens gifted snack boxes to the staff of local charity Dignity Kitchen as part of its Staff Appreciation Day activity. It also engaged masseurs from Singapore Association of the Visually Handicapped to provide massage therapy to its employees.

Hotel Royal Kuala Lumpur organized Tahlil and Bacaan Yassin – an Islamic practice that involves receiving verses from the Quran and making supplications for the deceased or other intentions with Anak-Anak Tahfiz, children who memorise the Quran.

During the year in review, Hotel Royal Bangkok @ Chinatown contributed towards the raising of elephants at Animal Welfare Foundation – Bang Len Branch in Nakhon Pathom where the hotel's staff helped to feed and bath the animals.

Burasari Resort continued its regular cleaning of Phuket's Patong Beach in partnership with Phuket Hotel Association on 15 September 2023 – its staff helped to collect some 21.7 kg of garbage from the beach. In addition, the Resort supported the World Food Day on 9 October 2023 with the donation of 100 portions of food. In addition, it signed an agreement with Scholars of Sustenance Food Rescue (SOS) to donate on a daily basis any leftover food from its breakfast buffets that are deemed hygienic and safe for consumption. SOS collects and distributes the food to the underprivileged in Phuket's communities.

Starring 领衔主演
Joanna DonB × Eavin Soh (Men&FM) × Ric Liu (Men&FM)
董颖彦 × 苏栢威 (梦FM) × 刘晋旭 (梦FM)

Special Ticket Offer 独家购票优惠
10% OFF* 折扣* Promo code 优惠码: **TOMS** Valid till 有效期至: 06.04.2023
BOOK NOW 立即购买: practice.bigtix.io

30.03 - 16.04.2023 • 8:00PM (Tue - Sat 二~六) • 2:30PM (Sat - Sun 六~日)
Drama Centre Theatre 戏剧中心剧院 (National Library Building 国家图书馆3楼)

Ticket Holder Privileges 观众福利 (25.03 - 30.04.2023)
Flash your e-ticket to enjoy 10% off Tom's Palette menu (except chilled drinks)
出示电子票券, 消费 Tom's Palette 菜单项目可享10%折扣 (冷饮除外)

HISTORY AWAITS YOUR ARRIVAL
让历史见证 你的到来

四马路 2023
Four Horse Road

04.08 - 03.09.2023, 8pm
The Theatre Practice 实践剧场

BOOK NOW 立即购买 | practice.bigtix.io

@thetheatrepractice #FourHorseRoad #四马路

People Report

CREATING HOMELY VIBES

Increasingly, hotels around the world are realising that having a personal connection with guests is critical to brand loyalty. It's all about staying in touch and being accessible whenever guests needed anything. In the past, guests would have to press '0' to speak to an operator, or a dedicated "Guest Services" button on the telephone. These days, they can just WhatsApp the guest relations team at any time of day and get a response almost immediately. It can be something as simple as a request for extra amenities, or to report a maintenance issue.

Hotel Royal is no exception and is placing a priority on enhancing guest experiences. In 2023, the Group introduced the guest experience role at its newly-opened Baba House in Melaka which turned out to a resounding success. Bookings have surged, so have the number of positive guest feedback on its social media.

Shirleen Hong, Baba House's Guest Experience Manager meets up with guests to tell them about the history of the unique property. Knowing that guests are new to the area, she also gives them tips on where to visit, eat and shop. She is also the go-to person if guests have issues with their rooms which she quickly resolves with the relevant departments.

Another newly-opened property, Hotel Royal Signature in Kuala Lumpur joined Baba House in introducing this new service. Its team of guest experience managers welcome every guest checking in, ensures that the process is as seamless as possible and stays in contact with the guest even after they check out.

Guest Experience Manager Hidayah recounted an incident when an Indonesian guest was returning home urgently due to a family emergency and had left something behind in the hotel.

"We tried searching for it but could not find it and the guest returned to his country without it. He was very upset and posted a negative review of our hotel. We continued to search and finally Housekeeping located the item and sent it back to him. Hidayah contacted the guest who was very grateful and subsequently removed his negative comment and replaced it with an encouraging one instead," she said.

Her team mate, Guest Experience Manager Ika recounted another recent incident involving a guest who was about to leave the hotel for the airport and realised that he had left a luggage in the room. She quickly rushed to the room and retrieved the luggage just in time. Even though this was a simple gesture, the guest was so appreciative that he returned to stay at the hotel with his family twice after that.

Hotel Royal @ Queens' Bellman Aaryan views his job as an opportunity to meet people from various countries and all walks of life. He takes special interest in listening and engaging with guests and is always poised to help.

He creates positive experiences by going the extra mile. Over the years, Jaya received numerous complimentary letters.

Aaryan joined Hotel Royal @ Queens in 2006, and rose through the ranks to Bell Captain in 2016. As a Bell Captain, Aaryan has to guide and lead his team to bring the guest experience to the next level.

When asked what was one experience that stood out for him, Aaryan said, "Years ago, when I was on duty, an elderly Australian couple who were staying in the hotel for a week asked me to recommend them places to visit. I told them about the Singapore Zoo, Universal Studios Singapore and a few others and they enjoyed visiting them so much that we continued to chat and became quite good friends. Prior to their departure from the hotel, they left me their contact and we continued to stay in touch to this day."



Shirleen Hong



Hidayah



Ika



Aaryan



People Report

PEOPLE REPORT

The Group has 608 staff across its properties in Singapore, Malaysia and Thailand. Every quarter, we organise feedback sessions between staff and senior management. At these meetings, staff are encouraged to provide innovative ideas to improve productivity and resolve work-related issues.

We also have the Employee Satisfaction Survey which solicits feedback from staff annually about their training needs, job satisfaction, quality of the work environment, benefits and welfare. In 2023, the average score on the Employee Satisfaction Survey was 77% - a 3 percentage-point increase over the year-ago period.

As these employees are our most important assets, we strongly believe in training and retraining them so that they can be continually skilled-up for service excellence. Our ISO-certified staff training programmes emphasise four service deliverables – namely, customer service, attitude, recognition, and work efficiency. In addition, we also provide on-the-job training (“OJT”) for our front office, food & beverage, housekeeping and security, first aid and customer service employees.

In FY2023, training hours rose by 47% year-on-year to 5,603 hours across the Group, while average training hours per employee increased by 3% to 10 hours.

Another metric – the annual Customer Satisfaction Survey – tracks how our staff perform with respect to our guests. In 2023, this Survey yielded an average score of 89% which was a 3 percentage-point rise over the previous year. We also use this Survey to discuss with our staff how the Company as a whole can do better.

Journey of Excellence

Every year, our staff in Singapore win awards at the national level for excellent performance – such as the annual **Excellence Service Awards** (organised by the Singapore Hotel Association); **Hotel Security Awards** (jointly organised by Singapore Hotel Association, Singapore Police Force and the National Crime Prevention Council); **Employee of the Year Awards** (organised by Food, Drinks and Allied Workers Union (“FDAWU”), National Trades Union Congress and Singapore Hotel Association), as well as the **National Kindness Awards** (organised by SHA/Singapore Kindness Movement). In addition, our properties also give recognition to exceptional employees for the months and quarters of each year.

In 2023, a total of 24 staff in Singapore won awards at the annual Excellence Service Awards – 2 Star, 7 Gold and 15 Silver awards. In addition, 4 staff received the Hotel Security Awards, while 2 staff won the National Kindness Award and Employee of the Year Award.

Apart from national awards, our best performing staff for the year are recognised internally through the “Outstanding Service Provider of the Year” Award and “Extra Mile Award”. In addition, they also vie for the “Outstanding Service Providers” accolades each year.

Employees want recognition for excellent work – they need to feel that their performance whether it is individual achievements, team collaborations, and positive customer experiences, is reviewed in a fair and comprehensive way.



EXCELLENCE SERVICE AWARD 2023

Coverage	Category	Employee name	Designation	Department
Hotel Royal Singapore	Star	Gina David Pinto	Senior Room Attendant	Housekeeping
		Satish Kumar A/L Munusamy	Maintenance Helper	Maintenance
	Gold	Tirumal A/L Ramakrishnan	Captain	F&B
	Silver	Lim Beng Geok (Rosalind)	Communication Supervisor	Front Office
		Saiton Bte Sali	Communication Officer	Front Office
		Helmey Bin Musrapa	Captain	F&B
		Muhammad Juin Bin Gunsilau	Junior Captain	F&B
		Yu Shuqing	Room Attendant	Housekeeping
		Hao Limei	Room Attendant	Housekeeping
		Zailani Bin Samsuri	Security Supervisor	Security
		Wahid A/L Parasuraman	Senior Security Officer	Security
		Wong Hung Peng (Doris)	Outstation Cashier	Revenue
		Siti Norhaijah Binti Haji Damit	Duty Manager	Front Office
		Wong Yit Meng	Senior Floor Supervisor	Housekeeping
		S Thein Hti	Senior Carpenter	Maintenance
Hotel Royal @ Queens	Gold	Rohmat Bin Sarmin	Bellhop	Front Office
		Choong Wai Kit (Kenny)	Junior Duty Manager	Front Office
		Mochsen Bin Mohd	Safety & Security Officer	Safety & Security
		Tan Tick Seng	Safety & Security Officer	Safety & Security
		Fiona On	Accounts Assistant	Finance & Admin
		Michelle Goh	Human Resources Officer	Human Resources
	Silver	Tan Cheow Mei (Mae)	F&B Manager	Food & Beverage
		Bejasa Ryan Canete	Junior F&B Captain	Food & Beverage
		Winace Mores Ogaya	Junior Duty Manager	Front Office

HOTEL SECURITY AWARD 2023 (Honesty/Bravery/Vigilance) jointly organised by Singapore Hotel Association, Singapore Police Force and National Crime Prevention Council

Coverage	Employee name	Designation	Department
Hotel Royal Singapore	Zailani Bin Samsuri	Security Supervisor	Security
	Wahid A/L Parasuraman	Senior Security Officer	Security
Hotel Royal @ Queens	Alan Zhao	Room Attendant	Housekeeping
	Mohamad Sulaiman Bin Kamat	Senior Safety & Security Officer	Safety & Security
Hotel Royal Bangkok @ Chinatown	Mr. Nisai Pholudom	CCTV Officer	Human Resource

EMPLOYEE OF THE YEAR AWARD 2023 Organised by Food, Drinks and Allied Workers Union (FDAWU), National Trades Union Congress and Singapore Hotel Association

Coverage	Employee name	Designation	Department
Hotel Royal Singapore	Harry Dilay Ruelos	Duty Manager	Front Office
Hotel Royal @ Queens	Ivy Lee	Restaurant Manager	Food & Beverage
Hotel Royal Kuala Lumpur	Muhammad Amirul Husni	F&B Captain	F&B

NATIONAL KINDNESS AWARD AWARD 2023 Organised by Singapore Hotel Association & Singapore Kindness Movement

Coverage	Employee name	Designation	Department
Hotel Royal @ Queens	Maniselvan A/L Krishnan	Senior Duty Manager	Front Office
	Rohmat Bin Sarmin	Bellhop	Front Office

OUTSTANDING SERVICE AWARD 2023 Review from Agoda / Booking.com

Coverage	Employee name	Designation	Department
Hotel Royal Bangkok @ Chinatown	Mr. Kaweewat S.	Front Office Manager	Front Office
	Ms. Borimas S.	GSA	Front Office

People Report

Hotel Royal Singapore



1. Saiton Bte Sali
 2. Wong Hung Peng (Doris)
 3. Lim Beng Geok (Rosalind)
 4. Tirumal A/L Ramakrishnan

5. Muhammed Jun Bin Gunsilau
 6. Siti Norhaijah Binti Haji Damit
 7. Harry Dilay Ruelos
 8. Satish Kumar A/L Munusamy

9. S Thein Hti
 10. Wahid A/L Parasuraman
 11. Zailani Bin Samsuri
 12. Wong Yit Meng

13. Helmey Bin Musrapa
 14. Gina David Pinto
 15. Yu Shuqing
 16. Hao Limei

Hotel Royal @ Queens



1. Maniselvan A/L Krishnan
 2. Aaryan Bin K Kannan
 3. Rohmat Bin Sarmin

4. Mochsen Bin Mohd
 5. Goh Qin Ni (Michelle)
 6. Tan Cheow Mei (Mae)

7. Lee Oi Wu (Ivy)
 8. Zhao Xiaodong (Alan)
 9. Winace Mores Ogaya

10. On Geok Chin (Fiona)
 11. Choong Wai Kit (Kenny)

Awards & Accolades



2023

- Baba House's Mari Chiak Restaurant was one of 11 themed restaurants who represented Malaysia in the 4th ASEAN Sustainable Tourism Award. It emerged winner of the Award's Urban Product category in the ASEAN Tourism Forum 2024 held in Laos.
- Baba House also won the Top Performance Hotel Award from Booking.com and the Top Production Hotel Award from Convergent.
- Hotel Royal Singapore was conferred the 2023 Gold Circle Award from Agoda and Recognition Award from Tiket.com.
- Burasari Resort and its Kantok Restaurant clinched Travelers' Choice Awards 2023 from TripAdvisor.
- Hotel Royal Bangkok bagged the Best Cooperative Partner Hotel award from CIT; Traveller Review Awards from Booking.com and Traveloka's Preferred Hotel Partner Award for being the top producer in the Yaowarat (Chinatown) Bangkok Area in 2023.
- Hotel Royal Kuala Lumpur also received the top Production Hotel award from Trip.com in 2023.

2022

- Bronze Award in the Green Interior & Adaptive Reuse category in MIID REKA Awards 2022 for design excellence organised by Malaysian Institute of Interior Designers.
- Finalist in the Hospitality category in MIID REKA Awards 2022 for design excellence organised by Malaysian Institute of Interior Designers.
- 2 accolades in Hotel Security Award 2022 (Honesty/Bravery/Vigilance) jointly organised by Singapore Hotel Association, Singapore Police Force and National Crime Prevention Council.
- 24 accolades in the Singapore Hotel Association's Excellence Service Award (1 Gold Award and 23 Silver awards).
- One of the recipients for Employee of the Year Award organised by FDAWU (Food, Drinks and Allied Workers Union), National Trades Union Congress & Singapore Hotel Association.
- 1 accolade in SHA/Singapore Kindness Movement Service Gold (National Kindness Award).
- NFEC Fire Safety Award 2022.
- SG Clean Certification (since July 2020 & extended till 30 Jun 2023).

2021

- SGX Fast Track Program (2018 to 2021) (For being among the top percentile of all listed companies in Singapore for good corporate governance).
- One of the recipients for Employee of the Year Award organised by FDAWU (Food, Drinks and Allied Workers Union).
- 2 accolades in the SHA/SKM Service Gold National Kindness Award.
- 7 accolades in the Singapore Hotel Association's Excellence Service Award.
(1 Star award, 4 Gold Awards and 2 Silver awards)
- SG Clean Certification (since July 2020).

2020

- SGX Fast Track Program (2018 to 2021) (For being among the top percentile of all listed companies in Singapore for good corporate governance).
- Singapore Governance and Transparency Index 2020 (Ranked 41 out of 577 SGX-listed companies who were assessed).
- Our staff won 9 accolades in the Singapore Hotel Association's Excellence Service Awards - comprising 2 Star awards, 2 Gold awards and 5 Silver awards.

2019

- Hotel Security Excellence Award from Singapore Police, Singapore Hotel Association and National Crime Prevention Council.
- Commemorative Award (for being an EXSA Champion Organisation - 10 or more consecutive years of commitment and support to the Excellent Service Award Movement) at the Singapore Hotel Association's Excellent Service Award 2019.
- Friend of the Arts Award by National Art Council.

2018

- Best Investor Relations Award (Singapore Corporate Award) (Mid-Cap, Silver).
- Most Transparent Company Award (SIAS Investors' Choice Award) (Hotel/Restaurant, Winner).
- Hotel Security Excellence Award (Singapore Hotel Association, Singapore Police Force and National Crime Prevention Council).
- NFEC Fire Safety Award (National Fire & Civil Emergency Preparedness Council).
- Friend of the Arts Award (National Art Council).

Corporate Governance Report

The Board and management of Hotel Royal Limited firmly believe that the Group's unwavering commitment to the best practices of corporate governance is essential to its sustainability and performance in the long-term. Driven by a strong sense of creating value and accountability towards its investors and stakeholders, Hotel Royal's quest for corporate excellence lies in its belief in developing and maintaining sound, transparent, consistent policies and practices. The Group is focused on complying with the latest updated versions of Singapore's Code of Corporate Governance – not only to the letter of the Code but to the spirit of the Code as well. In doing so, we endeavour to achieve operational excellence and long-term strategic objectives for long-term growth and value for our shareholders.

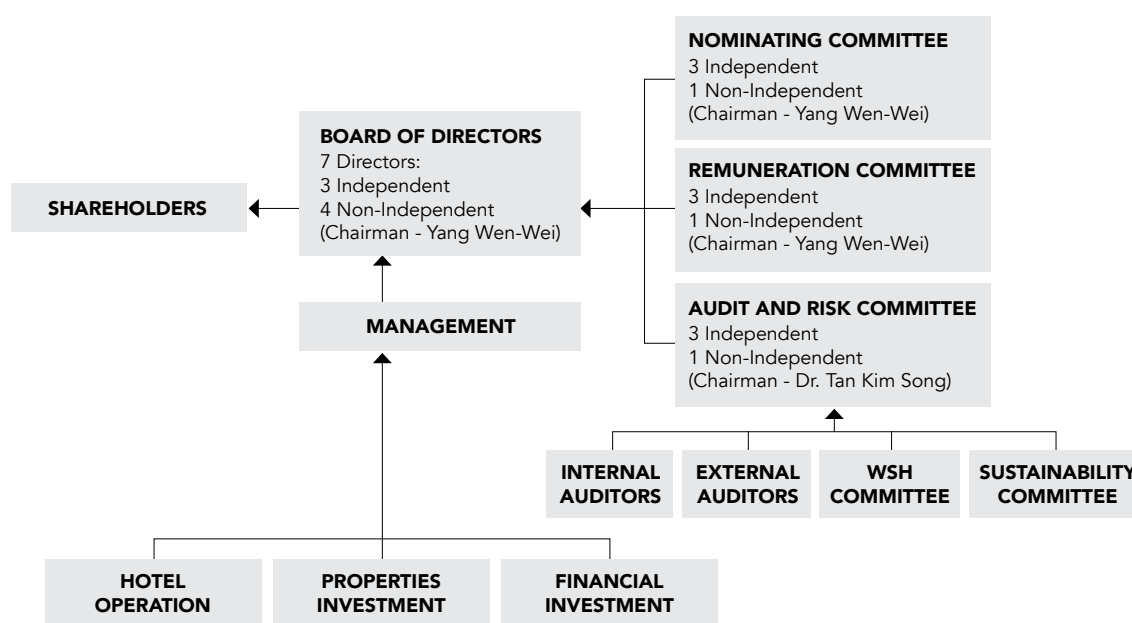
Corporate Governance Report

The Board and management of Hotel Royal Limited firmly believe that the Group's unwavering commitment to the best practices of corporate governance is essential to its sustainability and performance in the long-term. Driven by a strong sense of creating value and accountability towards its investors and stakeholders, Hotel Royal strives for corporate excellence as it focuses on developing and maintaining sound, transparent, consistent policies and practices. The Group is deeply committed to complying with the latest updated versions of Singapore's Code of Corporate Governance – both the letter and spirit of the Code, and to corporate transparency. In doing so, the Group endeavours to achieve operational excellence and long-term strategic objectives for long-term growth and value creation for its shareholders.

This report describes the Company's corporate governance framework and practices for the financial year ended 31 December 2023 ("FY 2023") with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). For FY 2023, the Company has complied with all the principles of the Code and substantially all the provisions set out thereunder. Variations in practice from any provision of the Code are explained in this report.

The Annual Report should be read in totality for Hotel Royal's full compliance.

CORPORATE GOVERNANCE FRAMEWORK AS AT 31 DECEMBER 2023



I. BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

PROVISION 1.1

Principal Duties of the Board

The Board strives to create value for its shareholders so as to ensure the long-term success of the Group through the development of appropriate strategies, business model, risk appetite, compensation framework, and succession planning.

The Board also sets the tone for the entire organisation with regard to its values and standards, including established ethical standards and policies within the Group. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group. It believes that when making decisions, all Directors of the Board should discharge their duties and responsibilities at all times as fiduciaries, and act objectively in the interests of the Group, while holding Management accountable for its performance.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, inter alia, are as follows:

- Providing entrepreneurial leadership, strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its strategic objectives

- Establishing and maintaining a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and Group's assets
- Overseeing and reviewing the management of the Group's business affairs, including financial controls, financial performance reviews, key operational initiatives, resource allocation, compliance and corporate governance practices
- Constructively challenging Management and reviewing its performance and remuneration packages
- Identifying key stakeholder groups and recognising that their perceptions will affect the Company's reputation
- Setting up the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met
- Considering sustainability issues including environmental, social and governance factors as part of its strategic formulation of the Group
- Approving the release of the Group's half yearly and full-year results and related party transactions of a material nature
- Assuming the responsibilities for corporate governance

Independent Judgement

The Board and Management believe that a robust and effective Board must engage Management in open and constructive discussions and that challenging Management's assumptions and proposals are not detrimental to good corporate governance.

Each Director is to exercise his due diligence and independent judgement to act in good faith and in the best interest of the Company and works with Management to take objective decisions in the interest of the Group, so as to enhance the long-term shareholder value.

Conflict of Interest

Any Director facing a conflict of interest will recuse himself from discussions and decisions involving the conflicting issue.

All Directors update the Board on a timely basis, through the Company Secretary, of their interests in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors are to submit a letter to the Company Secretary of all their interests in other companies, which are to be read and acknowledged by the Board. This is to better monitor any related or interested persons' transactions.

In view of the need to ensure that corporate governance systems function effectively, the Company proactively and promptly discloses information in a manner that promotes transparency.

PROVISION 1.2

Board Orientation and Training

Director Orientation

A letter is sent to all new Directors upon their appointment, explaining, among other matters, their roles, obligations, duties and responsibilities as members of the Board. All new Directors go through an orientation programme where they are briefed by Senior Management concerning the Group's businesses and operations, its financial, accounting and risk management issues, code of corporate governance, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction, its principal officers and independent auditors. During the year under review, Mr Leow Chung Chong Yam Soon, Paul, joined the Group as a non-executive and independent director of the Board and Audit & Risk, Remuneration and Nominating Committees.

Training

Training of Directors is a vital component of good corporate governance, essential to keeping pace with regulatory changes.

The Directors' own initiatives are supplemented from time-to-time with information, updates, sponsored seminars conducted by external professionals and relevant courses conducted by the Singapore Institute of Directors, including any changes in legislation and financial reporting standards, government policies, regulations and guidelines from SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") that affect the Company and/or Directors in discharging their duties.

Directors can request for further explanations and conduct informal discussions on any aspect of the Group's operations or business issues with Management. During the year, the Company Secretary provided updates on regulatory changes and apprised of amendments to the Listing Manual and relevant media releases by the SGX-ST and ACRA.

In FY 2023, the Company's external auditors provided updates to the Audit & Risk Committee (ARC) on new and revised financial reporting standards that were applicable to the Company and Group. The Directors were also updated on sustainability matters such as Environment, Social and Governance ("**ESG**") and Task Force on Climate-Related Financial Disclosures ("**TCFD**") by external professionals.

The Company has set aside funding for the training of its Directors.

Directors are encouraged to constantly keep abreast of developments in regulatory, legal, and accounting frameworks that are of relevance to the Group, through the extensive opportunities for participation in training courses, seminars and workshops, as relevant and/or

Corporate Governance Report

applicable. Directors are at liberty to request for any further explanations, briefings or information on other aspects of the Company and/or the Group's operations or business issues from Management when required. The Board is regularly updated on risk management, corporate governance, and other major changes in the regulatory requirements and financial reporting standards that are relevant to the Group.

Relevant new releases issued by the SGX-ST and ACRA as well as news articles that are relevant to the Group's business are regularly circulated to the Board.

PROVISION 1.3

Board Approval

Internal Limits of Authority

The Group has internal guidelines governing matters that require the Board's approval. These include: -

- The Group's strategic objectives
- Annual operating and capital expenditure budgets and any material changes to them
- Review of the Group's performance, strategic objectives and business plans
- Changes relating to the Group's capital structure including reduction of capital and share issue
- The Group's results announcements, annual reports and financial statements, including the corporate governance report
- Dividend policy and recommendation/declaration of dividends
- Significant changes in accounting policies or practices
- Maintenance of sound risk management and internal control systems
- Major capital projects
- Contracts regarding acquisitions or disposals of major fixed assets (including intangible assets such as intellectual property) and substantial bank borrowings
- Major investments and expenditure
- Resolutions and corresponding documentation to be put forward to shareholders at a general meeting including approval of all circulars and prospectuses
- Press releases concerning matters decided by the Board
- Changes to the structure, size and composition of the Board, including following recommendations from the Nominating Committee (NC) concerning appointment/cessation of Directors and members of Board Committees
- Determine the remuneration policy for Directors and other senior executives including the introduction of new share incentive plans or major changes to existing plans, to be put forward to shareholders for approval
- Establish board committees and approving their terms of reference and material changes

- Policies concerning code of conduct, share dealing code, whistle blowing policy, environment and sustainability policy and corporate social responsibility policy
- Any decisions likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational
- Appointment and removal of Company Secretary.

The Group has established financial authorisation limits for matters such as capital budgets, credit limits and the acquisition and disposal of investments. The Board approves transactions exceeding certain threshold limits, while delegating the authority for transactions below those limits to Management in order to optimize operational efficiency.

The matters which are decided and approved by the Board are clearly documented in the minutes of the meetings and board resolutions and kept with the Company.

PROVISION 1.4

Delegation by the Board

Board Committee

To assist in the execution of its responsibilities, the Board has established a number of committees, including an Audit and Risk Committee ("**ARC**"), a Nominating Committee ("**NC**") and a Remuneration Committee ("**RC**"). These committees are chaired by Independent Directors and function within clearly defined terms of reference and operating procedures. The terms of reference for each Board Committee set out the responsibilities of the Board Committee, conduct of meetings, including quorum, voting requirements and qualifications for Board Committee membership. The terms of reference are reviewed on a regular basis to ensure their continued relevance and efficacy. Any change to the terms of reference for any Board Committees requires Board approval.

These committees review matters on behalf of the Board and are subjected to the terms of the relevant committee's terms of reference:

- Refer matters to the Board for decision, with a recommendation from the committee (where the committee acts in an advisory capacity); or
- Determine matters (where the committee acts with delegated authority), which it then reports to the Board.

The minutes of Board Committee meetings, which records the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.

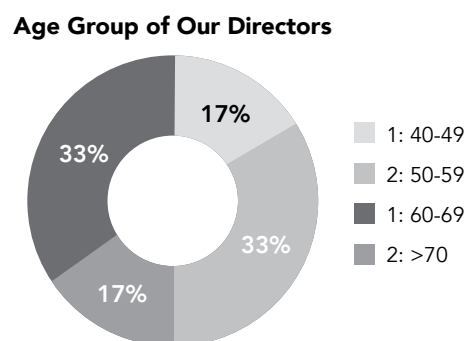
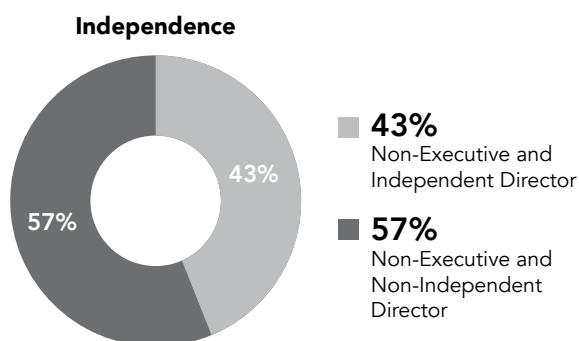
While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

COMPOSITION OF BOARD AND BOARD COMMITTEES

Director	Board Membership	Committee Membership		
		Audit and Risk	Nominating	Remuneration
Yang Wen-Wei	Independent Non-Executive Director and Non-Executive Chairman	Member	Chairman	Chairman
Dr Tan Kim Song*	Independent Non-Executive Director	Chairman	Member	Member
Leow Chung Chong Yam Soon, Paul#	Independent Non-Executive Director	Member	Member	Member
Lee Khin Tien	Non-Executive Non-Independent Director	Member	Member	Member
Lee Kin Hong	Non-Executive Non-Independent Director	-	-	-
Dr Lee Chu Muk	Non-Executive Non-Independent Director	-	-	-
Lee Chou Hor George	Non-Executive Non-Independent Director	-	-	-

* Dr. Tan Kim Song retired as the Chairman of the Audit and Risk Committee, as a member of the Nominating and Remuneration Committee and as a member of the Board of Directors on 28 February 2024.

Mr. Paul Leow was re-designated as the Chairman of the Audit and Risk Committee on 28 February 2024.



PROVISION 1.5

PROVISION 1.6

Board Meetings and Attendance

The attendance of the directors at scheduled Board and Board Committee Meeting during FY 2023 is as follows:

Director	Board Meeting	Board Committee Meetings			Non-Executive Directors' Meeting (without presence of Management)	AGM
		Audit & Risk	Nominating	Remuneration		
Dr Tan Kim Song	4	4	1	1	1	1
Yang Wen-Wei	4	4	1	1	1	1
Leow Chung Chong Yam Soon, Paul	3	3	-	1	1	-
Lee Khin Tien	4	4	1	1	1	1
Lee Kin Hong	4	-	-	-	1	1
Dr Lee Chu Muk	4	-	-	-	1	1
Lee Chou Hor George	4	-	-	-	1	1
No. of Meeting Held in FY 2023	4	4	1	1	1	1

Corporate Governance Report

Board Meetings

Each Director exercises equal responsibility in overseeing the business and affairs of the Company and objectively takes decisions in the interest of the Company.

The schedule of all Board, Board Committee meetings and annual general meeting is disseminated to all Directors well in advance at the beginning of each financial year, in consultation with the Directors. The Board met on a quarterly basis in FY 2023 to review inter alia the financial results and updates on the Company's and Group's developments.

Management supplies the Board with adequate information in a timely manner, so as to ensure that the Board has adequate time to review the materials, and to facilitate constructive and effective discussions during meetings.

The Company's Constitution also provides for the Board to conduct its meeting via teleconferencing or videoconferencing on a timely basis when physical meeting is not possible. The Board and its sub-committees may also make decision through circular resolutions in writing, including by electronic means.

In each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations; and resolutions in writing are circulated to all Directors for their consideration and approval. The Management's proposals submitted to the Board for approval are accompanied with detailed background and explanatory information such as facts, resources, requirements, financial impact, risk analysis, disclosure requirements under the Listing Rules of SGX-ST, and recommendations. When a Director has a conflict of interest in a particular matter, he will be required to recuse himself from the deliberations and abstain from voting on the matter. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision-making process.

If a Director is unable to attend a Board or Board Committee meeting, the Director will receive all the meeting papers so that he can review them and let the Chairman of the Board or Committee Chairman have his views, which will be conveyed to other members at the meeting.

Multiple Board Representations

Limit on Other Directorships in Listed Entities

Other than directorships in the Company, none of the Directors hold directorships in other listed companies during FY 2023. With the exception of Mr. Leow Chung Chong Yam Soon, none of the Directors hold directorships in other listed companies during the preceding five years. The Board is of the view that a Director should not hold more than four directorships in listed entities for a director with full-time employment and not more than six directorships in listed entities for a Director with no full-time employment. All Directors are required to declare their

board representations at the first Board meeting of each financial year and to inform the Board as and when there are new board representations.

Access to Information

The Company recognises the importance of continual dissemination of relevant information, which is explicit, accurate, timely and vital to the Board in exercising its duties. As such, the Board is provided with the report on the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company prior to the Board meetings so that the Directors would have sufficient time to understand the matters which are to be discussed.

Directors are entitled to request from Management additional information to help them make informed decisions. Management shall provide the same to the Directors in a timely manner.

Management keeps the Board informed of the Group's operations and performance through regular updates and reports as well as through informal discussion. Prior to any meetings of the Board or Board Committees, Directors are provided, where appropriate, with management information to enable them to participate at the meetings. The Chief Executive Officer ("CEO") of the Company is present at Board and Board Committee's meetings to address any queries which the Board may have. The CEO also provides update on business and strategic developments pertaining the Group's business to the Directors at each Board meeting during FY 2023.

PROVISION 1.7

Access to Management and Company Secretary

All Directors have separate and independent access to the Management in order to better understand the challenges faced by the Group as and when further inquiry or additional information is required. Management endeavours to meet their requirements in a timely manner so as to enable them to make informed decisions. The input of the Director, through such engagements, provides valuable perspective to Management. Directors also have ongoing interactions across various levels and functions within the Company.

The Directors also have separate and independent access to the Company Secretary. Trained in corporate secretarial practices, the Company Secretary plays a significant role in supporting the Board in discharging its duties. The Company Secretary is responsible for ensuring that Board procedures are adhered and that applicable rules and regulations are complied with. The Company Secretary administers and attends all Board and Board Committees meetings of the Company and prepares minutes of meetings and is responsible for advising the Board on all governance matters as well as facilitating orientation and assisting with professional developments as directed by the Chairman.

The Management, together with the Company Secretary, ensure that the Company complies with the applicable statutory and regulatory rules. The Directors can contact the Management and the Company Secretary via videoconferencing, emails, text messages, telephone or meet up in a physical meeting.

The appointment and the removal of the Company Secretary is subject to the approval of the Board as a whole.

Independent Professional Advice

Professional advice can be sought by the Board when necessary to enable the Board or its Independent Directors to carry out their roles effectively. Individual Directors may also obtain professional advice to assist them in the execution of their tasks, subject to the approval from the Chairman, at the Company's expense.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

PROVISION 2.1

Board Independence

The Board, taking into account the NC's view, assesses the independence of each Director (with special attention given to Directors who has served for more than 9 years) in accordance with the Code on an annual basis.

An independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders* or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. In line with the guidance of the Code, the Board also takes into account the existence of such relationships or circumstances, if any, including the employment of a director, or an immediate family member, by the Company or any of its related companies during the financial year in review or any of the previous three financial years; the acceptance by a director, or an immediate family member, of any significant compensation from service to the Board; and a director being related to any organisation from which the Company or any of its subsidiaries received significant payment or material services during the financial year in review or the previous financial year.

* A substantial shareholder is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the Company.

In assessing the independence of the Directors, the Board through the NC has examined the different relationship identified by the Code and the Guide that might impair the Directors' independence, and is satisfied that Mr Yang Wen-Wei, Dr Tan Kim Song and Mr. Leow Chung Chong Yam Soon are independent and able to act with independent judgement.

There is presently a strong independent element on the Board, and the independence of each Director is assessed and reviewed by the NC annually. Consistent with previous practice, the NC had undertaken a rigorous review of the independence of each Independent Director. Led by the NC Chairperson and facilitated by the Company's external corporate secretarial service provider, the assessment was conducted by means of a confidential and incisive questionnaire completed by each Director and a declaration of independence completed by each Independent Director. The results were analyzed and discussed at the NC and Board meetings. Each member of the NC had abstained from deliberations in respect of the assessment on his own independence.

Each Independent Director also confirmed that they are independent and have no relationship identified in the Code and listing rules of the SGX-ST. Through the NC, the Board considers its independent Directors, Mr Yang Wen-Wei, Dr Tan Kim Song and Mr. Leow Chung Chong Yam Soon to be independent including independence from the 5% shareholders of the Company.

The Code states that the independence of any Director who has served on the Board beyond 9 years from the date of his first appointment should be subject to particularly rigorous review. As of 31 December 2023, there was no director who has served more than 9 years on the Board.

During FY 2023, the Company complied with the relevant provisions of the Code and Listing Rules as there was a strong and independent element on the Board with an independent Chairman, more than one-third of the Board being Independent Directors and all the Directors are non-executive directors. The non-executive Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business.

The Board encourages open, candid and robust discussions and no individual or small group of individuals dominate the Board's decision making. All independent directors have unrestricted and direct access to Management so that they can seek clarifications before or after Board meetings.

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PROVISION 2.2

PROVISION 2.3

Proportion of non-executive independent directors

The Chairman, an Independent Non-Executive Director, and the Non-Executive Independent Directors form more than 40% of the Board composition.

All the Directors are non-executive.

The profiles of the Directors are set up on pages 12 to 13 of this Annual Report.

The Company has complied with the required provisions.

PROVISION 2.4

Board Composition

Board Size

The Board believes that it should generally have at least 6 members and not more than 9 Directors. This range permits a good mix of expertise and experience without hindering effective deliberations.

The size and composition of the Board and Board Committees are reviewed annually by the NC to ensure that they are appropriate for effective decision making. The review ensures that there is an appropriate mix of expertise and experience, which the Group may tap on for assistance in furthering its business objectives and shaping its business strategies. The Board, with the concurrence of the NC, is of the opinion that its current board size and composition is appropriate to facilitate effective decision making, taking into account the nature and scope of the Group's operations and the wide spectrum of skills and knowledge of the Directors.

Board Diversity

The Board and its Committees comprise of Directors with diverse backgrounds and experience as the Group strives to foster an open, inclusive and collaborative culture with the organization. It adopts a Board Diversity Policy which focuses on the importance of having an optimal balance of skills, experience, gender, ethnicity, age, industry knowledge, professional qualifications and geographical background which are essential to effective leadership at the Group's highest level. Such diversity allows the Board to better identify potential risks, encourage constructive discussions, raise challenging questions and find solutions to problems more effectively. The diversity of the Directors' experiences also allows for more useful exchange of ideas and views.

Administered by the Nominating Committee (NC), the Board Diversity Policy is evaluated annually based on the Board's composition, rotation and retirement of Directors and succession planning. The NC also considers other

aspects such as professional qualifications, industry and geographical knowledge, experience, skills, length of service and the needs of the Company.

The Board is aware that gender diversity is one of the recommendations under the Code and is actively looking for a suitable female independent director to add to the Board and provide greater access to a wider pool of talent and resources. The Board Diversity Policy has been updated to introduce measurable targets to achieve diversity.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- (a) Assessing the existing attributes and core competencies of the Board to see if they are complementary in enhancing the efficacy of the Board
- (b) Evaluating the skill sets of the Directors possess to understand the range of expertise that is lacking on the Board.

The profile of the Directors and other relevant information are set out under the "Board of Directors" section on pages 12 and 13 of this Annual Report.

The shareholdings of the individual Directors of the Company are set on pages 112 and 176 of this Annual Report. None of the Directors hold shares in the Company's subsidiaries.

PROVISION 2.5

Meeting of Independent Directors without Management

Independent Directors' Meetings

The Independent Directors communicate regularly to discuss matters such as the Group's financial performance, corporate governance initiatives, the performance of the Management, and the remuneration of the senior Management.

In FY 2023, the Independent Directors, led by the Independent Chairman, met at least once without the presence of the Management to discuss about the performance of Management. They provided feedback to the Board after such meeting, as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

PROVISION 3.1

Separation of the Role of Chairman and the Chief Executive Officer ("CEO")



Relationship Between Chairman and CEO

Mr Yang Wen-Wei is the Independent Non-Executive Chairman. The Chairman and the CEO are two separate persons who are not related.

PROVISION 3.2

Role of Executive Chairman and CEO

Chairman's Role

The Chairman's roles in relation to Board matters are as follows:

- Provide leadership to the Board to ensure its effectiveness
- Set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular, strategic issues
- Promote a culture of openness and discussion at the Board
- Encourage constructive relations between the Board and Management
- Exercise control over quality, quantity and timeliness of the flow of information between Management and the Board
- Ensure effective communication with stakeholders
- Facilitate the effective contribution of all Directors
- Promote high standards of corporate governance with full support of the Board, the Management and the Company Secretary.

There is a clear division between the leadership of the Board and the CEO. The CEO's functions include the overall management, implementing the strategic direction of the Board and the overall management and the realisation of organisational objectives of the Group. No one individual represents a considerable concentration of power.

PROVISION 3.3

Appointment of Lead Independent Director

Role of the Lead Independent Director

The Code provides for a Lead Independent Director to be appointed by the Board in situations where the Chairman is conflicted and when the Chairman is not independent. For FY 2023, the NC and the Board, having taken into consideration the Company's current business operations and current Board size were of the view that the appointment of Lead Independent Director was not necessary.

Although no Lead Independent Director has been appointed, the Company's Independent Directors set aside time to meet (with the presence of other Directors) at least once a year. They provide their feedback to the Chairman

of the Board. The Independent Directors have unrestricted access to the CEO, other senior management members, as well as other Non-Executive Directors.

The absence of a Lead Independent Director has not impacted, and is unlikely to impact, the efficient communication between the Board and the shareholders or other stakeholders of the Company.

Directors and Management are accessible to the Company's shareholders, and the Company has always responded to queries raised by its shareholders.

The current Board Chairman, Mr Yang Wen-Wei, is an Independent Director. As such, the Board is of the opinion that the appointment of a Lead Independent Director is not necessary. Nevertheless, the Board will, on an annual basis, examine the need for such an appointment.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

PROVISION 4.1

PROVISION 4.2

NC Composition and Role

The Nominating Committee

The NC is established for the purpose of ensuring there is a formal and transparent process for all Board appointments, taking into account the need for progressive renewal of the Board.

NC Composition: The NC consists of four Directors; namely, Mr Yang Wen-Wei (Chairman), Dr Tan Kim Song, Mr Leow Chung Chong Yam Soon and Mr Lee Khin Tien. 75% of the members of the NC, including its Chairperson, are independent.

Key Terms of Reference: The key terms of reference of the NC are to:

- Evaluate and review nominations for appointment and re-appointment to the Board and the various committees
- Nominate Directors for re-election at the AGM, having regard to the Director's contribution and performance
- Determine the independence of Directors annually, and whenever appropriate
- Recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director

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- Decide whether a Director who has multiple board representations is able to and has been adequately carrying out his duties as Director of the Company
- Review and make recommendations to the Board on the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel
- Review training and professional development programs for the Board and its Directors
- Perform such other functions as may be assigned by the Board

The NC and the Board will, at least once every year, review the terms of reference of the NC.

PROVISION 4.3

Board Renewal & Succession Planning

Succession Planning:

Succession planning is a critical part of the corporate governance process, and the NC seeks to refresh the Board membership in an orderly and progressive manner, so as to avoid losing institutional memory.

The NC is responsible for identifying and recommending new members to the Board for approval, after considering the necessary and desirable competencies such as their integrity, skills, experience, financial literacy and diversity of expertise. Accordingly, in selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as it considers necessary to carry out its duties and responsibilities.

The NC also reviews the succession planning for senior management, especially the CEO. As part of this review, the successors to key positions are identified, and development plans are instituted for them.

The NC conducts a regular review of the succession plan for Board members, the CEO and senior management of the Company.

Process for Selection and Appointment of New Directors

The Board considers the benefits of skills diversity, experience, background, gender, age, ethnicity and other relevant factors that new Directors bring to the Board. When a vacancy arises, the NC or the Board would determine the selection criteria and source for candidates. The NC would make reference checks, meet up with the candidates, assess their suitability, and make recommendations to the Board. Shortlisted candidates would meet up with the other Board members before the Board approves the appointment.

Process for Re-appointment of Directors

Re-nomination of Retiring Directors: The NC reviews and recommends to the Board the re-nomination of retiring Directors standing for re-election and appointment of new Directors. The review ensures that the director to be re-nominated or appointed is able to contribute to the ongoing effectiveness of the Board, has the ability to exercise sound business judgement, and has demonstrated leadership experience, high levels of professional skills and appropriate personal qualities.

All directors will submit themselves for re-election at regular intervals at least once every three years. Pursuant to Article 117 of the Company's Constitution, at least one-third of the directors shall retire from office at the Company's Annual General Meeting. In addition, Article 122 of the Company's Constitution provides that a newly appointed director must submit himself for re-election at the Annual General Meeting following the appointment.

The NC has recommended to the Board that Mr Lee Kin Hong and Mr Lee Chou Hor George (retiring pursuant to Article 117), be subject to retirement by rotation pursuant to the Company's Constitution. Mr Leow Chung Chong Yam Soon ("**Paul Leow**") who was appointed as Non-Executive and Independent Director to the Board on 1 May 2023, shall retire as a Director at the forthcoming AGM pursuant to Article 122 of the Company's Constitution. Being eligible, Mr Lee Kin Hong, Mr Lee Chou Hor George and Mr Paul Leow have consented to continue in office and have offered themselves for re-election at the forthcoming AGM of the Company. Accordingly, the NC has recommended the aforesaid re-election of the Directors and the Board has accepted the NC's recommendation. In recommending the re-election of Mr Lee Kin Hong, Mr Lee Chou Hor George and Mr Paul Leow, the NC has considered the Directors' overall contribution, attendance and participation at the Board and the Board Committee meetings. In addition, there is no relationships, including immediate family relationships, between Mr Paul Leow and the other Directors, the Company, its related corporations, its substantial shareholders or officers which may affect his independence. The Board considers Mr Paul Leow to be independent for the purpose of Rule 704(8) of the Listing Rules.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participated in respect of his own re-election, if any, as Director of the Company.

Please refer to details from 181 to 186 of this Annual Report.

Alternate Directors

Alternate Directors: The Board does not provide for the appointment of alternate directors. The Company currently does not have any alternate Director on the Board.

PROVISION 4.4

Continuous Review of Directors' Independence

Annual Review of Directors' Independence: In recommending the above Directors for re-election, the NC has considered the results of the Board's assessment (please refer to paragraphs under Board Performance regarding assessment of Board performance) in respect of his competencies in fulfilling his responsibilities as Director of the Board. The NC has also reviewed the independence of Mr Yang Wen-Wei, Dr Tan Kim Song and Mr Leow Chung Chong Yam Soon. In assessing their independence, the NC, having considered the guidelines set out in the Code and the Guide, is of the view that Mr Yang Wen-Wei, Dr Tan Kim Song and Mr Leow Chung Chong Yam Soon are independent. There are no relationships identified in the Code and the Guide which would deem them not to be independent. Mr Yang Wen-Wei, Dr Tan Kim Song and Mr Leow Chung Chong Yam Soon have also declared that they are independent.

The Board recognises the Independent Directors' contribution and that they have over time developed an in-depth understanding of the Group's business and operations. The Independent Directors provide invaluable contributions to the Group.

Initial Appointment and Last Re-Election of Directors

Details of the year of initial appointment and last re-election of the Directors together with their directorships in other listed companies are appended below:

Director	Position	Date of Initial Appointment	Date of Last Re-election/ Re-appointment	Other principal commitments	Present directorships in other public listed companies	Past 5 years directorships in other public listed companies
Yang Wen-Wei	Independent Non-Executive Chairman	28 April 2018	30 April 2022	Executive Operating Officer of Merdeka Construction Company Pte. Ltd.	None	None
Dr Tan Kim Song	Independent Non-Executive Director	2 March 2015	28 April 2023	Associate Professor of Singapore Management University	None	None
Leow Chung Chong Yam Soon Paul	Independent Non-Executive Director	1 May 2023	-	Audit partner of Ecovis Assurance LLP	None	1. Fragrance Group Limited 2. Asian Healthcare Specialists Limited 3. No Signboard Holdings Ltd
Lee Khin Tien	Non-Executive Director	31 December 1996	30 April 2022	Director of Aik Siew Tong Limited, Melodies Limited and The Singapore-Johore Express (Private) Limited	None	None
Lee Kin Hong	Non-Executive Director	21 June 2002	24 April 2021	Director of The Singapore-Johore Express (Private) Limited, Aik Siew Tong Limited and Melodies Limited	None	None
Dr Lee Chu Muk	Non-Executive Director	27 April 2019	28 April 2023	General Practitioner of M Medical Clinic	None	None
Lee Chou Hor George	Non-Executive Director	29 June 2020	24 April 2021	Director of Hock Tart Pte Ltd, Aik Siew Tong Limited, Melodies Limited and The Singapore-Johore Express (Private) Limited	None	None

PROVISION 4.5

Directors' Time Commitments

To address competing time commitments when Directors serve on multiple boards, the Board had set a maximum limit of four directorships that directors may hold concurrently in listed companies for a director with full-time employment, and a maximum limit of six directorships in listed companies for a director with no full-time employment. None of the Directors hold board seat in other listed companies during FY 2023

All Directors are required to declare their board representations. When a Director has multiple board representations and heavy principal commitments, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company.

The NC has reviewed each Director's external directorships, their principal commitments, as well as each Director's attendance and contributions to the Board. Though some Directors hold multiple directorships in non-Group entities, the NC is satisfied that these Directors spent adequate time and attention to the Company's affairs and have discharged their responsibilities.

Corporate Governance Report

Number of Meetings: The NC held one meeting during FY 2023. The NC has ad-hoc meetings on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

PROVISION 5.1

PROVISION 5.2

Board Evaluation Process

We believe that the Board's performance is ultimately reflected in the long-term success of the Group.

The Board ensures compliance with applicable laws and its members act in good faith, with due diligence and care in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities - setting strategic directions and ensuring that the Company is ably led. The measure of a Board's performance is also tested through its ability to lend support to Management especially in times of crisis, such as during the COVID-19 pandemic, and to steer the Group in the right direction.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to our Board possess the relevant background, experience and knowledge in technology, business, finance and Management skills critical to the Company's business. In addition, each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The Board has implemented a process for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by directors to the effectiveness of the Board and the Chairman's leadership.

The Board did not engage any independent external consultant to facilitate the annual review of the performance of the Board, the Board Committees and the individual Directors for FY 2023. However, the NC and the Board are open to the idea should such a need arises to enhance or enliven the Board's performance evaluation process.

Board and Board Committees Evaluation Criteria

During the financial year, all Directors were requested to complete a questionnaire to assess the overall

effectiveness of the Board and Board Committees. Factors evaluated included, among other matters, board structure, size, composition, meetings and accountability, access to information, risk management and internal control, management performance, succession planning, remuneration and communication with shareholders. The results of the questionnaire were first reviewed by the NC, tabled as an agenda for Board's discussion to determine areas for improvement and enhancement.

The evaluation criteria for Board Committee takes into account factors and criteria deliberated and discussed at NC in FY 2023 which included, among others, the composition of the Board Committee, the provision of information, committee procedures as well as criteria that were specific to each Board Committee. The NC made its recommendations to and shared its conclusions with the Board.

The results of the performance evaluation exercise were used as a reference by the Chairman to review, where appropriate, the composition of the Board and its Board Committees, and in consultation with the NC, to support its proposals for Board renewal, so as to improve the effectiveness of the Board's oversight on the Company. Comments received from the NC were compiled and presented to the Board in due course.

Individual Director Evaluation

The performance of individual Directors is evaluated annually and informally on a continual basis by the NC and the Chairman. Factors taken into account include attendance at Board and Board Committees' meetings, industry and business knowledge, acumen in the development of the Group's strategy, participation at meetings, ability to make informed business decision, constructive challenge to Management as well as other factors as provided under the Code's guidelines. The Board will then act on the results where appropriate.

The Board was satisfied with results of the annual evaluation of the performance of the Board, its Board Committees and individual Directors' assessment for FY 2023.

Renewal & Replacement of Board Members

Renewal or replacement of Board members, when it occurs, does not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium-term needs of the Company and its business.

After the NC's review of the contribution by each individual Director to the effectiveness of the Board as a whole and its Board Committees for FY 2023, the Board is satisfied that sufficient time and attention have been given by the Directors to the affairs of the Company and the Group.

II. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

PROVISION 6.1

PROVISION 6.2

RC Composition and Role

The RC makes recommendations to the Board on the framework of remuneration and the specific remuneration packages for each Directors.

RC Composition

The RC comprises four directors: namely Mr Yang Wen-Wei (Chairman), Dr Tan Kim Song, Mr Leow Chung Chong Yam Soon and Mr Lee Khin Tien. Where necessary, the Committee can engage professional help from external consultants in areas of executive compensation.

75% of the members of the Remuneration, including its Chairman, are independent, and all its members are non-executive Directors.

Key Terms of Reference: The key terms of reference of the RC are to:

- Recommend to the Board a framework of remuneration for Board members as well as key management personnel
- Determine specific remuneration packages for each Non-Executive Director and the CEO
- Review the terms, conditions and remuneration of the Company's key management personnel
- Review the Company's obligations in the event of termination of the director's and key management personnel's contracts of service, and to ensure that such clauses are fair and reasonable and not overly generous
- Perform other related functions as the Board may determine.

Number of Meetings

The RC held one meeting during FY 2023.

PROVISION 6.3

PROVISION 6.4

Remuneration Framework

The RC's objective is to motivate and retain proficient executives while ensuring that the Company is able to

attract competent staff who can contribute to the long-term success of the Company, taking into account the risk policies of the Company.

The RC recommends for the Board's endorsement, a framework of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each director. In addition, the RC reviews the performance of the Group's key management personnel taking into consideration the CEO's assessment of and recommendation for remuneration and bonuses.

No member of the RC is involved in deliberating in respect of any remuneration, compensation or any form of benefits to be granted to him. Each member of the RC will also abstain from voting on any resolutions and making any recommendations in respect of his own remuneration.

The RC has access to appropriate expert advice inside and/or outside the Company on human resources and remuneration matters of Directors and key management personnel wherever there is a need to consult externally. For FY 2023, the RC has not consulted any external remuneration consultant.

The RC reviews the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses that are not overly generous with the aim of being fair. The RC is satisfied that the termination clauses therein are fair and reasonable.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC reviews annually and makes recommendation on the remuneration of the Directors and key management personnel to ensure that the level and structure of remuneration is aligned with the long-term interest and risk policies of the Company and appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company and (b) key management personnel to successfully manage the Company.

The RC, with the concurrence of the Board, is of the view that the current remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Other than Directors' fees, which have to be approved by shareholders at every AGM, the Non-Executive Directors do not receive any other forms of remuneration from the Company.

Corporate Governance Report

PROVISION 7.1

PROVISION 7.2

PROVISION 7.3

Remuneration of Non-Executive Directors and KMPs

Roles	Members (per annum)	Chairman (per annum)
Board of Directors	\$5,000 per meeting (subject to a minimum payout of \$25,000)	Additional \$5,000 per meeting (subject to a minimum payout of \$25,000)
Audit and Risk Committee	\$1,500 per meeting	Additional \$1,500 per meeting
Nominating and Remuneration Committee	\$1,500 per meeting	Additional \$1,500 per meeting

All the Directors are non-executive.

The fees paid to the Directors are based on the number of meetings attended during the year, subject to a minimum sum of \$25,000. The Chairman of the Board will receive an additional allowance that is equivalent to 100% (FY 2022: 100%) of his Director's fee. The Chairman of each sub-committee will receive an additional allowance that is 100% of his Director's fee. The Directors' fees are recommended by the Board for approval at the Company's Annual General Meeting. Save for the Directors' fees, the Independent Directors do not receive any other form of remuneration from the Company. The Independent Directors do not have any service agreements with the Company.

The RC is of the view that the remuneration policy and amounts paid to Directors and key management personnel are adequate and in line with present market conditions. The Independent Directors are not compensated to the extent that their independence may be compromised.

The remuneration package of key management personnel consists of four parts:

1. Base or fixed remuneration

This element reflects the scope of the job and the level of skill and experience of the individuals.

2. Variable for performance related income/bonuses

This is paid depending on the contribution of the key management personnel of the Company and its subsidiaries. It usually takes the form of an end of the year ex-gratia payment to deserving employees who have gone the extra mile to grow the revenue, service level and financial performance of the Company and Group.

3. Benefits

These benefits are mainly meals in the hotel and car benefits.

4. Directors' Fee

Some of the key management personnel are Directors of subsidiaries and receive Directors' fees from the subsidiaries.

Incentive payment to the CEO and key management personnel takes the form of an ex-gratia payment at the end of the year and forms a small portion of their total remuneration. This will reward the CEO and key management personnel for both short-term profitability and also sustainable long-term growth of the Company and Group.

The Company has noted that the Code has recommended the incorporation of appropriate "claw-back mechanisms" to allow the Company to reclaim the variable incentive-based component of remuneration from Directors and key management personnel. At present, there is no provision allowing the Company to reclaim incentive components of remuneration from Directors and key management personnel in exceptional circumstances of misstatement of financial results for the following reasons:

- The Directors do not receive any variable incentive-based Directors' fee
- The form of an ex-gratia payment at the end of the year forms a small portion of key management personnel's total remuneration

The remuneration package, especially the year end ex-gratia bonus, will be dependent on the individual's performance, Group's profitability, customers' satisfaction and the growth of the net asset value of the Group. This will balance short-term profitability with long-term net asset growth. It also ensures that customers' satisfaction is not compromised when we strive to increase our profitability.

The Group does not have any long-term incentive plan or share option. The remuneration package and the year-end ex-gratia for CEO and key management personnel do not encourage excessive risk taking. The Group is also mindful that no one single investment item will compromise the long-term sustainability of the Group.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

PROVISION 8.1**PROVISION 8.2****PROVISION 8.3**

The breakdown of remuneration of the Directors of the Company for FY 2023 is as follows:

Annual Remuneration Report Remuneration of Directors for FY 2023
(in \$)

Name of Director	Director's Fee		Total
	Company ^(a)	Subsidiaries	
Yang Wen-Wei	62,000	–	62,000
Dr Tan Kim Song	40,000	–	40,000
Leow Chung Chong Yam Soon	31,000	–	31,000
Lee Khin Tien	34,000	19,940	53,940
Lee Kin Hong	25,000	15,352	40,352
Dr Lee Chu Muk	25,000	–	25,000
Lee Chou Hor George	25,000	14,764	39,764
Total	242,000	50,056	292,056

Remuneration of Chief Executive Officer for FY 2023
(in \$)

Name of CEO	Fixed Remuneration	Variable Bonus	Benefits*	Subsidiaries' Director Fee	Central Provident Fund	Total Remuneration
Lee Chou Hock	306,773	24,279	13,224	19,940	8,672	372,888

* Benefits for Mr Lee Chou Hock were for duty meal and car benefits.

Remuneration of Key Management Personnel of the Group for FY 2023
(in \$)

Name of Key Executive	Fixed Remuneration	Variable Bonus	Benefits*	Subsidiaries' Director Fee	Central Provident Fund	Total Remuneration
Teow Seok Boey	183,600	20,614	738	–	15,949	220,901
Lee Chu Bing	167,882	12,225	9,464	3,588	14,842	208,001
Lee Zongye Zach	127,881	8,827	9,002	–	13,945	159,655
Lee Si Min	101,007	25,747	–	–	17,046	143,800
Sazrul Bin Fadzil	85,265	–	3,388	–	10,575	99,228

* Benefits for Mr. Lee Chu Bing and Mr. Lee Zongye Zach were mainly for duty meal and car benefits. Benefits for Mr. Sazrul Bin Fadzil consists of duty meal and medical benefits, and benefit for Ms Teow Seok Boey was for duty meal.

Mr Lee Chou Hock (CEO) is the nephew of the Non-Executive Directors, Mr Lee Khin Tien and Mr Lee Kin Hong, a brother of Non-Executive Director, Mr Lee Chou Hor George and cousin of Non-Executive Director, Dr Lee Chu Muk.

Mr Lee Chu Bing is the brother of Dr Lee Chu Muk and the cousin of Mr Lee Chou Hock (CEO) and Mr Lee Chou Hor George. He is the nephew of Mr Lee Khin Tien and Mr Lee Kin Hong.

Mr Lee Zongye is the son of Mr Lee Chou Hock and grand nephew of Mr Lee Khin Tien and Mr Lee Kin Hong and nephew of Mr Lee Chou Hor George and Dr Lee Chu Muk.

Ms Lee Si Min is the daughter of Mr. Lee Kin Hong, niece of Mr Lee Khin Tien, cousin of Mr Lee Chu Muk and Mr Lee Chou Hock.

Corporate Governance Report

Remuneration of Employee who is an Immediate Family Member of a Director, the CEO of a substantial shareholder.

Mrs Lee Siew Choo, the Group Revenue Controller, is the sister of Mr Lee Khin Tien and Mr Lee Kin Hong.

Her remuneration is as follows:

	Fixed Remuneration	Variable Bonus	Benefits*	Subsidiaries' Director Fee	Central Provident Fund	Total Remuneration
Lee Siew Choo	99,386	7,678	1,663	-	6,715	115,442

* Benefits consist mainly of duty meal in the hotel.

With the emergence of the COVID-19 pandemic at the beginning of 2021, safeguarding the wellbeing and health of employees across our markets was our key priority.

Directors' Fees

The RC recommended to the Board an amount of \$242,000 as Directors' fees for the financial year ended 31 December 2023. The recommended directors' fees have been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval. No Director is involved in deciding his own remunerations.

III. ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

PROVISION 9.1

Nature and Extent of Risks

The Board as a whole is responsible for risk governance. Its duties are to:

- Ensure that Management maintains a sound system of risk management and internal controls to safeguard the Company's and Group's assets and shareholders' interest
- Determine the nature and extent of significant risks and the level of risk tolerance and risk policies that the Board is willing to take to achieve its strategic intent
- Provide oversight in the design, implementation and monitoring of the risk management framework and system of internal controls, including actions to mitigate the risks identified where possible
- Review annually the adequacy and effectiveness of the risk management and internal control system

- Promote risk awareness culture through the Company for effective risk management

A summary of the Group's Risk Management is included in Pages 105 to 110 in this Annual Report.

In expanding into new overseas markets, the Board places special emphasis in the identification of major risk factors. It also ensures that the short-term gestation period or non-performance of the new investments will not place the Company and the Group under un-manageable risk. Hence, every new overseas investment is thoroughly and robustly discussed at the Board meeting, with special emphasis on the input by the Independent Directors.

The work of the internal auditors and the report of the external auditors enable the identification of key risks which are reported to the ARC to facilitate the Board's oversight on the effectiveness of risk management and the adequacy of mitigating measures taken by Management to address the underlying risks.

The ARC assists the Board in providing risk management oversight while the ownership of day-to-day management and monitoring of existing internal control systems rests on Management which comprises the CEO, the CFO and head of each business division.

The Board reviews the adequacy and effectiveness of the Company's risk management and internal control systems including financial, operational, compliance, and information technology controls based on reports prepared by the internal auditors and reviewed by the management at least once a year.

Based on the Company's internal controls, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board with the concurrence of the ARC is of the opinion that the Company's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 31 December 2023.

In assessing the need to establish a separate risk committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board after having discussed with the members of the ARC and the Board members, resolved that the function of the risk committee is best carried out by the ARC and in this connection in line with its enhanced role the Audit Committee has been renamed ARC in FY 2013.

PROVISION 9.2

Assurance from the CEO and CFO

For FY 2023, the Board and the ARC have received assurance from the CEO and CFO that:

- (a) They have evaluated the adequacy and effectiveness of the Company's risk management and internal control systems, and have discussed with the Company's external and internal auditors about their reporting points. They noted that there were no significant deficiencies in the design or operation of internal controls that could adversely affect the Group's ability to record, process and report financial data. Accordingly, the Group's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective
- (b) The financial records of the Company and the Group are properly maintained and that the statements give a true and fair view of the Company's operations and finances and are in accordance with the relevant accounting standards.

In addition, pursuant to the amended Rule 720(1) of the Listing Manual of SGX-ST, the Company had received undertakings from all the Directors and executive officers that they each shall, in the exercise of their powers and duties as Directors and officers, comply to the best of their abilities with the provisions of the SGX-ST's Listing Rules, the Securities and Future Act, the Code on Takeover and Mergers, and the Companies Act and will also procure the Company to do so.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharge its duties objectively.

Provision 10.1

Provision 10.2

AC Composition and Role

The Audit and Risk Committee was tasked by the Board to assist in overseeing the Company's risk management framework and policies. To reflect its enhanced role, the AC was renamed the ARC in FY 2013.

ARC Composition: Members of the ARC comprise three non-executive Directors; namely Dr Tan Kim Song (Chairman), Mr Yang Wen-Wei, Mr Leow Chung Chong Yam Soon and Mr Lee Khin Tien. 75% of the members of the ARC, including its Chairman, are independent.

Three members of the ARC, including the Chairman, have recent and relevant accounting and/or related financial management expertise.

Number of Meetings

The ARC held four meetings during FY 2023.

Key Terms of Reference and Activities

During FY 2023, the ARC has performed its duties as guided by its key terms of reference which stipulate its principal functions.

The key terms of reference of the ARC are as follows:

- Review with the external/internal auditors the audit plans, their evaluation of the system of internal accounting controls, and their audit report including the scope and results of the external audit, the independence and objectivity of the external auditors
- Review the financial statements of the Group and Company, including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and Company and any announcements relating to the Group and Company's financial performance, before submission to the Board for approval
- Review the assurance from the CEO and the CFO with regard to the financial records and statements
- Review the assurance from the CEO and the CFO on the adequacy and effectiveness of the Company's risk management and internal control systems
- Review the internal control procedures, its scope and the results and to ensure co-ordination between the external/internal auditors and the Management; and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits
- Review and report to the Board at least annually the adequacy and effectiveness of the Company's risk management and system of internal controls
- Review the effectiveness of the Company's internal audit function
- Review the policy and arrangements by which employees of the Group and any other persons may, in confidence, report to the Chairman of the ARC, concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated, and for appropriately follow-up action to be taken

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- Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response
- Meet with external auditors and internal auditors, without the presence of management, to discuss any concerns or issue, at least once annually
- Make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors
- Review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual
- Review potential conflicts of interest, if any
- Undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the ARC
- Undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made from time to time.

Access to Information

The ARC has full access and co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and key management personnel of the Group to attend its meetings. The external and internal auditors have unrestricted access to the ARC.

Whistle-blowing Policy

As a further enhancement to internal risk control processes, ARC has an established whistle-blowing policy. Allegations on serious matters relating to financial reporting, illegal or unethical conduct can be reported directly to Mr Yang Wen-Wei, the Chairman of the Board and RC, for appropriate actions. The whistle-blowing policy which has been endorsed by the Board has been communicated to all employees in the Group.

Under the whistle-blowing policy, employees of the Group can, in good faith and confidence, raise concerns about improper conduct for independent investigation, and that the employees making such reports will be treated fairly and, to the extent possible, protected from reprisal. Anonymous complaints will also be accepted and investigated. While the Whistle-blowing Policy is meant to protect genuine whistle-blowers from any unfair treatment as a result of their report, it strictly prohibits frivolous and bogus complaints. The policy is also not a route for taking up personal grievances.

A mechanism for the submission of issues/concerns has been established. The Whistle-blowing Policy requires that the identity of the whistle-blower to be kept confidential at all times. Where the whistle-blower has disclosed his/her identity, such disclosure and/or the issues submitted by the whistle-blower will be kept confidential and within the knowledge of the ARC only (as the case may be). In addition, there may be exceptional circumstances where the identity of the whistle-blower(s) or the issues raised could/ would not be kept confidential and will need to be disclosed. In such circumstances, the ARC will endeavour to discuss the need for such disclosures with the whistle-blower(s) first, if it is appropriate to do so.

The whistle-blowing policy is reviewed by the ARC periodically to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements. The ARC concluded that there is no significant matter raised through the whistle-blowing channel during FY 2023.

PROVISION 10.3

Cooling off Period for Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the ARC.

PROVISION 10.4

Financial Reporting Matters

Financial Reporting and Key Audit Matter

One of the key roles of the ARC is to review the financial statements, including the review of significant judgements and accounting estimates so as to ensure the integrity of the Company's financial statements.

Following discussions with the external auditors, the ARC and the external auditors have determined that the valuation of the Group's freehold land on which the hotels are sited, as well as the valuation of property, plant and equipment and investment properties which are key audit matters for FY 2023.

Key Audit Matter	ARC's Comment on Key Audit Matter
<p>Valuation of properties – Freehold land (Note 13 to the financial statements)</p> <p>The Group has freehold land on which its hotels are sited and these are stated at their fair values based on independent external valuations. The Group's freehold land amounted to \$512.13 million and accounted for approximately 62% of total assets at 31 December 2023.</p> <p>The valuation process for these freehold land involves determining the valuation methodology to be used, and significant judgement in estimating the underlying assumptions to be applied. Depending on the valuation methodology, the key estimation inputs are values per square meter referenced to comparable properties, occupancy rates, revenue per room, the capitalisation rate and contract rate per room of comparable properties. A small change in key inputs may have a significant impact on the valuation of each of the properties.</p> <p>Valuation of assets – Property, plant and equipment and investment properties (Notes 13 and 14 to the financial statements)</p> <p>The Group's property, plant and equipment (excluding freehold land) ("PPE") and investment properties ("IPs") account for approximately 19% and 12% of total assets respectively as at 31 December 2023. These assets (excluding freehold land in PPE) are stated at cost less accumulated depreciation and impairment loss. The PPE comprised mainly leasehold land, hotel building and building improvements ("leasehold land and hotel buildings").</p> <p>In assessing the recoverable amount and the extent of any impairment loss or reversal of impairment loss of the leasehold land and hotel buildings, and IPs, management has sought guidance from the valuations performed by independent external valuers to estimate the recoverable amounts, and this involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.</p> <p>Underlying the valuations for leasehold land, hotel buildings and IPs, are key estimation inputs such as occupancy rates, revenue per room, estimated rental rates and the capitalisation rate or values per square metre referenced to comparable properties.</p>	<p>For FY 2023, the Group recognised in other comprehensive income (page 122 of this Annual Report) net valuation gain of \$23.19 million for freehold land on which the hotels are sited. The freehold land, amounting to \$512.13 million, accounted for 62% of total assets at 31 December 2023.</p> <p>The Group recognised a net impairment loss of \$0.03 million in the profit or loss for FY2023. The net impairment loss consisted of a reversal of impairment loss of \$2.93 million from the property, plant and equipment and an impairment loss from investment properties amounting to \$2.96 million.</p> <p>The valuations for freehold land, property, plant and equipment and investment properties involved significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. A small change in the key inputs may have a significant impact on the valuation of each of the properties</p> <p>The Group engaged reputable valuers with the necessary qualifications, competence and independence.</p> <p>In order to be satisfied that the valuations of freehold land, property, plant and equipment and investment properties were not materially misstated, the ARC reviewed the qualifications and competence of the valuers, and the various valuation methods, assumptions and inputs used with Management.</p> <p>The ARC also obtained an understanding on the work performed by the external auditors, including their assessment of the appropriateness of the various valuation methodologies and relevance of the assumptions and inputs.</p> <p>Following these discussions, ARC noted that the engagement of the external independent and experienced valuers; the valuation methods, assumptions and inputs used; explanations given by Management and the work performed by the auditors provided a reasonable basis for the valuation of the freehold land and the impairment of the property, plant and equipment and investment properties as at 31 December 2023. The ARC considered the comments of the Independent Auditors' Report and the disclosures in Notes 13 and 14 to the financial statements. These were consistent with the results of the above discussions.</p>

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The external and internal auditors conducted annual review to assess the risk profile including the review on the adequacy of the internal controls, addressing financial, operational, compliance risks and information technology. Such review also assessed whether there was reasonable assurance regarding the effectiveness and efficiency of operations, reliability of Management and financial reporting, and compliance with internal policies. Any material non-compliance or lapses in internal controls, together with corrective measures, are reported to the ARC. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The role of the Internal Auditors is to support the ARC in ensuring that the Group maintains a sound system of risk management and internal controls by monitoring and assessing the adequacy and effectiveness of key controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigations as directed by the ARC.

The hiring, removal, evaluation and compensation of the Internal Auditors, or corporation to which the internal audit function is outsourced, require ARC's approval. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

The Company's internal audit function is outsourced to a professional firm, Philip Liew & Co. who is not involved in the Company's business activities. The Internal Auditors, staffed with persons of relevant qualifications and experience, carry out the internal audit taking guidance from the International Standards for the Professional Practice of Internal auditing set by The Institute of Internal Auditors, and report directly to the ARC on internal audit matters. The ARC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function. The ARC is also satisfied that the internal auditor is adequately resourced and has the appropriate standing within the Group.

The Internal Auditors report directly to the ARC.

On an annual basis, the ARC meets regularly with the Management and external/internal auditors to review audit and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit functions to ensure that an effective system of internal controls is maintained in the Group. On a half yearly basis, the ARC also reviews the interested person transactions and the financial result announcements before their submission to the Board for approval. The ARC is kept abreast by the Management, the external auditors and the Company Secretary of changes to accounting standards, listing rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

In addition, at least once a year, the ARC, together with the Board, reviews the effectiveness and adequacy of the Group's system of internal controls put in place to address key financial, operational, compliance and information technology controls and risk management system affecting the operations.

The Board, with the concurrence of the ARC, is of the view that the Group's internal control systems, particularly its financial, operational, compliance, information technology controls and risk management systems, are adequate and effective as of 31 December 2023.

The Board acknowledges that it is responsible for the overall internal control and risk management framework. However, it recognises that the system of internal control and risk management established by Management provides reasonable but not absolute assurance against human errors, frauds, poor judgement in decision making, and other irregularities.

At least once a year, the ARC meets with the internal auditors and external auditors separately. In FY 2023, it met without the presence of the Management to review any matter that might be raised. Both the external and internal auditors report directly to the ARC their findings and recommendations.

The ARC is satisfied that the appointment of external auditors is in compliance with the requirements of Rule 712 and 715 of the SGX-ST Listing Manual. Together with the audit engagement partner and his team assigned to the audit of the Group, the ARC was satisfied that the resources and experience of Messrs. Deloitte & Touche LLP, the audit engagement partner and his term assigned to the audit, were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

The ARC has discussed on the performance of the external auditors taking into consideration the Audit Quality Indicators Disclosure Framework recommended by the Accounting and Corporate Regulatory Authority ("ACRA") as reference. It has also reviewed all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors, before confirming their re-nomination. The external auditors have also provided a confirmation of their independence to the ARC.

Accordingly, the ARC, with the concurrence of the Board, has recommended the appointment of Messrs. Deloitte & Touche LLP as external auditors of the Company at the forthcoming annual general meeting based on their performance and the quality of their audit. Rule 716 of the Listing Manual of the SGX-ST is not applicable as the same auditing firm is appointed for the Company and its subsidiaries.

For FY 2023, the Group incurred an aggregate of \$552,000 to the external auditors, of which was \$440,000 was for audit services and \$112,000 was for non-audit services.

PROVISION 10.5

Meeting Auditors without the Management

The ARC meets with the internal auditors and external auditors separately at least once a year to review matters that were raised, without the presence of the Management. Both the external and internal auditors report directly to the ARC their findings and recommendations.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PROVISION 11.1

Hotel Royal practices fair and equal dissemination of information. All media releases, announcements and investor presentations are issued via SGXNET and uploaded on our website, providing timely information to shareholders.

Conduct of General Meetings

Shareholders are encouraged to be present at the annual general meeting in person so that face-to-face communication can best be achieved. The annual general meeting is the principal forum for dialogue with shareholders. Thus, with greater shareholders participation, it will ensure that they will be kept up to date as to the Group's long-term strategies and goals.

Shareholders are informed of general meetings through notices contained in annual reports or circulars that are sent to shareholders. The notice of general meetings is also published in the Business Times and announced via SGXNet within the mandatory period. Rules, including voting procedures, that governed general meetings are included in the annual reports or circulars and explained further before the voting process.

We usually provide our shareholders with longer than the minimum notice period required for general meetings. We also give the necessary background information for each resolution so as to enable shareholders to vote on an informed basis.

Last AGM on 28 April 2023

The last AGM of the Company was physically held at Hotel Royal, Level 3, Royal Room 1, 36 Newton Road, Singapore 307964 on Friday, 28 April 2023.

If shareholders are unable to attend the annual general meetings, the Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder.

Forthcoming AGM on 26 April 2024 ("AGM 2023")

The forthcoming AGM will be held, in a wholly physical format, at Hotel Royal, Level 3, Royal Room 1, 36 Newton Road, Singapore 307964 on Friday, 26 April 2024. There will be no option for shareholders to participate virtually.

PROVISION 11.2

Separate Resolutions

The Company put all resolutions tabled to vote by poll. All resolutions at the Company's general meeting will be by poll so as to better reflect shareholders' shareholding interest and promote greater transparency. The Company appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the general meeting, the scrutineer will review the proxies and the electronic poll voting system, and attends the proxy verification process, to ensure that the proxy and poll voting information is compiled correctly. During the general meeting, the scrutineer attends to ensure that the polling process is properly carried out. The detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced immediately at the meeting and also disclosed via SGXNet on the same day. If shareholders are unable to attend the annual general meetings, the Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. The Company has amended its Constitution to allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

All resolutions tabled at general meetings are on each substantially separate issue and all resolutions at general meetings requiring shareholders are proposed as separate resolutions. Detailed information on each item in the general meeting's agenda is provided in the explanatory notes to the notice of the general meeting.

Corporate Governance Report

Investor Relations

Hotel Royal strives to communicate pertinent information to shareholders and the investment community in a clear manner on a regular and timely basis. We commit to disclosing material price- and trade-sensitive information to the public on a prompt and inclusive basis, providing shareholders with the latest, relevant information that they required to make informed decisions. Material information is always first published on SGXNET, followed by the Group's website – <https://hotelroyal.listedcompany.com/home.html>

As required by the Listing Manual, the Company discloses the names of its substantial shareholders and provide a breakdown of their direct and deemed interests (including how such interests are held or derived) in its annual report every year. The Company also disseminates via SGXNET the notifications it receives from its substantial shareholders, in accordance with the provisions of the Securities and Futures Act (SFA).

A dedicated Investor Relations sections on our website enables access by the investing public to pertinent information about the Company such as past and present annual reports, financial results and updates.

PROVISION 11.3

Interaction with Shareholders

All the Directors (including the various Chairmen of the Board Committees) and senior Management are also present at the meeting to address queries and concerns from the shareholders. The external auditors are also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' reports.

All Directors, except Mr Lee Khin Tien who had apologized for not being able to attend, and the external auditors were present at the last AGM held on 28 April 2023.

At each AGM, the Chairman of the Board, Directors and Senior Management are in attendance to address queries and concerns about the Group. The Company's external auditor also attend to help address shareholders' queries relating to the conduct of the audit and the auditor's reports that may arise. Shareholders are informed of the voting procedures and rules governing the meeting.

PROVISION 11.4

Shareholders' Participation

If shareholders are unable to attend the annual general meetings, the Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. The Company has amended its Constitution to allow corporations which provide nominee or custodial services to appoint more

than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

Voting in absentia in general meetings of shareholders, via email, electronic mail or facsimile, may also be possible following careful study to ensure that the integrity of the information and authentication of the of the shareholders' identity is not compromised.

PROVISION 11.5

Minutes of General Meetings

The Company prepares minutes of general meetings that include substantial and relevant comments and queries from shareholders relating the meeting's agenda, and response from the Board and Management. These minutes are available to the shareholders via SGXNet and on the Company's website.

PROVISION 11.6

Dividend Policy

The Company's priority is to achieve long-term capital growth as it recognises shareholders' desire to receive returns on their investments. The Company also recognises shareholders' design to receive income out of their investments by way of dividends.

The Company intends to declare an annual dividend amounting to at least one-third of its net profit before fair value adjustments, exceptional and extraordinary items and after income tax. In considering the declaration of dividends, the Company will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

The Board may, at its absolute discretion, consider recommending a special dividend to commemorate the Company having achieved exceptional operational performance in a particular year or in a major investment sale.

A first and final dividend of 2.5 cents per ordinary share one-tier tax exempt for FY 2023 have been proposed for shareholders' approval at the forthcoming AGM on 26 April 2024.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

PROVISION 12.1

PROVISION 12.2

PROVISION 12.3

Disclosure of information on a timely basis

In line with the continuous disclosure obligations of the Company pursuant to the Singapore Exchange Listing Rules and the Singapore Companies Act, it is the Board's policy to ensure that all shareholders are informed regularly, comprehensively and on a timely basis of every significant development that impact on the Group. The Company does not practise preferential and selective disclosure to any group of shareholders.

Pertinent information is communicated to all shareholders on a regular and timely basis through the following means:

- The Company's annual reports
- Notices of and explanatory memoranda for annual general meetings and extraordinary general meetings
- Announcements of half-year and full-year financial statements containing a summary of the financial information and affairs of the Group for the period. These are disclosed on SGXNet
- Other announcements, where appropriate
- Press releases regarding major developments of the Group
- Disclosures to the Singapore Exchange Securities Trading Limited.

The Company notifies the investors' public in advance of the date of the release of its financial results via a SGXNet announcement.

Shareholders can contact the Company via a dedicated email, ir@hotelroyal.com.sg, that is featured in the inside cover page of the Company's annual report. The Company responds to all queries.

V. MANAGING STAKEHOLDERS' RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

PROVISION 13.1

PROVISION 13.2

Stakeholders' Engagement

The Company identifies stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business

and operations. Such stakeholders include hotel guests, employees, contractors, suppliers, government, regulators, community, shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report set out on pages 38 to 69 of this Annual Report.

PROVISION 13.3

Corporate Website

The Company adopts transparent, accountable and effective communication practices and to ensure fair dissemination to shareholders, all materials such as half-year and full-year financial results, annual reports, announcements and minutes of general meetings are available on the Company's website (www.hotelroyal.com.sg). The website also contains other useful investor-related information.

For ease of communication, shareholders can contact Management via ir@hotelroyal.com.sg. This will allow the Board and Management to gather shareholders' views and inputs, and address shareholders' concern. The contact details of the investor relations function are also set out in the inside cover page of this Annual Report as well as on the Company's website. The Company have procedures in place for responding to investors' queries.

VI. OTHER CORPORATE GOVERNANCE MATTERS

DEALING IN SECURITIES

- Listing Manual Rule 1207(19)

The Group has adopted an internal code on dealings with securities which, amongst others, prohibits the directors and key management personnel of the Group from dealing in the Company's shares one month immediately preceding the announcement of the Company's half-year and full-year results respectively or upon possession of unpublished price-sensitive information on the Group. In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also not allowed to deal in the Company's shares on short-term considerations. Directors are required to notify the Company their securities dealings within two (2) business days of such dealings and the Company shall disseminate the notifications received to the market via SGXNet within one (1) business day of receiving such notifications.

In view of the processes in place, in the opinion of the Board, the Company has complied with Rule 1207(19) of the Listing Manual of SGX-ST on dealing in securities.

Corporate Governance Report

MATERIAL CONTRACTS

- Listing Manual Rule 1207(8)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or controlling shareholder during the year under review or have been entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

- Listing Manual Rule 907

The Company has established procedures to ensure that all transactions with interested persons are properly documented and reported in a timely manner to the ARC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Company and its non-controlling shareholders.

The Board ensures that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards are complied with.

There were no material contracts entered into by the Company and Group involving the interests of any Director or controlling shareholder, either still subsisting at the end of FY 2023 or if not then subsisting, entered into since the end of the previous financial year.

The Company's disclosure in related party transactions for FY 2023 are set out on pages 148 to 149 of this Annual Report. Except for these transactions, there were no other interested person transactions in excess of \$100,000 per transaction entered into by the Company and Group for the year under review or have been entered into since the end of the previous financial year.

When a potential conflict arises, the concerned parties do not participate in its deliberation so as to refrain from exercising any influence over other members of the Board.

CODE OF CONDUCT AND ETHICS FOR EMPLOYEES

The Group has a Code of Conduct and Ethics for Employees that sets the standards and ethical conducts expected of all employees. This code covers workplace conduct, protection of the Group's assets, information confidentiality, conflict of interests, business conduct, gratuities or bribes and dishonest behaviour.

All employees are expected to maintain a high standard of personal integrity and compliance to Company policies and with the laws and regulations of the countries in which it operates.

USE OF RIGHTS ISSUE 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:

	\$ million
Total rights issue proceeds, net	40.2
Less: Utilisation 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

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

Risk Management

Risk management constitutes an integral part of Hotel Royal’s business operations. The Board has set out our risk appetite objectives that are aligned with our strategic plan in order to provide boundaries for setting risk appetite thresholds for all material risks. These objectives are:

- 1) To maintain capital adequacy
- 2) To deliver stable earnings growth
- 3) To ensure stable and efficient access to funding and liquidity
- 4) To maintain stakeholder confidence.

Strategic risk objectives are used to set Hotel Royal Limited’s risk appetite and manage business risks on a day-to-day basis bearing in mind the Group’s business strategy and frameworks, limits and tolerance.

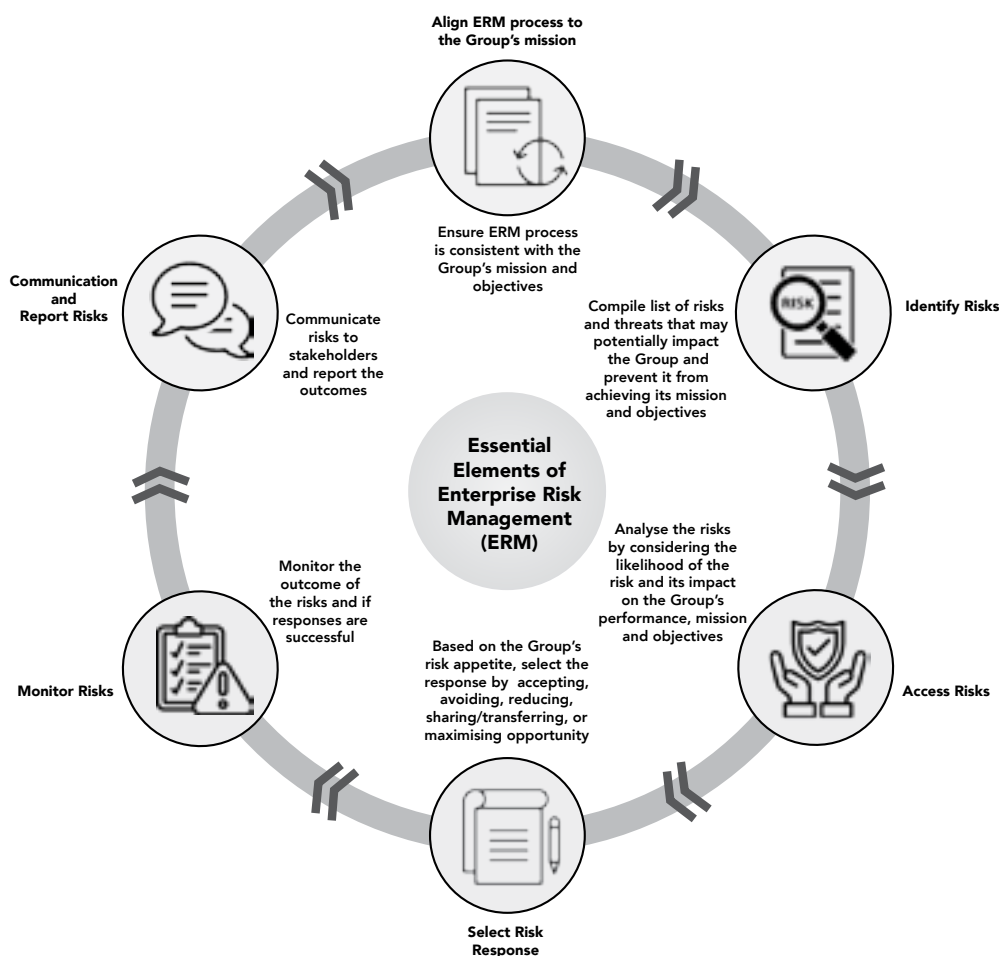
The Group’s risk and control framework seeks to provide reasonable assurance that our business objectives are achieved. We do this by ensuring that the management controls in our daily operations achieve efficiency, effectiveness, and safeguard our assets. We also ensure that we comply with legal and regulatory requirements, while upholding the integrity of the Group’s financial reporting

and related disclosures. Management is responsible for identifying critical risks to our businesses, and for developing and implementing appropriate measures to address such risks. Our risk management and control procedures are reviewed and updated regularly to reflect changes in market conditions and the activities of the Group.

The Group recognises that not all risks can be eliminated, and adopts a balanced approach to risk management, such as:

- (a) Identification
- (b) Assessment
- (c) Formulation of mitigation measures and implementation
- (d) Monitoring and review
- (e) Communication and report risks

The following describes the Group’s major risk factors and how these are mitigated. In the year under review, we were satisfied that there were no risks that could affect the ability of the Group to continue as a going concern in the next twelve months.



Risk Management

BUSINESS AND STRATEGY RISKS

Business and strategy risks refer to factors affecting businesses such as customer demand, sales performance, macroeconomic conditions, competition, and regulatory environment. They are usually managed by the respective hotels and subsidiaries within the Group in their pursuit of growth and earnings targets.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Strategy and investment risk</p> <ul style="list-style-type: none"> The Group is exposed to risks in its overseas expansion plan. The investment time frame and the budgets for such expansion plans may be exceeded and that the set parameters may not be achieved. 	<ul style="list-style-type: none"> All new investment proposals are evaluated thoroughly and, where necessary, are supported by the advice of external professionals to ensure that they are in line with the Group's strategic focus and that they meet the relevant rate of financial returns. Other non-financial risk factors are also considered. All new investment proposals are reviewed by the senior management and discussed in detail at the Board meetings. They are monitored to ensure that they are able to meet the Group's strategic intent, investment objectives and returns.
<p>Market and political risk</p> <ul style="list-style-type: none"> The Group currently operates in Singapore, Malaysia, Thailand and New Zealand. The subsidiaries in these countries are exposed to changes in government policies and regulations. Some of these changes may affect the realisation of business opportunities and investments in those countries. Global economic uncertainties, such as trade wars and recession, will affect the Singapore economy and hence the Group's performance. 	<ul style="list-style-type: none"> The Group monitors the market and political landscape in these countries, so that the Group is better able to anticipate and/or respond to any adverse changes in a timely manner. Impact brought about by the Russia-Ukraine conflict, which resulted in the escalation of energy prices globally, was contained via fuel hedging. While the consequences of such armed conflicts and other security events, including terrorist attacks, are difficult to predict, the Group continues to monitor developments around the world to anticipate and take necessary preventive measures to minimise any adverse impact, where possible. As at 31 December 2023, approximately 40% of the Group's assets are located overseas, accounting for about 48% of the total revenue in FY 2023. It has greater geographical diversification which reduces its risk of single market concentration.
<p>Regulatory risk</p> <ul style="list-style-type: none"> The Group is subject to changes in prevailing laws and regulations (such as in corporate, competition and environment laws) in the countries where it operates. 	<ul style="list-style-type: none"> The Group works closely with local authorities and business partners so as to keep abreast with any changes and/or material regulatory developments. Foreign subsidiaries will inform the Group's head office of any material regulatory development in a timely manner.
<p>Competition risk</p> <ul style="list-style-type: none"> The hospitality business in Singapore, Malaysia and Thailand is highly competitive. Any increase in new room inventory in these markets can lead to downward pressure on room rates, particularly on older or existing properties. 	<ul style="list-style-type: none"> The Group strives to maintain competitiveness through product differentiation and leveraging on its brand name to protect and gain market share. The Group invests in long-term relationships with its strategic partners to improve its service and product quality and secure customer loyalty.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Reputation risk</p> <ul style="list-style-type: none"> The Group may face negative publicity or diminution in public confidence if there is any mishandling of transaction or event. 	<ul style="list-style-type: none"> The Group believes in giving a fair deal to its stakeholders and has put in place an open program to achieve effective and timely communication with its key stakeholders. Its corporate vision, mission statement and core values are communicated to all employees within the Group.
<p>Business continuity risk</p> <ul style="list-style-type: none"> Unforeseen circumstances (including internal and external threats) such as fire, flood, and terrorism attacks, can disrupt the continuation of its business operations. 	<ul style="list-style-type: none"> The Group reviews its crisis management and communications procedures regularly, so as to ensure that it can continue to maintain its business operations and expedite recovery.
<p>Spread of contagious diseases</p> <ul style="list-style-type: none"> The outbreak of contagious diseases, such as SARS and Covid-19 will have adverse effects on tourist arrivals. 	<ul style="list-style-type: none"> Since the onset of the pandemic, the Group has prioritised the safety of its employees and implemented workforce separation aligned with social distancing and business continuity measures. We continue to adapt our safety and health protocols in response to the evolving situation and government regulations. The Group diversifies its business sources so that if one source is affected, the other sources can help to make up for the shortfall. The Group has sufficient financial resources to tide through economic downturns caused by such outbreaks.

OPERATIONAL RISKS

Operational risks refer to persons, processes, products, information technology and practices in the business activities which may not operate as designed or planned.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Operational processes risk</p> <ul style="list-style-type: none"> Possible breakdown in internal process, deficiencies in people and management, or operational failure arising from external events can result in potential loss to the Group. 	<ul style="list-style-type: none"> Minimise unexpected losses and manage expected losses through a series of quality and people management programs, as well as through business continuity planning. Operating manuals, standard operating procedures and the delegation of authority matrix are in place. On-going efforts to streamline business processes and adopt ISO standards and certifications to achieve standardisation of processes and best practices. Conduct regular reviews of policies and authority limits to ensure its relevance in meeting a changing business environment.

Risk Management

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>People risk</p> <ul style="list-style-type: none"> The Group depends on quality service provided by good personnel and service providers to achieve profitability and growth. The execution of succession planning is a challenge, given the size of the Group. 	<ul style="list-style-type: none"> The Group provides a cohesive environment where employees are developed to their fullest potential and enjoy work-life balanced career paths. This ensures that our human capital is continually nurtured and retained. The Group continues to invest in upskilling our existing workforce. Regular skills assessments are also conducted to set out structured developmental roadmaps to fill new and emerging skill gaps. Staff who perform well are attractively rewarded and groomed for higher roles.
<p>Climate change and environmental risk</p> <ul style="list-style-type: none"> Climate change and environmental risk is a growing concern. Rising sea level is a potential threat to our hotels that are situated in low lying areas. Regulatory risks associated with climate change which can be in the form of stricter greenhouse gas emission standards, carbon taxes, or changes in energy prices. Growing expectations from stakeholders who want to ensure the Group's services are transitioning to low emissions. 	<ul style="list-style-type: none"> The Group has engaged external consultants to improve on our energy efficiency. At the same time, we are also working with our stakeholders to disclose our climate-related risks in accordance to the recommendations of the Task Force on Climate-Related Financial Disclosures. The Group adopts environmentally-friendly practices and benchmarks against the best practices. Close monitoring of rising sea levels and their effect on our properties.

FINANCIAL RISKS

Financial risks arise from volatility in the underlying financial market and include factors such as fluctuations in interest rates, foreign exchange and equity prices.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Credit risk</p> <ul style="list-style-type: none"> The Group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables. Cash and fixed deposits (Note 6) are in the custody of creditworthy financial institutions. Trade receivables are largely from credit card companies, tour agencies, regular corporate clients, hotels and tenants at the Group's properties. The Group may suffer potential financial loss resulting from the failure of customers or counterparties to settle their financial and contractual obligations as and when they fall due. 	<ul style="list-style-type: none"> Standard procedures are in place which include the application of credit approvals, performing credit evaluations, setting credit limits and regular monitoring of credit risks. Cash terms or advance payments are required for customers with lower credit standing. There is no significant concentration of credit risk to a single customer. It is the Group's policy to sell to a diversity of creditworthy customers to reduce concentration of credit risk. While the Group faces the normal business risks associated with ageing collections, it has adopted a prudent accounting policy of making provisions once trade receivables are deemed not collectible. Major collectible issues are highlighted to all concerned.
<p>Interest rate risk</p> <ul style="list-style-type: none"> The Group is exposed to interest rate risks through the impact of rate changes on interest-bearing liabilities and assets. 	<ul style="list-style-type: none"> The Group actively monitors interest rate fluctuations and trends. The Group borrows in local currencies and practices natural hedging as it receives its revenue in local currencies.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Foreign exchange risk</p> <ul style="list-style-type: none"> The Group has investments in funds under management of certain banks and cash deposits which are exposed to foreign exchange risk arising from the exchange rate movements of foreign currencies. Exchange gain or loss may also arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting purposes. For FY 2023, approximately 17% (2022: 16%) of the Group's net assets was denominated in Malaysian ringgit, and approximately 10% (2022: 9%) and 11% (2022: 10%) were denominated in New Zealand dollars and Thai baht respectively 	<ul style="list-style-type: none"> Continuous monitoring of the exchange rates of major currencies. Currency translation risk, which is inherent for operations outside Singapore, is non-cash in nature and therefore not hedged.
<p>Price Risk</p> <ul style="list-style-type: none"> The Group is exposed to price risks arising from its investments classified as fair value through profit or loss and fair value through other comprehensive income. These investments include equity shares and instruments, whose fair values are subject to volatility in equity and bond prices. 	<ul style="list-style-type: none"> Diversify the investment portfolio to manage risks.
<p>Liquidity risk</p> <ul style="list-style-type: none"> Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. 	<ul style="list-style-type: none"> Monitor working capital requirements and maintain a level of cash and cash equivalents deemed adequate to mitigate the effects of fluctuations in cash flows, as well as to ensure that the Group has sufficient funds to meet its contractual and financial obligations as and when they fall due. Management assesses the availability of credit facilities and compliance with loan covenants on an on-going basis and no matters have been drawn to its attention that the roll-over of the short-term financing may not be forthcoming or that covenants have been breached. The Group and the Company have unutilised credit facilities totalling \$153.5 million (2022: \$160.5 million) and \$100.5 million (2022: \$1012.2 million) respectively. From time to time, management evaluates the tenure of credit facilities including the need for longer term credit facilities. Enhance ability to generate cash from operating activities to improve the Group's cash position and reduce liquidity risk.
<p>Capital structure risk</p> <ul style="list-style-type: none"> Inefficient capital structure could impact the Group's ability to provide appropriate returns to the shareholders. 	<ul style="list-style-type: none"> The Group manages its capital to ensure that entities in the Group will be able to continue as ongoing concerns, while optimizing return to shareholders through a mix of equity, short-term, and long-term debts. The capital structure of the Group consists of equity comprising share capital disclosed in Note 20 reserves and retained earnings, and debts which comprise bank borrowings and leases disclosed in Note 15, 18 and 32. Regular reviews are performed to ensure that the capital structure is optimal. Taken into consideration are future capital requirements and capital efficiency, prevailing operating cash flow and profitability, as well as projected capital expenditure. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new bank borrowings, sell assets to reduce external borrowings, pay or adjust the amount of dividend payout, or return capital to shareholders.

Risk Management

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Financial management risk</p> <ul style="list-style-type: none"> • Rely on self-assessment, review, and reporting processes to ensure that transactions are carried out in conformity with accounting standards and the Group's accounting policies, and that the internal controls are adequate and effective. • The system may not prevent or detect all frauds or misstatements in a timely manner, especially with changes in conditions and operations which may cause the effectiveness of the system to vary from time to time. 	<ul style="list-style-type: none"> • Formalised operating manuals and standard operating procedures. • Internal controls on financial reporting are reviewed regularly to ensure proper financial discipline and compliance with established Group policies and guidelines. • External and internal audit reviews carried out annually on the controls and procedures in place also serve as platforms to highlight any irregularities.
<p>Derivative financial instrument risk</p> <ul style="list-style-type: none"> • Market conditions may move against the Group's assumptions at the time of hedging the transactions. 	<ul style="list-style-type: none"> • The Group does not hold or issue derivative financial instruments for trading purposes.

COMPLIANCE RISKS

Compliance risks are the current and prospective risks arising from violation of, or non-conformance with laws, rules, regulations or ethical standards.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Compliance risk</p> <ul style="list-style-type: none"> • Rapid changes in laws, regulations and practices are making compliance more complicated. This is especially so as the Group also operates overseas. • Deliberate wrongful acts, such as fraud, can result in financial loss. 	<ul style="list-style-type: none"> • Risk management, internal controls and corporate governance frameworks are in place and reviewed on an annual basis. • Whistle-blowing policy has been in practice for some time. • External auditors are engaged for statutory audits and internal auditors are engaged to conduct financial and operations reviews. Both external and internal auditors report directly to the Audit Committee.

INFORMATION TECHNOLOGY RISKS

Information technology ("IT") risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fire, storms or floods.

DESCRIPTION OF RISK WE FACE	WHAT WE DO TO MITIGATE THE RISKS
<p>Cyber security risk</p> <ul style="list-style-type: none"> • The Group's operations are exposed to a full range of risks, presented in various forms that are associated with its IT system. This includes disruptions to the network. • Increasing global incidence of cyberattacks on company servers and websites demonstrates the need to reinforce and tighten the security of the Group's IT systems and avoid breaches. • Cyberattacks can disrupt operations. The theft of sensitive and confidential information can lead to litigations and financial losses. 	<ul style="list-style-type: none"> • Adopt necessary and current IT controls and governance practices, including the strengthening of network security, such as regularly updating security patches to the system. • Put in place appropriate measures to safeguard the loss of information, data security, and ensure the continuity of the Group's business activities and its prompt recovery from an IT crisis. • Conduct regular training for users to heighten awareness of IT threats.

Financial Statements

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Other Comprehensive Income
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Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 119 to 174 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Yang Wen-Wei
Lee Khin Tien
Lee Kin Hong
Dr Lee Chu Muk
Lee Chou Hor George
Leow Chung Chong Yam Soon (Appointed on 1 May 2023)
Dr Tan Kim Song (Retired on 28 February 2024)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

Name of directors and company in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company	Ordinary shares		Ordinary shares	
Lee Khin Tien	338,688	727,063	-	-
Lee Kin Hong	111,283	499,658	483,840	483,840
Lee Chou Hor George	42,000	42,000	12,993,680	12,993,680

The directors' interests as disclosed above remained unchanged at 21 January 2024.

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group were granted.

4 SHARE OPTIONS (cont'd)

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT AND RISK COMMITTEE

Members of the Audit and Risk Committee comprise four directors, namely Dr Tan Kim Song (Chairman of the Audit and Risk Committee), Mr Leow Chung Chong Yam Soon, Mr Yang Wen-Wei and Mr Lee Khin Tien. Dr Tan Kim Song retired on 28 February 2024 and Mr Leow Chung Chong Yam Soon was appointed as the Chairman of the Audit and Risk Committee with effect from 28 February 2024.

The Audit and Risk Committee ("ARC") held four meetings during the financial year ended 31 December 2023 and performed the following functions:

- (a) Review with external/internal auditors the audit plans, their evaluation of the system of internal accounting controls, and their audit report including the scope and results of the external audit, the independence and objectivity of the external auditors;
- (b) Review the consolidated financial statements of the Group and the financial statements of the Company and any announcements relating to the Group and Company's financial performance, before submission to the Board of Directors for approval;
- (c) Review the Group's financial and operating results and accounting policies;
- (d) Review the internal control procedures, its scope and the results and to ensure co-ordination between the external/internal auditors and the Management; and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits;
- (e) Review and report to the Board of Directors at least annually the adequacy and effectiveness of the Company's risk management and system of internal controls;
- (f) Review the effectiveness of the Company's internal audit function;
- (g) Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;
- (h) Make recommendation to the Board of Directors on the proposals to the shareholders on the appointment, re-appointment or removal of the external auditors;
- (i) Review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (j) Review potential conflicts of interest, if any;
- (k) Undertake such other review and projects as may be requested by the Board of Directors, and report to the Board of Directors its findings from time to time on matters arising and which requires the attention of the ARC; and
- (l) Undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made from time to time.

The ARC has full access to and co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the ARC.

Directors' Statement (Cont'd)

5 AUDIT AND RISK COMMITTEE (cont'd)

The Company's internal audit function has been outsourced to Philip Liew & Co. Both the external auditors and the internal auditors report directly to the ARC their findings and recommendations.

The ARC, having reviewed the scope and value of non-audit services provided to the Company and Group by the external auditors, are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The ARC has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming annual general meeting of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Yang Wen-Wei

.....
Lee Khin Tien

18 March 2024

Independent Auditor's Report

To the Members of HOTEL ROYAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hotel Royal Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, as set out on pages 119 to 174.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of properties - Freehold land

(Note 13 to the financial statements)

The Group has freehold land on which its hotels are sited and these are stated at their fair values based on independent external valuations. The Group's freehold land amounted to \$512.13 million and accounted for approximately 62% of total assets at 31 December 2023.

The valuation process for these freehold land involves determining the valuation methodology to be used, and significant judgement in estimating the underlying assumptions to be applied. Depending on the valuation methodology, the key estimation inputs are values per square meter referenced to comparable properties, occupancy rates, revenue per room, the capitalisation rate and contract rate per room of comparable properties. A small change in key inputs may have a significant impact on the valuation of each of the properties.

Our audit performed and responses thereon

We obtained an understanding of management's process in selecting the external valuers with the appropriate knowledge and experience and how the valuation reports are used in determining the fair values for accounting purpose. We evaluated the qualifications, competence and objectivity of the external valuers.

Independent Auditor's Report (Cont'd)

To the Members of HOTEL ROYAL LIMITED

We discussed with the valuers and management and involved our internal specialists to assess the appropriateness of the valuation methodologies used by the valuers, and evaluated the basis and assumptions of the key inputs used in the respective valuation, and sought explanations from the valuers and management. We also evaluated whether these key inputs are reasonable and in line with the individual hotel's performance or available industry information.

We also considered the adequacy of the disclosures in Note 13 to the financial statements, in describing the inherent degree of subjectivity and key assumptions used in the estimates.

Valuation of assets – Property, plant and equipment and investment properties

(Notes 13 and 14 to the financial statements)

The Group's property, plant and equipment (excluding freehold land) ("PPE") and investment properties ("IPs") account for approximately 19% and 12% of total assets respectively as at 31 December 2023. These assets (excluding freehold land in PPE) are stated at cost less accumulated depreciation and impairment loss. The PPE comprised mainly leasehold land, hotel building and building improvements ("leasehold land and hotel buildings").

In assessing the recoverable amount and the extent of any impairment loss or reversal of impairment loss of the leasehold land and hotel buildings, and IPs, management has sought guidance from the valuations performed by independent external valuers to estimate the recoverable amounts, and this involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

Underlying the valuations for leasehold land, hotel buildings and IPs, are key estimation inputs such as occupancy rates, revenue per room, estimated rental rates and the capitalisation rate or values per square metre referenced to comparable properties.

Our audit performed and responses thereon

We evaluated the qualifications and competence of the external valuers. We considered the appropriateness of the valuation methodologies used and evaluated the basis and assumptions used for the key inputs in the respective valuation, and sought explanations from the valuers and management. We also discussed with management and evaluated the key inputs used in their assessment in determining the recoverable amount of the assets and the impairment loss or reversal required and had considered whether the key inputs are reasonable and in line with the individual hotel's performance or available industry information.

The Group's disclosure of the above significant estimates is disclosed in Note 3 to the financial statements, and further information related to the leasehold land and hotel buildings and IPs are provided in Notes 13 and 14 respectively.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Cont'd)

To the Members of HOTEL ROYAL LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hoe Chi-Hsien.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

18 March 2024



Statements of Financial Position

31 December 2023

Note	The Group		The Company		
	2023	2022	2023	2022	
	\$'000	\$'000	\$'000	\$'000	
ASSETS					
Current assets					
Cash and bank balances	6	22,658	47,023	6,813	33,444
Financial assets at fair value through profit or loss	7	5,294	3,834	2,057	1,866
Financial assets at fair value through other comprehensive income	8	5,239	6,190	839	777
Trade receivables	9	2,516	1,925	548	356
Other receivables, deposits and prepaid expenses	10	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	11	-	-	259,343	227,769
Financial assets at fair value through other comprehensive income	8	18,804	18,581	15,553	15,500
Other assets	12	1,503	740	708	53
Property, plant and equipment	13	672,412	644,157	252,721	239,863
Investment properties	14	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
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	15	8,759	21,375	720	720
Trade payables		4,310	4,074	2,180	2,188
Other payables	16	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

Statements of Financial Position (Cont'd)

31 December 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Other payables	16	36	35	8,442	14,602
Retirement benefit obligations	17	259	359	-	-
Long-term bank loans	18	149,971	152,930	71,860	70,947
Deferred tax liabilities	19	9,975	10,515	832	723
Total non-current liabilities		160,241	163,839	81,134	86,272
Capital and reserves					
Share capital	20	190,836	190,836	190,836	190,836
Asset revaluation reserve	21	395,489	372,300	227,608	214,508
Employee benefit reserve	22	66	15	-	-
Fair value reserve	23	16,995	16,217	14,660	14,540
Foreign currency translation reserve	24	(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

See accompanying notes to financial statements.



Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2023

	Note	The Group	
		2023 \$'000	2022 \$'000
Revenue	25	58,340	41,890
Cost of sales		(29,474)	(24,749)
Gross profit		28,866	17,141
Distribution costs		(1,184)	(939)
Administrative expenses		(16,811)	(11,262)
Other income	26	5,224	3,765
Other expenses		(3,049)	(5,842)
Finance costs	27	(8,356)	(5,797)
Profit (Loss) before income tax	28	4,690	(2,934)
Income tax expense	29	(2,135)	(505)
Profit (Loss) for the year attributable to owners of the Company		2,555	(3,439)
Basic profit (loss) per share	30	2.11 cents	(3.35) cents
Diluted profit (loss) per share	30	2.11 cents	(3.35) cents

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

Year ended 31 December 2023

	Note	The Group	
		2023	2022
		\$'000	\$'000
Profit (Loss) for the year		2,555	(3,439)
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		841	(1,971)
Re-measurement of defined benefit obligations		51	(17)
Revaluation of freehold land – hotels, net of tax	13	23,189	34,290
Total		24,081	32,302
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(9,380)	(11,943)
Other comprehensive income for the year, net of tax		14,701	20,359
Total comprehensive income for the year attributable to owners of the Company		17,256	16,920

See accompanying notes to financial statements.



Statement of Changes in Equity

Year ended 31 December 2023

	Share capital \$'000	Asset revaluation reserve \$'000	Employee benefit reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
The Group							
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 35)	-	-	-	-	-	(2,520)	(2,520)
Issuance of shares (Note 20)	40,171	-	-	-	-	-	40,171
	40,171	-	-	-	-	(2,520)	37,651
Balance at 31 December 2022	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 year	-	-	-	-	-	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 35)	-	-	-	-	-	(3,024)	(3,024)
Balance at 31 December 2023	190,836	395,489	66	16,995	(23,513)	65,478	645,351

Statement of Changes in Equity (Cont'd)

Year ended 31 December 2023

	Share capital \$'000	Asset revaluation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
<u>The Company</u>					
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 35)	-	-	-	(2,520)	(2,520)
Issuance of shares (Note 20)	40,171	-	-	-	40,171
	40,171	-	-	(2,520)	37,651
Balance at 31 December 2022	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 35)	-	-	-	(3,024)	(3,024)
Balance at 31 December 2023	190,836	227,608	14,660	38,761	471,865

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	The Group	
	2023	2022
	\$'000	\$'000
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 debt (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)
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	(15,036)	19,604
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 (Note 6)	20,724	44,772

See accompanying notes to financial statements.

Notes to Financial Statements

31 December 2023

1 GENERAL

The Company (Registration No. 196800298G) is incorporated in Singapore with its registered office and its principal place of business at 36 Newton Road, Singapore 307964. The financial statements are expressed in Singapore dollars, which is the functional currency of the Company.

The principal activity of the Company is that of a hotelier and investment holding. The principal activities of the subsidiaries are disclosed in Note 11.

On 2 December 1968, the Company was listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST").

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2023 were authorised for issue by the board of directors on 18 March 2024.

2.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements are expressed in Singapore dollars.

2.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group and the Company have applied all the new and revised SFRS(I) *Accounting Standards* that are mandatorily effective for an accounting period that begins on or after 1 January 2023 and are relevant to its operations. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The Group and the Company has adopted the amendments to SFRS(I) 1-1 *Presentation of Financial Statements* for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group and the Company has applied materiality guidance in SFRS(I) *Practice Statement 2* in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

STANDARDS ISSUED BUT NOT YET EFFECTIVE - At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements that are relevant to the Group and the Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

SUBSIDIARIES

Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the Group's significant subsidiaries and composition of the Group are disclosed in Note 11.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Company's separate financial statements

Investments in subsidiaries in the Company's separate financial statements are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the respective group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon the disposal of the entire interest in a foreign operation during the year, all of the exchange differences accumulated in the foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Notes to Financial Statements (Cont'd)

31 December 2023

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FAIR VALUE MEASUREMENT

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 if market participants would take these characteristics 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*.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Refer to Notes 4(vi), 7, 8, 13 and 14 for details of non-financial assets and financial instruments that are measured at fair value on basis described above or where such fair values are disclosed.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Classification of financial assets (cont'd)

Measurement category	Description	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI")	Cash and bank balances (Note 6) Trade and other receivables (Notes 9, 10)
Equity instruments designated as at FVTOCI	On initial recognition of certain equity instruments that are not held for trading, the Group has made an irrevocable election (on an instrument-by-instrument basis) to present subsequent changes in the instruments' fair value in other comprehensive income	Quoted equity shares, unquoted equity share and structured products (Note 8)
Financial assets at FVTPL	Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL	Quoted bonds, quoted managed funds and keyman life insurance policy (Note 7)

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combinations* applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with SFRS(I) 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss is included in the "other income" or "other expenses" line item and any dividend or interest earned on the financial asset is included in the "revenue" line item. Fair value is determined in the manner described in Note 4(d)(vi).

Notes to Financial Statements (Cont'd)

31 December 2023

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income" or "other expenses" line item;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income" or "other expenses" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables and other receivables that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Details about the Group's credit risk management and impairment policies are disclosed in Note 4(d)(i).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables and borrowings. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial liabilities and equity (cont'd)

Financial guarantee contracts liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts liabilities are initially recognised at fair value and subsequently measured at the higher of the amount of the expected credit loss (ECL) allowance calculated in accordance with SFRS(I) 9; and premium received less cumulative amortisation of the premium to date calculated on straight-line basis until maturity of the contract.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

INVENTORIES

Inventories comprising mainly hotel consumables are stated at the lower of cost (weighted average method) and net realisable value. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

CASH AND CASH EQUIVALENTS

Cash and bank balances comprise cash on hand and on-demand deposits which are subsequently measured at amortised cost.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except for freehold land on which certain hotels are sited, which are stated at revalued amounts.

Revaluations of freehold hotel land is performed with sufficient regularity such that the carrying amounts do not differ materially from those which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of freehold hotel land is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of freehold hotel land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation increase of that asset.

Properties, plant and equipment in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any accumulated impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

On subsequent sale or retirement of a revalued freehold hotel land, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

Notes to Financial Statements (Cont'd)

31 December 2023

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

PROPERTY, PLANT AND EQUIPMENT (cont'd)

Depreciation is charged so as to write off the cost of assets, other than freehold land, over their estimated useful lives, using the straight-line method except for linen, china, glassware, silver and uniforms where the original expenditure has been written down to approximately one-half of the original cost and all subsequent purchases have been written off as replacements. The estimated useful lives are as follows:

	Number of years
Leasehold land	Over the remaining terms of the leases (92 to 96)
Hotel buildings	45 to 92
Building improvements - hotels	10 to 25
Plant and equipment	3 to 10

Depreciation is not provided on freehold land, which is recorded at fair value.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

INVESTMENT PROPERTIES

Investment properties are held on a long-term basis for income and potential investment gains. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost, other than freehold land, over their estimated useful lives of 50 to 80 years, using the straight-line method. Acquired leasehold buildings are depreciated over the shorter of remaining useful life or the terms of the relevant lease.

The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

At each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and investment properties to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The grant income is presented under 'other income' line item.

LEASES

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Notes to Financial Statements (Cont'd)

31 December 2023

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

LEASES (cont'd)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group has applied the practical expedient under SFRS(I) 16 that permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed lease payments over the lease terms.

A right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy similar to that adopted for property, plant and equipment as disclosed above.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term upon exercising extension options not previously included in the determination of the lease term. A corresponding adjustment is made to the related right-of-use asset.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- Hotel; and
- Investment properties.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Revenue from hotel operations

Revenue from operations of a hotel is recognised from the following major sources: hotel stays, carpark and spa services, and sales of food and beverages.

Revenue for hotel operations is recognised at a point in time when the services are rendered. This is also the point where the Group is entitled to payment.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

REVENUE RECOGNITION (cont'd)

Revenue from hotel operations (cont'd)

Revenue from sales of food and beverages are recognised when control of the goods has transferred, being at the point in time when the food and beverages are consumed. This is also the point where the Group is entitled to payment.

Other hotel related revenue relating to spa services and car park revenue are recognised when the services are rendered to the customers. Payment is due immediately when the customer consumes the service.

Rental income

Rental income recognition is described above in lease accounting policy above.

Financial investment income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment is established.

Income from providing financial guarantee is recognised in profit or loss over the guarantee period on a straight line basis.

BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the amortised cost of a financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, namely assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of these assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense in profit or loss as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and Malaysia Employee Provident Fund are dealt with as payments to defined contribution plans.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss as employee benefits expense. Curtailment gains or losses are accounted for as past service costs.

Notes to Financial Statements (Cont'd)

31 December 2023

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

RETIREMENT BENEFIT COSTS (cont'd)

Subsidiaries in Thailand operate unfunded Retirement Benefit Schemes (“the Schemes”) for their eligible employees. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is reflected immediately with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement gains and losses are recognised in other comprehensive income and accumulated in employee benefit reserve. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

INCOME TAX

Income tax expense represents the sum of current and deferred tax. It is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's material accounting policy information, which are described in Note 2 above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying material accounting policies

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are discussed below.

Freehold hotel land at revalued amounts (Note 13)

The valuation for the Group's freehold land on which the hotels are sited, involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

Certain freehold land are valued using the direct comparison approach and the key inputs are values per square meter referenced to comparable properties but adjusted for differences such as location, size, tenure and accessibility.

Other freehold land are valued using the residual approach, where the residual value of the land is estimated after deducting depreciated replacement cost of the hotel from the value of the whole property - land and hotel. The income capitalisation approach and direct comparison approach are used by the valuer to estimate the value of each whole property. The value of the whole property is sensitive to key estimation inputs such as occupancy rates and revenue per room (which affect the projected earnings before interest, tax, depreciation and amortisation), the capitalisation rate and contract rate per room referenced to comparable properties, taking into consideration for differences such as location, size and tenure. Management has exercised their judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The carrying amount of freehold hotel land and additional information about inputs are described in Note 13.

Valuation of leasehold land, hotel building and building improvements ("leasehold land and hotel buildings") and investment properties ("IP")

The Group assess annually whether leasehold land and hotel buildings and investment properties have any indication of impairment in accordance with its accounting policy. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the recoverable amount of the leasehold land and hotel buildings, and IPs, management has sought guidance from the valuations performed by independent external valuers to estimate the recoverable amounts and the impairment loss or reversal required, and this involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied, including whether these are reflective current market conditions.

Underlying the valuations for hotel buildings and an IP, are key estimation inputs such as occupancy rates, estimated rental rates, revenue per room (which affect the projected earnings before interest, tax, depreciation and amortisation) and the capitalisation rate.

Leasehold land and other IPs are valued using the direct comparison approach and the key inputs are values per square meter referenced to comparable properties, taking into consideration for differences such as location, size, tenure and accessibility.

Notes to Financial Statements (Cont'd)

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Valuation of leasehold land, hotel building and building improvements ("leasehold land and hotel buildings") and investment properties ("IP") (cont'd)

Based on the assessment, a reversal of impairment loss of \$2,933,000 (2022: \$2,755,000) and an impairment loss of \$2,962,000 (2022: \$1,998,000) has been recognised for leasehold land and hotel buildings, and investment properties respectively. The determination of recoverable amounts involves estimations relating to projected future earnings, occupancy rates, estimated rental rates, revenue per room and discount rates ranging from 7% to 10% (2022: 7% to 10%). Any change in such projections and estimates can result in changes to the impairment loss or reversal in future periods. The carrying amounts of leasehold land and hotel buildings and investment properties at the end of the reporting period are disclosed in Notes 13 and 14 to the financial statements respectively.

Recoverable amount of investments in subsidiaries in the Company's statement of financial position

Management has evaluated whether there is any indication of impairment by considering both internal and external sources of information, performance of the subsidiaries and the market conditions in which the subsidiaries operate in. In performing the assessments, management has also considered the financials of the entities and the approximate fair value of the underlying assets of the individual subsidiary. The carrying amount and impairment loss for subsidiaries as at year end are disclosed in Note 11.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised cost	26,079	49,937	56,260	153,132
Financial assets designated as at FVTPL	5,294	3,834	2,057	1,866
Equity instruments designated as at FVTOCI	24,043	24,771	16,392	16,277
Financial liabilities				
Financial liabilities at amortised cost	169,018	183,137	83,458	88,496
Financial guarantee	-	-	3,252	2,669

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and the Company do not have financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group arising from exposure to financial risks such as changes in foreign currency exchange rates, interest rates and equity prices. There has been no change to the Group's exposure to financial risks or the manner in which it manages and measures the risks.

The respective investments in financial assets at FVTPL or FVTOCI as disclosed in Notes 7 and 8 are subject to a variety of financial risks, including credit risk of counterparties, liquidity risk, interest rate risk, foreign currency risk, and other market risks related to prices of equity. The Group engages professional investment managers from banks to manage the risks and returns from certain financial investments classified as held for trading. All investment accounts opened with professional investment managers from banks are approved by the board of directors. Investment managers from the banks are given discretionary powers to make investment decisions on behalf of management based on specified guidelines for managed funds.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks*

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>2023</u>						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	2,634	(118)	2,516
Other receivables and refundable deposits	10	Performing	12-month ECL	808	-	808
					<u>(118)</u>	
<u>2022</u>						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	2,221	(296)	1,925
Other receivables and refundable deposits	10	Performing	12-month ECL	1,101	-	1,101
					<u>(296)</u>	

Notes to Financial Statements (Cont'd)

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(i) *Credit risk management (cont'd)*

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$'000	\$'000	\$'000
<u>2023</u>						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	548	-	548
Other receivables and refundable deposits	10	Performing	12-month ECL	3	-	3
					<u>-</u>	
<u>2022</u>						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	356	-	356
Other receivables and refundable deposits	10	Performing	12-month ECL	87	-	87
					<u>-</u>	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 9 includes further details on the loss allowance for these trade receivables.

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to assess the credit rating and rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, management assesses the potential customer's credit quality and defines credit limits by customer. The review of customer credit limits is conducted annually. There is no single customer who accounts for 10% or more of the Group's trade receivables.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(i) Credit risk management (cont'd)

The Group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables. Cash and fixed deposits (Note 6) are in the custody of creditworthy financial institutions. Trade receivables are largely from credit card companies, tour agencies, regular corporate clients, hotels and tenants at the properties of the Group. Deposits may be collected to mitigate the credit risks.

The Group has no significant concentration of credit risk.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses represent the Group's maximum exposure to credit risk.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(ii) Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on its interest-bearing liabilities and assets. Information on variable interest rate instruments are in section (v) below, and in Notes 15 and 18.

Interest rate sensitivity

The sensitivity analyses below is based on the exposure to variable interest rates for financial assets and financial liabilities at the end of the reporting period.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss would increase/decrease by approximately \$0.79 million (2022: \$0.87 million).

The above analysis excludes the effects that changes in interest rates would have on the fair value of fixed rate bonds, fixed income funds and money market funds. Generally, increases and decreases in interest rates will have inverse impact on the fair value of investments which have fixed interest rates.

(iii) Foreign currency risk management

At the reporting date, the carrying amounts of significant financial assets denominated in currencies other than the functional currency of the respective entities in the Group are as follows:

	The Group		The Company	
	Assets		Assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
United States dollar	9,176	8,058	3,190	2,707
Euro	743	667	19	31
Malaysian ringgit	-	203	-	-

The above amounts include balances of subsidiaries which are eliminated on consolidation in the statement of financial position but will continue to contribute to foreign currency exposures in the statement of profit or loss and other comprehensive income.

There are no significant financial liabilities denominated in currencies other than the functional currency of the respective entities.

Notes to Financial Statements (Cont'd)

31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(iii) Foreign currency risk management (cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each entity in the Group using the monetary amounts denominated in foreign currency at the period.

If the relevant foreign currency strengthens or weakens by 5% against the functional currency of each Group entity:

Profit will increase or decrease (2022: Loss will decrease or increase) respectively by approximately:

	The Group	
	2023	2022
	\$'000	\$'000
Impact arising from		
United States dollar	248	143

Other comprehensive income will increase or decrease respectively by approximately:

	The Group	
	2023	2022
	\$'000	\$'000
<u>Impact arising from</u>		
United States dollar	211	260
Euro	37	33
Malaysian ringgit	-	10

Changes in exchange rates of other currencies do not have a significant effect on profit or loss, and other comprehensive income.

Additionally, the Group is exposed to currency translation risk arising from net assets of subsidiaries operating in Malaysia, New Zealand and Thailand which are denominated in their respective domestic currencies and which are also their respective functional currencies.

At the end of the year, net assets in the following countries, expressed as a percentage of net assets of the Group were as follows:

	The Group	
	2023	2022
	%	%
Malaysia	17	16
New Zealand	10	9
Thailand	11	10

(iv) Equity price risk management

The Group is exposed to equity risks arising from equity investments at FVTPL and at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(iv) Equity price risk management (cont'd)

Further details of these equity investments can be found in Notes 7 and 8.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower and all other variables were held constant:

- The Group's profit for the year would increase/decrease by \$0.5 million (2022: loss for the year would decrease/increase by \$0.4 million) as a result of the changes in fair value of the investments in quoted bonds and quoted managed funds; and
- The Group's and the Company's other comprehensive income for the year would increase/decrease by \$2.4 million and \$1.6 million (2022: \$2.5 million and \$1.6 million) respectively, as a result of the changes in fair value of the investments in equity instruments.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

(v) Liquidity risk management

At the end of the year, the Group and the Company have unutilised credit facilities totaling \$153.5 million (2022: \$160.5 million) and \$100.5 million (2022: \$102.2 million) respectively.

From time to time, management evaluates the tenure of credit facilities. The management has assessed that both the Company and the Group have adequate resources to discharge obligations as and when they fall due.

Notes to Financial Statements (Cont'd)

31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(v) *Liquidity risk management (cont'd)*

Liquidity and interest risk analyses

Financial liabilities

The following table details the remaining contractual maturity for financial liabilities. The undiscounted cash flows of financial liabilities stated below are based on the earliest date on which the Group and Company can be required to pay interest and principal cash flows. The adjustment column represents future interest which is not included in the carrying amounts of the financial liabilities in the statements of financial position.

	Weighted average effective interest rate		On demand or within 1 year		Within 2 to 5 years		More than 5 years		Adjustment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	p.a.	p.a.										
Financial liabilities												
The Group												
Non-interest bearing	NA	NA	10,252	8,797	36	35	-	-	-	-	10,288	8,832
Variable interest rate instruments	4.82	3.50	16,406	27,476	145,771	130,111	37,652	42,482	(41,099)	(25,764)	158,730	174,305
			26,658	36,273	145,807	130,146	37,652	42,482	(41,099)	(25,764)	169,018	183,137
The Company												
Non-interest bearing	NA	NA	5,688	4,896	24	20	-	-	-	-	5,712	4,916
Variable interest rate instruments	2.55	1.55	4,667	3,370	92,985	88,705	-	-	(16,654)	(5,826)	80,998	86,249
			10,355	8,266	93,009	88,725	-	-	(16,654)	(5,826)	86,710	91,165

NA: not applicable.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(v) *Liquidity risk management (cont'd)*

Liquidity and interest risk analyses (cont'd)

Financial assets

The following table details the expected maturity for financial assets. The amounts are based on the contractual maturities of the financial assets including future interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents future interest which is not included in the carrying amounts of the financial assets on the statements of financial position.

	Weighted average effective interest rate		On demand or within 1 year		Within 2 to 5 years		Adjustment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	% p.a.	% p.a.	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
<u>The Group</u>										
Non-interest bearing	NA	NA	29,059	26,057	18,997	18,655	-	-	48,056	44,712
Fixed interest rate instruments	3.11	3.24	7,586	34,932	-	-	(226)	(1,102)	7,360	33,830
			<u>36,645</u>	<u>60,989</u>	<u>18,997</u>	<u>18,655</u>	<u>(226)</u>	<u>(1,102)</u>	<u>55,416</u>	<u>78,542</u>
<u>The Company</u>										
Non-interest bearing	NA	NA	6,356	6,427	15,544	15,603	-	-	21,900	22,030
Fixed interest rate instruments	3.51	3.30	4,050	30,990	-	-	(137)	(990)	3,913	30,000
Variable interest rate instruments	5.45	3.06	2,664	3,645	59,553	133,825	(13,321)	(18,225)	48,896	119,245
			<u>13,070</u>	<u>41,062</u>	<u>75,097</u>	<u>149,428</u>	<u>(13,458)</u>	<u>(19,215)</u>	<u>74,709</u>	<u>171,275</u>

(vi) *Fair value of financial assets and financial liabilities*

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. The carrying amounts of long-term borrowings approximate their fair values as interest rates float with market rates.

Notes to Financial Statements (Cont'd)

31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Exposure to financial risks (cont'd)*

(vi) *Fair value of financial assets and financial liabilities (cont'd)*

(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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>						
Financial assets at fair value through profit or loss:						
- Quoted bonds	2,075	3,834	-	-	-	-
- Quoted managed 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 managed 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 were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the current or prior year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Exposure to financial risks (cont'd)

(vi) Fair value of financial assets and financial liabilities (cont'd)

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

Reconciliation of Level 3 fair value measurement:

	Financial assets at FVTPL (Unquoted managed funds) \$'000	Financial assets at FVTOCI (Structured products and equity shares) \$'000	Total \$'000
2023			
Group			
Opening balance	-	15,494	15,494
Disposal	-	(569)	(569)
Total gains or loss:			
- In profit or loss *	-	-	-
- In other comprehensive income	-	64	64
Closing balance	-	14,989	14,989
Company			
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
2022			
Group			
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
Company			
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 either 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".

Notes to Financial Statements (Cont'd)

31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(e) Capital management policies and objectives

The Group's overall strategy for managing capital remains unchanged from prior year. Capital of the Group is managed to ensure that entities in the Group will be able to continue as going concern and returns to stakeholders are optimised through a mix of equity, short-term and long-term debts.

The capital structure of the Group consists of equity comprising share capital (Note 20), reserves and retained earnings; and debts which comprise bank loans (Notes 15 and 18).

During the financial year, the Company converted an amount due from a subsidiary of \$83.4 million into quasi-loans and subsequently increase the investment in subsidiary by way of issuance of shares (Note 11).

Management reviews the capital structure at least once a year, taking into consideration the cost of capital, the risks and tenure associated with each class of capital.

Information on aggregate debts (comprising bank borrowings) as a ratio of total assets and equity are as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Total debts	158,730	174,305
Total assets	827,257	826,325
Total equity	645,351	631,119
Debt-to-total assets ratio	19%	21%
Debt-to-total equity ratio	25%	28%

5 RELATED PARTY TRANSACTIONS

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Short-term benefits	1,316	1,109
Post-employment benefits	87	69
	1,403	1,178

The remuneration of directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

5 RELATED PARTY TRANSACTIONS (cont'd)

Other related party transactions comprise:

	The Group	
	2023	2022
	\$'000	\$'000
Fees paid to a medical practice owned by a director	8	5
Commission received from a related party for property management services *	17	3
Rental income from a related party *	111	112
Commission paid to a related party for property management services *	3	16

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

6 CASH AND BANK BALANCES

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash on hand	174	124	50	46
Cash at bank	15,124	13,069	2,850	3,398
Fixed deposits	7,360	33,830	3,913	30,000
Total	22,658	47,023	6,813	33,444
Less: Fixed deposits pledged	(1,934)	(2,251)	-	-
Cash and cash equivalents in statement of cash flows	20,724	44,772	6,813	33,444

Fixed deposits of a subsidiary are pledged for loan facilities (Note 18).

The Group and the Company's fixed deposits earn interest ranging from 2.05% to 3.62% and 3.43% to 3.62% (2022: 1.85% to 4.00% and 3.30%) per annum respectively. The tenor for these fixed deposits are generally less than 3 months except for pledged deposits which is for up to 365 days.

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

The investments in quoted bonds and quoted managed funds 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).

Notes to Financial Statements (Cont'd)

31 December 2023

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (cont'd)

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").

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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.

9 TRADE RECEIVABLES

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

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

As at 1 January 2022, the Group and Company's trade receivables from contracts with customers amounted to \$3,381,000 (net of loss allowance of \$401,000) and \$603,000 (net of loss allowance of \$136,000) respectively.

9 TRADE RECEIVABLES (cont'd)

The credit period granted to customers is generally 30 days (2022: 30 days). No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over a year past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

The Group and the Company's age of receivables past due but not impaired amounted to \$0.5 million and \$0.1 million (2022: \$0.9 million and \$0.1 million) respectively and ranges from 31 to 60 days (2022: 31 to 60 days). The Group and the Company's allowance of \$118,000 and \$Nil (2022: \$296,000 and \$Nil) respectively had been provided against receivables that are past due.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	296	401	-	136
Loss allowance recognised in profit or loss during the year:				
- Assets originated	18	193	-	-
- No longer required (write-back)	(29)	(265)	-	(136)
- Exchange adjustment	(10)	(15)	-	-
Write off against loss allowance	(157)	(18)	-	-
Balance at end of the year	118	296	-	-

10 OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

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

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL").

Notes to Financial Statements (Cont'd)

31 December 2023

10 OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (cont'd)

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management has determined the credit loss to be insignificant.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

11 SUBSIDIARIES

	The Company	
	2023	2022
	\$'000	\$'000
Unquoted equity shares - at cost	210,103	97,703
Less: Impairment loss	(14,026)	(2,000)
	196,077	95,703
Funds provided to subsidiaries	49,007	139,407
Less: Impairment loss	(111)	(20,162)
	48,896	119,245
Deemed investment in subsidiaries arising from fair value of corporate guarantees given to banks which extended credit facilities to the subsidiaries	15,774	14,225
Less: Impairment loss	(1,404)	(1,404)
	14,370	12,821
	259,343	227,769

Movement of impairment loss:

	The Company	
	2023	2022
	\$'000	\$'000
Balance at beginning of the year	23,566	25,128
Reversal of impairment recognised in profit or loss	(8,025)	(1,562)
Balance at end of the year	15,541	23,566

During the year, based on management's assessment, a reversal of impairment of \$8,025,000 (2022: \$1,562,000) was made in respect of the Company's investments in certain subsidiaries. The recoverable amounts assessed by management takes into account the carrying amount of the relevant subsidiaries' audited net assets, adjusted for any revaluation changes of the hotel land and/or building of the subsidiary which is not included in the subsidiary's accounts or which approximates recoverable amount at the end of the reporting period.

11 SUBSIDIARIES (cont'd)

The details of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
Royal Properties Investment Pte Ltd	Singapore	100	100	100	100	Investment in properties and subsidiaries.
Royal Capital Pte Ltd	Singapore	100	100	100	100	Investment in financial assets.
Castle Mall Properties Pte Ltd (wholly owned subsidiary of Royal Properties Investment Pte Ltd)	Singapore	100	100	100	100	Provision of intercompany loans.
Hotel Royal @ Queens (Singapore) Pte Ltd (wholly owned subsidiary of Royal Properties Investment Pte Ltd)	Singapore	100	100	100	100	Owns and manages a hotel.
Hotel Royal (Thailand) Private Limited	Singapore	100	100	100	100	Investment in subsidiaries.
Prestige Properties Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	100	100	Investment in subsidiaries.
Faber Kompleks Sdn. Bhd. ⁽¹⁾ (wholly owned subsidiary of Prestige Properties Sdn. Bhd.)	Malaysia	100	100	100	100	Owns and manages a hotel and commercial properties.

Notes to Financial Statements (Cont'd)

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11 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
Premium Lodge Sdn. Bhd. ⁽¹⁾ (wholly owned subsidiary of Prestige Properties Sdn. Bhd.)	Malaysia	100	100	100	100	Owns and manages a hotel.
Baba Residences Sdn. Bhd. ⁽¹⁾ (wholly owned subsidiary of Prestige Properties Sdn. Bhd.)	Malaysia	100	100	100	100	Owns and manages a hotel.
Every Room A Home Sdn. Bhd. ⁽¹⁾ (wholly owned subsidiary of Prestige Properties Sdn. Bhd.)	Malaysia	100	100	100	100	Owns and manages a hotel.
Grand Complex Properties Ltd ⁽¹⁾ (wholly owned subsidiary of Royal Properties Investment Pte Ltd)	New Zealand	100	100	100	100	Investment in commercial properties.
Hotel Royal Bangkok (Thailand) Co., Ltd ⁽¹⁾⁽²⁾ (shares held by Hotel Royal (Thailand) Private Limited)	Thailand	40	40	87	87	Owns and manages a hotel.
Excellent Hotel (Thailand) Co., Ltd. ⁽¹⁾⁽³⁾ (shares held by Hotel Royal (Thailand) Private Limited)	Thailand	49	49	91	91	Investment in subsidiary.
Panali Co., Ltd. ⁽¹⁾⁽⁴⁾	Thailand	74	74	100	100	Owns a hotel.

All the subsidiaries are audited by Deloitte & Touche LLP, Singapore except as indicated below:

⁽¹⁾ Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

⁽²⁾ Hotel Royal (Thailand) Private Limited (a wholly-owned subsidiary in the Group) holds 40% of all shares in Hotel Royal Bangkok (Thailand) Co., Ltd and controls 87% of all votes exercisable by shareholders of Hotel Royal Bangkok (Thailand) Co., Ltd. The Articles of Association of Hotel Royal Bangkok (Thailand) Co., Ltd specifies that Hotel Royal (Thailand) Private Limited is responsible for all liabilities, assets and retained earnings of Hotel Royal Bangkok (Thailand) Co., Ltd. The consolidated financial statements of the Group thus includes all liabilities, assets and retained earnings of Hotel Royal Bangkok (Thailand) Co., Ltd.

⁽³⁾ Hotel Royal (Thailand) Private Limited (a wholly-owned subsidiary in the Group) holds 49% of all shares in Excellent Hotel (Thailand) Co., Ltd and controls 91% of all votes exercisable by shareholders of Excellent Hotel (Thailand) Co., Ltd. The Articles of Association of Excellent Hotel (Thailand) Co., Ltd specifies that Hotel Royal (Thailand) Private Limited is responsible for all liabilities, assets and retained earnings of Excellent Hotel (Thailand) Co., Ltd. The consolidated financial statements of the Group thus includes all liabilities, assets and retained earnings of Excellent Hotel (Thailand) Co., Ltd.

⁽⁴⁾ The Company's subsidiaries, Hotel Royal (Thailand) Private Limited and Excellent Hotel (Thailand) Co., Ltd hold an aggregate of 100% of the equity shares of Panali Co., Ltd.

11 SUBSIDIARIES (cont'd)

The amounts owing by subsidiaries to the Company are unsecured and are not expected to be repaid within the next 12 months from the end of the reporting date. The outstanding amount of \$49.0 million (2022: \$139.4 million) bear interest ranging from 5.38% to 5.50% (2022: 0.80% to 5.24%) per annum which management assess to be approximate market interest rate.

The Company undertakes to provide financial support to certain subsidiaries with net current liabilities to ensure that subsidiaries can meet their contractual obligations when they fall due.

12 OTHER ASSETS

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Lease incentives	739	852	41	53
Less: Current portion included in trade receivables	(96)	(186)	-	-
Non-current portion	643	666	41	53
Deposits	193	74	-	-
Prepaid expenses	667	-	667	-
	1,503	740	708	53

Lease incentives refer to non-cash incentives provided to tenants for entering into rental agreements for properties owned by the Group. The incentives are recognised as a reduction of rental income over the lease term on a straight-line basis.

Prepaid expenses are pertaining to downpayment for replacement of plant and equipment.

Notes to Financial Statements (Cont'd)

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13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land - hotels	Leasehold land	Hotel buildings	Building improvements - hotels	Plant and equipment	Linen, china glassware, silver and uniform	Construction in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group								
Cost or valuation:								
As at 1 January 2022	464,216	2,788	171,877	22,135	53,731	1,025	1,494	717,266
Additions	-	-	6,149	753	981	22	955	8,860
Disposals	-	-	-	(10)	(323)	(9)	-	(342)
Reclassification*	370	(370)	(18,853)	49,113	(28,433)	-	(1,827)	-
Revaluation surplus	34,290	-	-	-	-	-	-	34,290
Exchange adjustment	(5,841)	(161)	(6,701)	(965)	(765)	(28)	(84)	(14,545)
As at 31 December 2022	493,035	2,257	152,472	71,026	25,191	1,010	538	745,529
Additions	-	-	408	7,250	10,297	-	47	18,002
Disposals	-	-	-	(171)	(180)	-	-	(351)
Reclassification*	-	-	(5,260)	5,694	89	-	(523)	-
Revaluation surplus	23,202	-	-	-	-	-	-	23,202
Exchange adjustment	(4,112)	(132)	(4,936)	(1,194)	(1,126)	(15)	(17)	(11,532)
As at 31 December 2023	512,125	2,125	142,684	82,605	34,271	995	45	774,850
Comprising:								
31 December 2023								
At valuation	512,125	-	-	-	-	-	-	512,125
At cost	-	2,125	142,684	82,605	34,271	995	45	262,725
Total	512,125	2,125	142,684	82,605	34,271	995	45	774,850
31 December 2022								
At valuation	493,035	-	-	-	-	-	-	493,035
At cost	-	2,257	152,472	71,026	25,191	1,010	538	252,494
Total	493,035	2,257	152,472	71,026	25,191	1,010	538	745,529

* Reclassifications have been made to conform with the Group's presentation

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land - hotels	Leasehold land	Hotel buildings	Building improvements - hotels	Plant and equipment	Linen, china glassware, silver and uniform	Construction in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group								
Accumulated depreciation:								
As at 1 January 2022	-	144	27,079	11,146	46,528	873	-	85,770
Charge for the year	-	29	1,698	2,457	1,512	6	-	5,702
Disposals	-	-	-	(3)	(329)	(10)	-	(342)
Reclassification*	-	-	233	27,155	(27,093)	(295)	-	-
Exchange adjustment	-	(9)	(657)	(695)	(749)	(35)	-	(2,145)
As at 31 December 2022	-	164	28,353	40,060	19,869	539	-	88,985
Charge for the year	-	28	2,028	2,112	1,783	11	-	5,962
Disposals	-	-	-	(161)	(160)	-	-	(321)
Exchange adjustment	-	(10)	(534)	(256)	(619)	(10)	-	(1,429)
As at 31 December 2023	-	182	29,847	41,755	20,873	540	-	93,197
Accumulated impairment loss:								
As at 1 January 2022	688	318	8,465	6,249	40	89	-	15,849
Reversal of impairment loss	(771)	-	(411)	(1,549)	(12)	(12)	-	(2,755)
Reclassification*	385	(299)	(4,659)	4,481	17	75	-	-
Exchange adjustment	(20)	(19)	(423)	(241)	(1)	(3)	-	(707)
As at 31 December 2022	282	-	2,972	8,940	44	149	-	12,387
(Reversal of) Additions of impairment loss	(274)	-	(724)	(1,918)	16	(33)	-	(2,933)
Exchange adjustment	(8)	-	(58)	(144)	(1)	(2)	-	(213)
As at 31 December 2023	-	-	2,190	6,878	59	114	-	9,241
Carrying amount:								
As at 31 December 2023	512,125	1,943	110,647	33,972	13,339	341	45	672,412
As at 31 December 2022	492,753	2,093	121,147	22,026	5,278	322	538	644,157

* Reclassification have been made to conform with the Group's presentation

Notes to Financial Statements (Cont'd)

31 December 2023

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land - hotels \$'000	Hotel buildings \$'000	Building improvements - hotels \$'000	Plant and equipment \$'000	Linen, china glassware, silver and uniform \$'000	Construction in progress \$'000	Total \$'000
The Company							
Cost or valuation:							
As at 1 January 2022	216,200	7,985	3,553	24,908	398	-	253,044
Additions	-	-	57	58	-	-	115
Disposals	-	-	-	(52)	-	-	(52)
Reclassification*	-	-	22,562	(22,562)	-	-	-
Revaluation surplus	20,200	-	-	-	-	-	20,200
As at 31 December 2022	236,400	7,985	26,172	2,352	398	-	273,307
Additions	-	-	594	115	-	-	709
Disposals	-	-	-	(48)	-	-	(48)
Revaluation surplus	13,100	-	-	-	-	-	13,100
As at 31 December 2023	249,500	7,985	26,766	2,419	398	-	287,068
Comprising:							
31 December 2023							
At valuation	249,500	-	-	-	-	-	249,500
At cost	-	7,985	26,766	2,419	398	-	37,568
Total	249,500	7,985	26,766	2,419	398	-	287,068
31 December 2022							
At valuation	236,400	-	-	-	-	-	236,400
At cost	-	7,985	26,172	2,352	398	-	36,907
Total	236,400	7,985	26,172	2,352	398	-	273,307

* Reclassifications have been made to conform with the Group's presentation

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land - hotels \$'000	Hotel buildings \$'000	Building improvements - hotels \$'000	Plant and equipment \$'000	Linen, china glassware, silver and uniform \$'000	Construction in progress \$'000	Total \$'000
The Company							
Accumulated depreciation:							
As at 1 January 2022	-	7,208	3,278	21,211	217	-	31,914
Charge for the year	-	28	1,439	115	-	-	1,582
Disposals	-	-	-	(52)	-	-	(52)
Reclassification*	-	-	19,256	(19,256)	-	-	-
As at 31 December 2022	-	7,236	23,973	2,018	217	-	33,444
Charge for the year	-	28	832	89	-	-	949
Disposals	-	-	-	(46)	-	-	(46)
As at 31 December 2023	-	7,264	24,805	2,061	217	-	34,347
Carrying amount:							
As at 31 December 2023	249,500	721	1,961	358	181	-	252,721
As at 31 December 2022	236,400	749	2,199	334	181	-	239,863

* Reclassifications have been made to conform with the Group's presentation

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. The right-of-use asset relating to leasehold land is presented under property, plant and equipment.

Property, plant and equipment of the Group and the Company with carrying amounts of \$600.7 million and \$252.2 million (2022: \$582.5 million and \$239.3 million) respectively are pledged as securities for the Group's and the Company's bank loans as disclosed in Notes 15 and 18.

During the year, the Group carried out a review of the recoverable amount of its property, plant and equipment. The review led to a reversal of impairment loss of \$2,933,000 (2022: \$2,755,000) based on recoverable amount by reference to the valuation performed by independent appraisers as at 31 December 2023 (31 December 2022) as disclosed in Note 3. The impairment losses reversed during the year mainly arose from the improved trading performances of certain hotel properties, following the progressive recovery of the hospitality sector in the countries in which these hotels are located.

Fair value measurement of freehold land

Revaluation increase/decrease is recognised only for freehold hotel land in accordance with the Group's accounting policies.

The Group engaged independent professional valuers who have the appropriate qualification and recent experience in such fair value measurement, to assist management in assessing the fair values of freehold land. Information relating to significant estimates involved in valuation of freehold land are provided in Note 3.

Based on the valuation, revaluation gain amounting to \$23.2 million (2022: \$34.3 million) and \$13.1 million (2022: \$20.2 million) for the Group and Company respectively, was recognised in other comprehensive income. Revaluation loss, if any, will be charged against the asset revaluation reserve to the extent that the decrease did not exceed the amount held in the asset revaluation reserve of the same freehold land.

Notes to Financial Statements (Cont'd)

31 December 2023

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of freehold land (cont'd)

The estimated fair values as at the end of each reporting period of the Group's freehold land are as follows:

	2023	2022
	\$'000	\$'000
The Group		
Freehold land:		
- Singapore	412,700	389,400
- Malaysia	55,223	58,226
- Thailand	44,202	45,127
The Company		
Freehold land	249,500	236,400

As at 31 December 2023, had freehold hotel land been carried at historical cost, their aggregate carrying amount would have been approximately \$73.1 million (2022: \$73.1 million) for the Group and \$1.0 million (2022: \$1.0 million) for the Company and the performance of the entity.

Fair values of the Group's freehold and leasehold land and hotel buildings were estimated using inputs which are considered as Level 3 in the fair value hierarchy. Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

	Valuation Methodology	Significant unobservable inputs (Level 3)	Inputs		
			2023	2022	
Freehold land and hotel buildings in Singapore	Direct Comparison Method for land and building	Contract rate per room ⁽¹⁾	\$1,182,000 to	\$1,110,000 to	
			\$1,193,000	\$1,121,000	
	Income capitalisation for land and building	Occupancy rate ⁽¹⁾	83% to 85%	78% to 80%	
			Room rate per day ⁽¹⁾	\$135 to \$155	\$125 to \$135
Residual method for land	Capitalisation rate ⁽²⁾	4.00% to 4.25%	4.00% to 4.25%		
		Depreciated replacement cost per room ⁽²⁾	\$233,000 to	\$231,000 to	
			\$303,000	\$260,000	
Freehold and leasehold land in Malaysia	Direct Comparison Method for land	Price per square metre - after adjustment for differences such as location and size ⁽¹⁾			
			- Hotel Royal Kuala Lumpur	\$12,075 (MYR42,044)	\$12,823 (MYR42,044)
			- Hotel Royal Penang	\$2,377 (MYR8,278)	\$2,525 (MYR8,278)
			- Baba Residences (including Baba Mansion)	\$2,270 (MYR7,902)	\$2,263 (MYR7,419)
			- Hotel Royal Signature	\$9,186 (MYR31,985)	\$9,755 (MYR31,985)
Freehold land in Thailand	Direct Comparison Method for land	Price per square metre - after adjustment for differences such as location, size, configuration and accessibility ⁽¹⁾			
			- Bangkok	\$14,685	\$15,073
				(Baht382,432)	(Baht386,486)
			- Phuket	\$3,342	\$3,394
			(Baht87,037)	(Baht87,037)	

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of freehold land (cont'd)

- (1) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.
- (2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

14 INVESTMENT PROPERTIES

	Freehold land and buildings	
	2023	2022
	\$'000	\$'000
The Group		
Cost:		
At beginning of the year	127,112	134,015
Additions *	396	1,362
Exchange adjustment	(2,123)	(8,265)
At end of the year	<u>125,385</u>	<u>127,112</u>
Accumulated depreciation:		
At beginning of the year	20,621	20,736
Charge for the year	1,231	1,300
Exchange adjustment	(435)	(1,415)
At end of the year	<u>21,417</u>	<u>20,621</u>
Accumulated impairment:		
At beginning of the year	5,173	3,507
Impairment for the year	2,962	1,998
Exchange adjustment	(31)	(332)
At end of the year	<u>8,104</u>	<u>5,173</u>
Carrying amount:		
At end of the year	<u>95,864</u>	<u>101,318</u>

* Mainly arising from freehold buildings in New Zealand.

Certain investment properties of the Group with carrying amounts of \$93.8 million (2022: \$99.2 million) are pledged as securities for the Group's bank loans (Notes 15 and 18).

The property rental income from the Group's investment properties amounted to \$6.7 million (2022: \$6.3 million). Direct operating expenses (including repairs and maintenance) arising from the rental-generating properties amounted to \$5.7 million (2022 : \$6.2 million).

Investment properties are recorded at cost less accumulated depreciation and any accumulated impairment losses. Fair value changes are not recognised for investment properties. The following estimates of fair values of investment properties are provided as information. During the year, the Group recognised an impairment loss of \$3.0 million (2022: \$2.0 million) on its New Zealand properties. Further information is disclosed in Note 3.

Notes to Financial Statements (Cont'd)

31 December 2023

14 INVESTMENT PROPERTIES (cont'd)

Estimated fair values of investment properties

	2023	2022
	\$'000	\$'000
Freehold land and buildings in New Zealand	62,733	66,597
Freehold land and buildings in Malaysia	24,699	26,230
Freehold buildings in Singapore	8,940	8,380
Freehold land and building in Singapore *	37,367	35,003
	<u>133,739</u>	<u>136,210</u>

* The freehold land and building in Singapore is held by the Company.

Fair values of investment properties are generally either assessed with reference to open market values of comparable properties and making adjustments for differences between the investment properties and the comparable properties, or are assessed based on the estimated future cash flows and discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

Fair values of the Group's investment properties (disclosed above but not used as a basis of accounting in the statement of financial position) were estimated using inputs which are considered as Level 3 in the fair value hierarchy. The fair values for the properties were estimated after considering the results of various valuation techniques. Details of valuation techniques and significant unobservable inputs used in the fair value measurement were as follows:

	Valuation Methodology	Significant unobservable inputs (Level 3)
Freehold land and buildings in New Zealand	Investments Method	Capitalisation rate on adopted market rental profile ⁽²⁾
		Growth rate ⁽¹⁾
		Rates to discount cash flows to present value ⁽²⁾
	Direct Comparison Method	Price per square metre of gross floor area ⁽¹⁾
Freehold land and buildings in Malaysia	Direct Comparison Method	Price per square metre of gross floor area ⁽¹⁾
Freehold and leasehold land and buildings in Singapore	Direct Comparison Method	Price per square metre of strata floor area ⁽¹⁾

Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

14 INVESTMENT PROPERTIES (cont'd)

The Company	Freehold land and buildings	
	2023	2022
	\$'000	\$'000
Cost:		
At beginning of the year	25,961	25,961
Improvement	6	-
At end of the year	25,967	25,961
Accumulated depreciation:		
At beginning of the year	3,934	3,823
Charge for the year	100	111
At end of the year	4,034	3,934
Carrying amount:		
At end of the year	21,933	22,027

15 BANK LOANS

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Short-term bank loans (secured)	4,252	8,297	-	-
Long-term bank loans (secured)				
- current portion (Note 18)	4,507	13,078	720	720
	8,759	21,375	720	720

Short-term bank loans of the Group bear variable interest ranging from approximately 3.57% to 4.82% (2022: 3.50% to 5.69%) per annum. The above bank facilities are secured on mortgages of subsidiaries' freehold land and buildings, leasehold land, and certain investment properties with aggregate carrying amounts as disclosed in Notes 13 and 14.

Reconciliation of liabilities arising from financing activities

Group	Non-cash changes			
	As at 1 January	Financing cash flows ⁽ⁱ⁾	Foreign exchange movement	As at 31 December
	\$'000	\$'000	\$'000	\$'000
Bank loans and long-term bank loans (Notes 15 and 18)				
2023	174,305	(12,201)	(3,374)	158,730
2022	196,131	(16,737)	(5,089)	174,305

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

Notes to Financial Statements (Cont'd)

31 December 2023

16 OTHER PAYABLES

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
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

Other payables comprise mainly amounts outstanding for ongoing operational costs.

Amounts owing to subsidiaries of \$8,418,000 (2022: \$14,582,000) are unsecured and bear interest ranging from 4.39% to 4.63% (2022: 0.8% to 4.53%) per annum.

17 RETIREMENT BENEFIT OBLIGATIONS

The subsidiaries operate unfunded, defined benefit retirement benefit schemes (the "Schemes") in Thailand. Under the Schemes, eligible employee of the subsidiaries are entitled to retirement benefits based on 83% to 100% of their last drawn basic salary for Thailand employees, multiplied by the years of service on attainment of the normal retirement age of 55 years old in Thailand.

The amounts recognised in the statement of financial position are as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Present value of unfunded defined benefit obligations	259	359
Payable:		
Within 1 year	35	55
Later than 1 year but not later than 2 years	7	32
Later than 2 years but not later than 5 years	100	90
Later than 5 years	117	182
	259	359

Changes in the present values of the defined benefit obligations since the beginning of year arise from changes in current service costs incurred, less benefits paid. Such changes are recorded in the statement of profit or loss.

Defined benefit obligations for subsidiaries in Thailand have been valued by qualified independent actuaries. The projected unit credit method is used in the valuations.

Principal actuarial assumptions used for the purpose of the actuarial valuations were as follows:

	The Group	
	2023	2022
	%	%
Discount rate	3.0	2.9
Expected rate of salary increases	4.0	4.0

18 LONG-TERM BANK LOANS

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Long-term bank loans	154,478	166,008	72,580	71,667
Less: Amount due for settlement within 12 months (Note 15)	(4,507)	(13,078)	(720)	(720)
Amount due for settlement after 12 months	149,971	152,930	71,860	70,947

During the year, the Group's and the Company's long-term bank loans bear interest ranging from 2.00% to 5.69% and 2.00% to 5.17% (2022: 2.00% to 7.40% and 2.00% to 3.14%) per annum respectively.

These long-term bank loans are secured against the land and buildings (Note 13) and investment properties (Note 14).

The bank loans are periodically repriced on a timely basis depending on the movement in the market lending rates. Management is of the view that the carrying amounts of these bank loans approximate their fair values.

19 DEFERRED TAX LIABILITIES

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Movement in deferred tax balance during the year</u>				
At beginning of year	10,515	11,488	723	841
(Credit) Charge to profit or loss for the year	(383)	(341)	35	(34)
Under (Over) provision in prior year	32	(176)	74	(84)
Arising from revaluation gain on freehold hotel land	13	-	-	-
Exchange adjustment	(202)	(456)	-	-
At end of year	9,975	10,515	832	723

<u>Components of deferred tax balance</u>	Accelerated tax depreciation		
	\$'000	\$'000	\$'000
<u>The Group</u>			
As at 1 January 2022		6,589	4,899
Credit to profit or loss for the year		(341)	(176)
Exchange adjustment		-	(456)
As at 31 December 2022		6,248	4,267
As at 1 January 2023		6,248	4,267
(Credit) Charge to profit or loss for the year		(383)	32
Arising from revaluation gain on freehold hotel land		-	13
Exchange adjustment		-	(202)
As at 31 December 2023		5,865	4,110

Notes to Financial Statements (Cont'd)

31 December 2023

19 DEFERRED TAX LIABILITIES (cont'd)

	Accelerated tax depreciation and others	
	2023	2022
	\$'000	\$'000
The Company		
At beginning of year	723	841
Charge (Credit) to profit or loss for the year	109	(118)
At end of year	832	723

Subsidiaries have unutilised tax losses and capital allowances carryforward of approximately \$40.6 million and \$20.3 million (31 December 2022: \$47.5 million and \$11.8 million) respectively, which are available for offset against future taxable profits of the subsidiaries, subject to the approval by the Malaysian, New Zealand and Thailand tax authorities. As at 31 December 2023 and 31 December 2022, no deferred tax asset is recorded as there is no reasonable assurance of the ability to utilise the tax losses in the foreseeable future.

No deferred tax liability has been recognised in respect of undistributed earnings of foreign subsidiaries which would be subject to withholding tax if transferred out of the country. The Group is in a position to control the timing of the transfer of these retained earnings and do not expect the retained earnings to be remitted such as to attract withholding tax in the foreseeable future.

20 SHARE CAPITAL

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

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

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. The total number of issued ordinary shares of the Company was increased from 100.8 million ordinary shares to 120.96 million ordinary shares and net paid-up capital was increased from \$150.665 million to \$190.836 million.

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

21 ASSET REVALUATION RESERVE

The asset revaluation reserve arises from the revaluation of freehold hotel land. On subsequent sale or retirement of a revalued freehold hotel land, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

22 EMPLOYEE BENEFIT RESERVE

Employee benefit reserve represents the remeasurement gains and losses arising from Retirement Benefit Schemes for the Group's eligible employees.



23 FAIR VALUE RESERVE

The fair value reserve represents the fair value changes of the Group's financial assets designated as at FVTOCI.

24 FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of foreign currency translation reserve.

25 REVENUE

The Group derives its revenue from the transfer of goods and services at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (see Note 31).

	The Group	
	2023	2022
	\$'000	\$'000
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 investments:		
- Interest income from investments	74	41
- Dividend income from:		
- Quoted equity investments	366	260
- Unquoted equity investments	178	103
	58,340	41,890

Room revenue, food and beverage revenue, spa revenue, and car park revenue are recorded at a point in time.

As of 31 December 2023 and 31 December 2022, there was no performance obligation that was unsatisfied or partially satisfied, other than performance obligations to be rendered during the remaining period, which generally cover a period of a year.

26 OTHER INCOME

	The Group	
	2023	2022
	\$'000	\$'000
Write back of allowance for doubtful receivables	29	265
Write back of impairment loss on property, plant and equipment	2,933	2,755
Government grants	300	355
Other income	70	390
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	-
	5,224	3,765

Notes to Financial Statements (Cont'd)

31 December 2023

27 FINANCE COSTS

	The Group	
	2023	2022
	\$'000	\$'000
Interest expense on bank loans	8,356	5,797

28 PROFIT (LOSS) BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	The Group	
	2023	2022
	\$'000	\$'000
Depreciation expenses		
Depreciation of property, plant and equipment	5,962	5,702
Depreciation of investment properties	1,231	1,300
	<u>7,193</u>	<u>7,002</u>
Staff costs (including directors' remuneration)	15,295	11,278
Cost of defined contribution plans included in staff costs	882	681
Directors' remuneration:		
- Directors of the subsidiaries (key management personnel)	583	577
Proposed directors' fee:		
- Directors of the Company	242	211
- Directors of the subsidiaries (key management personnel)	110	112
Audit fees paid to:		
- Auditors of the Company and Deloitte network firms	440	406
Non-audit fees paid to:		
- Auditors of the Company and Deloitte network firms	112	48
Impairment loss on investment properties *	2,962	1,998
Allowance for doubtful receivables *	18	193
Bad debt expense	-	204
Loss on disposal of property, plant and equipment *	30	-
Net fair value loss on financial assets at FVTPL *	-	683
Net foreign exchange adjustment loss *	-	1,257

* Included in "other expenses" in the consolidated statement of profit or loss.

29 INCOME TAX EXPENSE

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



29 INCOME TAX EXPENSE (cont'd)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2022 : 17%) to profit (loss) before income tax as a result of the following differences:

	The Group	
	2023	2022
	\$'000	\$'000
Profit (Loss) before income tax	4,690	(2,934)
Income tax expense (credit) at 17% rate	797	(499)
Difference due to foreign tax rates	96	(206)
Non taxable items	(1,999)	(616)
Withholding tax	435	363
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	2,657	1,875
Under (Over) provision in prior years	218	(364)
Tax exemption and rebate	(69)	(48)
Total income tax expense	2,135	505

30 PROFIT (LOSS) PER SHARE

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

There are no dilutive potential ordinary shares and diluted earnings per share is therefore same as basic loss per share.

31 SEGMENT INFORMATION

Products and services of the Group

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").

Definition of operating segments and reportable segments of the Group

For the purpose of reporting to the Group's chief operating decision-maker for resource allocation and assessment of operational performance, the information is organised in the following manner:

- Hotel operations - information is reported on individual hotel basis.
- Property investments - information is reported on individual property basis.
- Financial investments - information is reported on overall performance of the investment portfolio.

The above forms the basis of determining an operating segment of the Group. For the purpose of reporting segment information externally, the following reportable segments are identified:

- Hotel operations
 - Singapore
 - Malaysia
 - Thailand

Notes to Financial Statements (Cont'd)

31 December 2023

31 SEGMENT INFORMATION (cont'd)

Definition of operating segments and reportable segments of the Group (cont'd)

- Property investments
 - Singapore
 - New Zealand
 - Malaysia
- Financial investments

The accounting policies of the reportable segments are the same as the Group's material accounting policy information described in Note 2. Segment profits represent profits earned by each segment without allocation of the finance costs and income tax expense. All assets are allocated to reportable segments except for fixed deposits and income tax recoverable. Segment liabilities represent operating liabilities attributable to each reportable segment. Bank borrowings, deferred tax liabilities and tax liabilities are not allocated. Information regarding the Group's reportable segments is presented below:

I Revenue

	External		Inter-segment		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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

31 SEGMENT INFORMATION (cont'd)

II Net profit (loss)

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

III Segment assets and liabilities

	Segment assets		Segment liabilities	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
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
	690,833	659,262	9,645	7,891
Property investments				
Singapore	24,114	24,409	115	118
New Zealand	64,717	69,606	856	1,161
Malaysia	9,151	9,883	-	-
	97,982	103,898	971	1,279
Financial investments	31,029	29,252	22	21
Segments total	819,844	792,412	10,638	9,191
Unallocated items	7,413	33,913	171,268	186,015
Consolidated total	827,257	826,325	181,906	195,206

Notes to Financial Statements (Cont'd)

31 December 2023

31 SEGMENT INFORMATION (cont'd)

IV Other segment information

Other segment information includes the following charges (credits):

	Hotel operations				Property investments				Consolidated total
	Singapore	Malaysia	Thailand	Subtotal	Singapore	Zealand	Malaysia	Subtotal	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023									
Additions to non-current assets	1,339	16,206	457	18,002	6	390	-	396	18,398
Depreciation	2,313	2,933	716	5,962	142	929	160	1,231	7,193
Recovery of bad debts	-	-	-	-	-	(11)	-	(11)	(11)
Loss on disposal of property, plant and equipment	3	(1)	28	30	-	-	-	-	30
Allowance for doubtful receivables	-	-	-	-	18	-	-	18	18
Write back of allowance for doubtful receivables	-	-	(4)	(4)	-	(25)	-	(25)	(29)
Write back of impairment loss on property, plant and equipment	-	(409)	(2,524)	(2,933)	-	-	-	-	(2,933)
Impairment loss on investment properties	-	-	-	-	-	2,962	-	2,962	2,962
2022									
Additions to non-current assets	585	8,087	188	8,860	-	1,362	-	1,362	10,222
Depreciation	2,891	2,065	746	5,702	152	979	169	1,300	7,002
Bad debts	5	-	-	5	-	199	-	199	204
Allowance for doubtful receivables	-	-	-	-	-	193	-	193	193
Write back of allowance for doubtful receivables	(136)	-	(61)	(197)	(12)	(56)	-	(68)	(265)
Write back of impairment loss on property, plant and equipment	-	(103)	(2,652)	(2,755)	-	-	-	-	(2,755)
Impairment loss on investment properties	-	-	-	-	-	1,998	-	1,998	1,998

31 SEGMENT INFORMATION (cont'd)

V Geographical information

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

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
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
	58,340	41,890	788,583	764,796

32 OPERATING LEASE ARRANGEMENTS

The Group and Company as lessor

Operating leases, in which the Group is the lessor, relate to investment properties and hotel buildings owned by the Group with lease terms of between 1 to 8 years (2022: 1 to 8 years). The lessee does not have an option to purchase the property at the expiry of the lease period. The unguaranteed residual values do not represent a significant risk for the Group.

Maturity analysis of operating lease receivables:

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Year 1	7,602	7,181	1,848	1,572
Year 2	5,503	5,489	532	1,050
Year 3	3,661	3,831	-	40
Year 4	2,511	2,718	-	-
Year 5	1,878	1,969	-	-
Year 6 and onwards	6,544	6,011	-	-
	27,699	27,199	2,380	2,662

Notes to Financial Statements (Cont'd)

31 December 2023

33 CONTINGENT LIABILITIES

Guarantees given

The Company is a guarantor for banking facilities totaling \$165.6 million (2022: \$169.2 million) obtained by subsidiaries. The fair values of the financial guarantee at the end of reporting period is approximately \$3.3 million (2022: \$2.7 million). The maximum amount that the Company could be obliged to settle in the event that the guarantees are called upon is \$86.1 million (2022: \$94.1 million) based on facilities used by the subsidiaries at the end of the year.

34 CAPITAL EXPENDITURE COMMITMENTS

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	7,520	5,370	2,226	-

35 DIVIDENDS

In 2022, the Company declared and paid a first and final tax-exempt dividend of \$0.025 per ordinary share of the Company totaling \$2.52 million in respect of the financial year ended 31 December 2021.

In 2023, the Company declared and paid a first and final tax-exempt dividend of \$0.025 per ordinary share of the Company totaling \$3.02 million in respect of the financial year ended 31 December 2022.

Subsequent to 31 December 2023, the directors of the Company recommended that a first and final tax-exempt dividend be paid at \$0.025 per ordinary share totaling \$3.02 million for the financial year just ended on the ordinary shares of the Company. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Statistics of Shareholdings

As at 8 March 2024

Issued and Fully Paid-Up Capital	:	S\$191,449,496
No. of Shares Issued	:	120,960,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Share
No. of Treasury Shares And Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Holders	No. of Shares	% of Shares
1 - 99	65	5.00	553	0.00
100 - 1,000	233	17.91	106,829	0.09
1,001 - 10,000	646	49.65	2,908,679	2.40
10,001 - 1,000,000	346	26.59	24,626,848	20.36
1,000,001 AND ABOVE	11	0.85	93,317,091	77.15
TOTAL	1,301	100.00	120,960,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Shares
1	Aik Siew Tong Ltd	29,211,840	24.15
2	Great Eastern Life Assurance Co Ltd - Participating Fund	13,402,096	11.08
3	Hock Tart Pte Ltd	12,979,680	10.73
4	Melodies Limited	11,491,200	9.50
5	Singapore-Johore Express Pte Ltd	10,959,282	9.06
6	Asia Building Berhad	8,250,480	6.82
7	GTK Holding Pte Ltd	2,032,000	1.68
8	Chip Keng Holding Berhad	1,386,000	1.15
9	DBS Nominees Pte Ltd	1,329,141	1.10
10	Citibank Nominees Singapore Pte Ltd	1,208,238	1.00
11	The Great Eastern Trust Private Limited	1,067,134	0.88
12	Wee Aik Koon Pte Ltd	991,500	0.82
13	Morph Investments Ltd	914,400	0.76
14	OCBC Securities Private Ltd	798,913	0.66
15	Lee Khin Tien (Li Qingtian)	727,063	0.60
16	Season Holdings Pte Ltd	720,960	0.60
17	Tan Cheh Tian (Chen Jingzhen)	700,000	0.58
18	Ng Poh Cheng	693,600	0.57
19	Phillip Securities Pte Ltd	579,888	0.48
20	Tan Hock Teng	562,200	0.46
TOTAL		100,005,615	82.68

Statistics of Shareholdings

As at 8 March 2024

Substantial Shareholders as at 8 March 2024 as shown in the Company's Register of Substantial Shareholders:-

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Lee Chou Hor George ⁽¹⁾	42,000	0.03	12,993,680	10.74
Lee Chou Tart ⁽²⁾	-	-	12,979,680	10.73
Aik Siew Tong Ltd ⁽³⁾	29,211,840	24.15	22,450,482	18.56
Hock Tart Pte Ltd ⁽⁴⁾	10,979,680	9.08	31,211,840	25.80
The Great Eastern Life Assurance Co Ltd ⁽⁵⁾	13,406,934	11.08	-	-
Great Eastern Holdings Limited ⁽⁶⁾	-	-	14,478,906	11.97
Oversea-Chinese Banking Corporation Limited ⁽⁷⁾	-	-	14,478,906	11.97
Asia Building Bhd ⁽⁸⁾	8,250,480	6.82	1,386,000	1.15
Melodies Limited ⁽³⁾	11,491,200	9.50	-	-
Other Shareholders				
The Singapore-Johore Express (Private) Limited ⁽³⁾	10,959,280	9.06	-	-
Chip Keng Holding Bhd ⁽⁸⁾	1,386,000	1.15	-	-

Note:

- Lee Chou Hor George owns 24.85% of the share capital of Hock Tart Pte Ltd ("Hock Tart"). He is deemed interested in the shares held by Hock Tart. Additionally, Lee Chou Hor George is also deemed interested in the 14,000 shares held by his spouse.
- Lee Chou Tart owns 24.85% of the share capital of Hock Tart. He is deemed interested in the shares held by Hock Tart.
- Aik Siew Tong Ltd ("AST") holds 83.4% and 69.1% of the share capital of Melodies Limited ("Melodies") and The Singapore-Johore Express (Private) Limited ("S-J Express") respectively and is deemed to be interested in the 11,491,200 shares and 10,959,282 shares held by Melodies and S-J Express respectively.
- Hock Tart Pte Ltd holds 31.7% of the share capital of AST and is therefore deemed interested in the shares held by AST. Hock Tart is also deemed to have an interest of 2,000,000 shares held by its nominee, Oversea-Chinese Bank Nominees Pte Ltd.
- The Great Eastern Life Assurance Co Ltd is the wholly owned subsidiary of Great Eastern Holdings Limited. Great Eastern Holdings Limited is therefore deemed interested in the 13,406,934 shares (of which 4,838 shares are registered in the name of DBS Nominees (Private) Limited).
- Great Eastern Holdings Limited is deemed interested in the 14,478,906 shares which made up of 13,406,934 shares as aforementioned; 1,067,134 shares registered in the name of its subsidiary, The Great Eastern Trust Private Limited; and 4,838 shares registered in the name of DBS Nominees (Private) Limited (for the beneficial interest of The Great Eastern Trust Private Limited).
- Oversea-Chinese Banking Corporation Limited is deemed to be interested in the shares held by Great Eastern Holdings Ltd.
- Chip Keng Holding Bhd is the wholly owned subsidiary of Asia Building Bhd. Asia Building Bhd is deemed interested in the 1,386,000 shares held by Chip Keng Holding Bhd.

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 8 March 2024, approximately 24.13% of the Company's issued ordinary shares were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 55th Annual General Meeting (“**AGM**”) of Hotel Royal Limited will be held at the Hotel Royal, Level 3, Royal Room 1, 36 Newton Road, Singapore 307964 on Friday, 26 April 2024 at 2.30 p.m. for the following business: -

As Ordinary Business

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a First and Final Dividend of 2.5 cents per ordinary share one-tier tax exempt for the financial year ended 31 December 2023. (FY2022: 2.5 cents per ordinary share) **(Resolution 2)**
3. To approve the payment of Directors’ fees of \$242,000 for the financial year ended 31 December 2023. (FY2022: \$211,000) **(Resolution 3)**
4. To re-elect Mr Lee Kin Hong who is retiring pursuant to Article 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. **[See Explanatory Note (i)]** **(Resolution 4)**
5. To re-elect Mr Lee Chou Hor George who is retiring pursuant to Article 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. **[See Explanatory Note (ii)]** **(Resolution 5)**
6. To re-elect Mr Leow Chung Chong Yam Soon who is retiring pursuant to Article 122 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. **[See Explanatory Note (iii)]** **(Resolution 6)**
7. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

By Order of the Board

Sin Chee Mei
Company Secretary

Singapore,
5 April 2024

Notice of Annual General Meeting

EXPLANATORY NOTES:

- (i) Mr Lee Kin Hong will, upon re-election as a Director of the Company, remain as a Non-Executive and Non-Independent Director of the Company. Detailed information on Mr Lee Kin Hong can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- (ii) Mr Lee Chou Hor George will, upon re-election as a Director of the Company, remain as a Non-Executive and Non-Independent Director of the Company. Detailed information on Mr Lee Chou Hor George can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- (iii) Mr Leow Chung Chong Yam Soon will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director of the Company as well as Chairman of the Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Mr Leow Chung Chong Yam Soon can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.

NOTES:

(a) Participation in the AGM

1. The Annual General Meeting (the "**Meeting**" or "**AGM**") will be held, in a wholly physical format at the AGM venue set out above and there will be no option for members to participate virtually. The Notice of AGM, Proxy Form, Annual Report 2023 Request Form, the Annual Report will be made available on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://hotelroyal.listedcompany.com/home.html>. A printed copy of the Notice of AGM, Proxy Form and Annual Report 2023 Request Form will be sent to the members of the Company.
2. Members may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or
 - (c) voting at the AGM by themselves or through their duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by members, are set out in the notes below.

(b) Registration in person to attend the AGM

1. Members, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/Passport to enable the Company to verify your identity. Members and/or their proxy(ies) are advised to arrive early to facilitate the registration process and exercise social responsibility and not to attend the AGM if they are feeling unwell. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.
2. For investors who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, 1967 of Singapore) including CPF and SRS Investors and who wish to participate in the AGM should contact their respective relevant intermediaries (including CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

(c) Asking Questions

1. Members, including CPF and SRS investors may ask question relating to the item on the agenda of the AGM during the AGM physically or submitting their question to the Company in advance ("**Advanced Questions**") by 18 April 2024, 2:30 p.m. ("**Cut-off Time**") through any of the following means:
 - (i) by post, to be deposited at the registered office of the Company at 36 Newton Road, Singapore 307964; or
 - (ii) by email to ir@hotelroyal.com.sg
2. Members, including CPF and SRS investors must identify themselves when posting questions through email or mail by providing their full names (for individuals)/company names (for corporations), NRIC/passport number/company registration numbers, contact numbers, email address, number of shares and the manner in which their hold shares (if hold shares directly, please provide the CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholders).
3. The Company will address all substantial and relevant Advanced Questions through announcement on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://hotelroyal.listedcompany.com/home.html> by 2:30 p.m. on 20 April 2023.
4. The Company will endeavors to address (i) subsequent clarifications sought, (ii) follow-up questions, or (iii) subsequent substantial and relevant questions which are received after the Cut-off Time at the AGM itself or via an announcement on SGXNet and the Company's website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
5. The Company will, within one month after the AGM, publish the minutes of the AGM on the SGXNet and the Company's website and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

(d) Voting at the AGM or voting by appointing prox(ies)

1. Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.
2. Duly completed proxy forms must be submitted through any of the following means no later than 23 April 2024, 2:30 p.m., being no later than seventy-two (72) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid:
 - (i) If sent personally or by post, the proxy form must be lodged at the registered office of the Company at Hotel Royal Limited, 36 Newton Road, Singapore 307964; or
 - (ii) If by email, the proxy form must be received at main@zicoholdings.com

The proxy form is made available on SGXNet and the Company's corporate website at <http://hotelroyal.listedcompany.com/home.html> and may be accessed through announcement on the SGX website at <https://www.sgx.com/securities/company-announcements>.

The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

3. A proxy need not be a member of the company.
4. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.

Notice of Annual General Meeting

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6. For investors who holds shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:
 - (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the AGM.

7. A member (other than a Relevant Intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to the represented by each proxy shall be specified in the form of the proxy.
8. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote in his/her stead at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 1967.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Meeting, proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), addressing relevant and substantial questions from members received before and/or during the AGM and if necessary, following up with the relevant members in relation to such questions and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound, and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member of the Company or the member's proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such Purposes.

Disclosure of Information on Directors Seeking Re-Election

Mr Lee Kin Hong, Mr Lee Chou Hor George and Mr Leow Chung Chong Yam Soon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened and held on 26 April 2024 (“**AGM**”) (collectively, the “Retiring Directors” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR LEE KIN HONG	MR LEE CHOU HOR GEORGE	MR LEOW CHUNG CHONG YAM SOON
Date of Appointment	21 June 2002	29 June 2020	1 May 2023
Date of last re-appointment (if applicable)	24 April 2021	24 April 2021	-
Age	70	64	53
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“ NC ”) and has reviewed and considered the past contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lee Kin Hong for re-appointment as Non-Executive and Non-Independent Director of the Company. The Board have reviewed and concluded that Mr Lee Kin Hong possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lee Chou Hor George for re-appointment as Non-Executive and Non-Independent Director of the Company. The Board has reviewed and concluded that Mr Lee Chou Hor George possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, expertise, experience, diversity of skillsets, independent and commitment in the discharge of duties of Mr Leow Chung Chong Yam Soon as Independent and Non-Executive Director of the Company and concluded that Mr Leow Chung Chong Yam Soon possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and is suitable for re-election as the Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director	Non-Executive and Non-Independent Director	Non-Executive and Independent Director, Chairman of Audit and Risk Committee and member of Remuneration Committee and Nominating Committee

Disclosure of Information on Directors Seeking Re-Election

	MR LEE KIN HONG	MR LEE CHOU HOR GEORGE	MR LEOW CHUNG CHONG YAM SOON
Professional qualifications	Bachelor of Science (Building) from the National University of Singapore Master of Science (Project Management) from the National University of Singapore	Bachelor of Business Administration (Hons) and Master of Business Administration from Schulich School of Business (York University, Toronto, Canada) Master of Science (Real Estate) from the National University of Singapore Master of Professional Accounting from the Singapore Management University Chartered Accountant (Singapore) and Certified Internal Auditor	Practising member, Institute of Singapore Chartered Accountants (ISCA) Fellow Chartered Association of Certified Accountants, United Kingdom Certified Public Accountants, United States of America
Working experience and occupation(s) during the past 10 years	Director of Singapore-Johore Express (Private) Limited (1985 to present) Honourable Chairman of Sian Chay Medical Institution (2014 to present)	Executive Director of Hotel Royal Group (1993 - 2016) Owner and Executive Director of Sweet Savour Café Sdn Bhd, (2016 – 2018) Volunteer Adult Educator in China (2018 – present)	Audit partner at Ecovis Assurance LLP (2012 to present)
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 499,658 ordinary shares Deemed Interest: 483,840 ordinary shares held by Eng Keng Estate Management Pte Ltd	Direct Interest: 42,000 ordinary Shares Deemed Interest: 12,993,680 ordinary Shares (Mr Lee Chou Hor George owns 24.85% of the share capital of Hock Tart Pte Ltd. He is deemed interest in the shares held by Hock Tart Pte. Ltd. Additionally, he is deemed interest in the shares held by his spouse)	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Brother of the Non-Executive Director, Mr Lee Khin Tien Uncle of the Non-Executive Directors, Mr Lee Chou Hor George and Dr Lee Chu Muk and the Chief Executive Officer, Mr Lee Chou Hock	Nephew of the Non-Executive Directors, Mr Lee Khin Tien and Mr Lee Kin Hong Brother of the Chief Executive Officer, Mr Lee Chou Hock and the substantial shareholder, Mr Lee Chou Tart Cousin of the Non-Executive Director, Dr Lee Chu Muk	None
Conflict of Interest (including any competing business)	No	No	No

	MR LEE KIN HONG	MR LEE CHOU HOR GEORGE	MR LEOW CHUNG CHONG YAM SOON
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships (for the last 5 years)	Nil	Nil	1) Fragrance Group Limited 2) Asian Healthcare Specialists Limited 3) No Signboard Holdings Ltd
Other Principal Commitments Including Directorships (Present)	<ol style="list-style-type: none"> 1) The Singapore-Johore Express (Private) Limited – Managing Director 2) The Singapore-Johore Express (Private) Limited 3) Aik Siew Tong Limited 4) Castle Mall Properties Pte Ltd 5) Customhouse Building(s) Pte Ltd 6) Eng Keng Estate Management Pte Ltd 7) Grand Complex Properties Ltd 8) Hotel Royal @ Queen (Singapore) Pte Ltd 9) Hotel Royal (Thailand) Pte Ltd 10) Melodies Ltd 11) Prosper Realty Pte Ltd 12) Royal Capital Pte Ltd 13) Royal Properties Investment Pte Ltd 14) Thong Ching Pte Ltd 15) Xin Rou Properties Pte Ltd 16) Man Won Company Ltd 17) Panali Co Ltd 18) Customhouse Building Limited 19) Baba Residences Sdn Bhd 20) Faber Kompleks Sdn Bhd 21) Heng Ann Enterprise (M) Bhd 22) Hock Jiong Enterprise (Holdings) Bhd 23) Libros Sdn Bhd 24) Melodies Limited 25) Premium Lodge Sdn Bhd 26) Prestige Properties Sdn Bhd 27) Sebatik Plantations Sdn Bhd 	<ol style="list-style-type: none"> 1) The Singapore-Johore Express (Private) Limited, 2) Melodies Limited 3) Aik Siew Tong Limited 4) Hock Tart Private Limited 5) Royal Capital Pte Ltd 6) Xin Rou Properties Pte Ltd 7) Royal Properties Investment Pte Ltd 8) Customhouse Building (S) Pte Ltd 9) Prosper Property Pte Ltd 10) Castle Mall Properties Pte Ltd 11) Metro Builders Pte Ltd 12) Lico Properties Pte Ltd 13) Hotel Royal @ Queens (Singapore) Pte Ltd 14) Hotel Royal (Thailand) Private Limited 15) Mana & Roll Pte. Ltd. 16) Mann Won Company Ltd 17) Faber Complex Sdn Berhad 18) Melodies Limited (Malaysia) 19) Prestige Properties Sdn Berhad 20) Hotel Royal Bangkok (Thailand) Co., Ltd 21) Panali Co., Ltd 22) Grand Complex Properties Limited 23) Customhouse Building Limited 	<ol style="list-style-type: none"> 1) Spring & Associates PAC 2) Ecovis Advisory Pte Ltd 3) Ecovis Assurance LLP (Partner and Manager)

Disclosure of Information on Directors Seeking Re-Election

		MR LEE KIN HONG	MR LEE CHOU HOR GEORGE	MR LEOW CHUNG CHONG YAM SOON
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
a)	Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	No
c)	Whether there is any unsatisfied judgement against him?	No	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

		MR LEE KIN HONG	MR LEE CHOU HOR GEORGE	MR LEOW CHUNG CHONG YAM SOON
f)	Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

		MR LEE KIN HONG	MR LEE CHOU HOR GEORGE	MR LEOW CHUNG CHONG YAM SOON
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

HOTEL ROYAL LIMITED

(Co. Reg. No. 196800298G)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING

PROXY FORM

IMPORTANT

1. The Annual General Meeting ("AGM") will be held physically at Hotel Royal, Level 3, Royal Room 1, 36 Newton Road, Singapore 307964. Members have no option to participate virtually.
2. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2 for the definition of "relevant intermediary").
3. For investors holding shares through a Relevant Intermediary including CPF and SRS investors, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. The investors should contact their respective relevant intermediary, Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.

I/We, _____ (Name), *NRIC/Passport No./Registration No. _____

of _____ (Address)

being a *member/members of HOTEL ROYAL LIMITED (the "Company") hereby appoint:

Name	*NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Name	*NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing *him/her, the Chairman of the Meeting, as *my/our proxy/proxies to vote for *me/us on *my/our behalf, at the 55th Annual General Meeting ("AGM") of the Company, to be held physically at the Hotel Royal, Level 3, Royal Room 1, 36 Newton Road, Singapore 307964 on Friday, 26 April 2024 at 2.30 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

No.	Resolutions	For	Against	Abstain
1.	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2023			
2.	Declaration of First and Final Dividend			
3.	Approval of payment of Directors' Fees			
4.	Re-election of Mr Lee Kin Hong as Director			
5.	Re-election of Mr Lee Chou Hor George as Director			
6.	Re-election of Mr Leow Chung Chong Yam Soon as Director			
7.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration			

* Delete where inapplicable

NOTES: All resolutions put to vote at the AGM shall be decided by way of poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy, not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2024

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/
and, Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member of the Company (other than a Relevant Intermediary) is entitled to appoint not more than two proxies to attend and vote in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member of the Company who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.
"Relevant Intermediary" means:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
4. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
5. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
6. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all shares held by the member.
7. The instrument appointing a proxy duly executed must be submitted through any one of the following means by 2:30 p.m. on 23 April 2024, being no later than seventy-two (72) hours before the time for appointed for holding the AGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid:
 - (i) By depositing a physical copy at the registered office of the Company at Hotel Royal Limited, 36 Newton Road, Singapore 307964; or
 - (ii) By sending a scanned PDF copy by email to main@zicoholdings.comMembers are strongly encouraged to submit completed proxy forms electronically via email.
8. For investors who holds shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:
 - (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the date of the AGM.
9. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2024.

Corporate Information

Board of Directors

Mr Yang Wen-Wei

Independent Non-Executive Chairman

Mr Leow Chung Chong Yam Soon, Paul

Independent Non-Executive Director

Mr Lee Khin Tien

Non-Executive Director

Mr Lee Kin Hong

Non-Executive Director

Dr Lee Chu Muk

Non-Executive Director

Mr Lee Chou Hor George

Non-Executive Director

Audit and Risk Committee

Mr Leow Chung Chong Yam Soon, Paul (Chairman)

Mr Yang Wen-Wei

Mr Lee Khin Tien

Remuneration Committee

Mr Yang Wen-Wei (Chairman)

Mr Leow Chung Chong Yam Soon, Paul

Mr Lee Khin Tien

Nominating Committee

Mr Yang Wen-Wei (Chairman)

Mr Leow Chung Chong Yam Soon, Paul

Mr Lee Khin Tien

Company Secretary

Ms Sin Chee Mei

Mrs Lee Siew Choo

Share Registrar

B.A.C.S. Private Limited

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

Tel: (65) 6593 4848

Email: main@zicoholdings.com

Registered Office

36 Newton Road

Singapore 307964

Tel: (65) 6426 0168

Fax: (65) 6256 2710

Email: royal@hotelroyal.com.sg

Auditors

Deloitte & Touche LLP

Public Accountants and

Chartered Accountants Singapore

6 Shenton Way

OUE Downtown 2, #33-00

Singapore 068809

Tel: (65) 6224 8288

Fax: (65) 6538 6166

Audit Partner-in-Charge

Mr Andy Hoe Chi-Hsien

Appointed in 2020

Principal Bankers

Oversea-Chinese Banking Corporation Limited

DBS Bank Limited

Bank of New Zealand Limited

RHB Bank Berhad

Investor Relations

Mr Lee Chou Hock

Email: chlee@hotelroyal.com.sg



Hotel Royal

L I M I T E D

36 Newton Road Singapore 307964

Fax : +65 6253 8668

Phone : +65 6426 0168

Email : royal@hotelroyal.com.sg

ir@hotelroyal.com.sg

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