

**HOTEL PROPERTIES LIMITED**

(Registration No. 198000348Z)

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR HALF YEAR ENDED JUNE 30, 2021**

## **HOTEL PROPERTIES LIMITED**

### **INTERIM FINANCIAL STATEMENTS**

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# HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR HALF YEAR ENDED JUNE 30, 2021

### SECTION 1 - CONDENSED INTERIM FINANCIAL STATEMENTS

#### A(i). Condensed Interim Consolidated Income Statement

	Note	GROUP \$'000	
		Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Revenue	4	169,635	144,763
Cost of sales		(150,834)	(148,436)
Gross profit (loss)		18,801	(3,673)
Other operating income		25,711	1,588
Administrative expenses		(22,902)	(27,275)
Other operating expenses		(3,363)	(36,193)
Finance costs		(16,776)	(16,480)
Share of results of associates and jointly controlled entities		(18,696)	4,229
Loss before income tax	5	(17,225)	(77,804)
Income tax expense	6	(1,838)	(1,178)
Loss after income tax		(19,063)	(78,982)
Attributable to:			
Shareholders of the Company		(22,305)	(71,773)
Non-controlling interests		3,242	(7,209)
		(19,063)	(78,982)
Earnings per ordinary share (Cents):			
- basic		(5.62)	(15.12)
- diluted		(5.62)	(15.12)

Basic earnings per ordinary share is calculated based on the Group net loss attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders divided by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

A(ii). Condensed Interim Consolidated Statement of Other Comprehensive Income

	GROUP \$'000	
	Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Loss after income tax	(19,063)	(78,982)
Other comprehensive income (loss) (net of tax):		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Increase (Decrease) in other reserves	71	(216)
	71	(216)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	(12,463)	9,125
Increase in other reserves	772	694
Share of other comprehensive income (loss) of associates and jointly controlled entities	6,868	(12,302)
	(4,823)	(2,483)
Total comprehensive loss	(23,815)	(81,681)
Attributable to:		
Shareholders of the Company	(27,453)	(74,560)
Non-controlling interests	3,638	(7,121)
	(23,815)	(81,681)

## B. Condensed Interim Statements of Financial Position

	Note	GROUP \$'000		COMPANY \$'000	
		Jun 30, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and bank balances		78,926	95,744	4,715	20,139
Held-for-trading investments <sup>(a)</sup>	9	6,197	2,831	-	-
Trade and other receivables		66,904	63,591	9,062	19,025
Amount due from associates and jointly controlled entities		105,001	131,915	5,707	5,217
Amount due from subsidiaries		-	-	212,540	212,894
Inventories		11,155	10,220	73	100
Completed properties held for sale		8,088	8,495	-	-
Derivative financial instruments <sup>(b)</sup>	9	-	7,025	-	7,025
<b>Total current assets</b>		<b>276,271</b>	<b>319,821</b>	<b>232,097</b>	<b>264,400</b>
<b>Non-current assets:</b>					
Associates and jointly controlled entities <sup>(c)</sup>		671,094	596,066	-	-
Subsidiaries		-	-	1,567,572	1,426,564
Investments <sup>(d)</sup>	9	254,314	211,776	-	-
Property, plant and equipment	10	1,595,702	1,564,959	218,012	219,477
Investment properties	11	681,292	681,292	-	-
Deferred tax assets		4,105	4,386	-	-
Intangible assets		9,782	9,929	-	-
<b>Total non-current assets</b>		<b>3,216,289</b>	<b>3,068,408</b>	<b>1,785,584</b>	<b>1,646,041</b>
<b>Total assets</b>		<b>3,492,560</b>	<b>3,388,229</b>	<b>2,017,681</b>	<b>1,910,441</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Short-term borrowings	12	60,911	150,348	-	99,984
Trade and other payables		87,990	109,818	8,410	11,086
Amount due to subsidiaries		-	-	23,693	26,772
Income tax payable		3,587	7,751	-	481
<b>Total current liabilities</b>		<b>152,488</b>	<b>267,917</b>	<b>32,103</b>	<b>138,323</b>
<b>Non-current liabilities:</b>					
Advances from subsidiaries		-	-	342,968	273,197
Long-term borrowings	12	1,122,459	863,569	481,469	303,907
Long-term lease liabilities		105,205	92,439	-	-
Deferred tax liabilities		14,994	16,494	491	581
<b>Total non-current liabilities</b>		<b>1,242,658</b>	<b>972,502</b>	<b>824,928</b>	<b>577,685</b>
<b>Share capital and reserves:</b>					
Share capital	13	725,493	725,493	725,493	725,493
Treasury shares		(1,746)	(1,746)	(1,746)	(1,746)
Reserves		973,453	1,028,436	128,937	162,720
Equity attributable to shareholders of the Company		1,697,200	1,752,183	852,684	886,467
Perpetual capital securities		307,966	307,966	307,966	307,966
		2,005,166	2,060,149	1,160,650	1,194,433
Non-controlling interests		92,248	87,661	-	-
<b>Total equity</b>		<b>2,097,414</b>	<b>2,147,810</b>	<b>1,160,650</b>	<b>1,194,433</b>
<b>Total liabilities and equity</b>		<b>3,492,560</b>	<b>3,388,229</b>	<b>2,017,681</b>	<b>1,910,441</b>

**Note:**

- (a) Held-for-trading investments increased mainly due to acquisition during the period.
- (b) Derivative financial instruments decreased due to maturity of cross currency swap.
- (c) Associates and jointly controlled entities increased mainly due to additional investments, of which \$37,258,000 relates to equity contribution or advances to associates and jointly controlled entities in which certain directors are deemed to have interest.
- (d) Investments increased mainly due to net fair value gain and acquisition during the period.

**C. Condensed Interim Statements of Changes in Equity**

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves* \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>GROUP</b>									
Balance as at Jan 1, 2020	724,043	(841)	1,271,536	(2,972)	1,991,766	307,966	2,299,732	99,131	2,398,863
Total comprehensive income (loss) for the period									
Loss for the period	-	-	(71,773)	-	(71,773)	-	(71,773)	(7,209)	(78,982)
Other comprehensive income (loss) for the period	-	-	-	(2,787)	(2,787)	-	(2,787)	88	(2,699)
Total	-	-	(71,773)	(2,787)	(74,560)	-	(74,560)	(7,121)	(81,681)
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	417	417	-	417	-	417
Dividends	-	-	(41,678)	-	(41,678)	-	(41,678)	-	(41,678)
Net movement during the period	-	-	-	-	-	-	-	3,232	3,232
Issue of shares	1,450	-	-	(1,450)	-	-	-	-	-
Purchase of treasury shares	-	(905)	-	-	(905)	-	(905)	-	(905)
Total	1,450	(905)	(41,678)	(1,033)	(42,166)	-	(42,166)	3,232	(38,934)
Transfer upon disposal of investment	-	-	(2,502)	2,502	-	-	-	-	-
Distribution to perpetual capital securities holders	-	-	(6,987)	-	(6,987)	-	(6,987)	-	(6,987)
<b>Balance as at Jun 30, 2020</b>	<b>725,493</b>	<b>(1,746)</b>	<b>1,148,596</b>	<b>(4,290)</b>	<b>1,868,053</b>	<b>307,966</b>	<b>2,176,019</b>	<b>95,242</b>	<b>2,271,261</b>
Balance as at Jan 1, 2021	725,493	(1,746)	1,035,864	(7,428)	1,752,183	307,966	2,060,149	87,661	2,147,810
Total comprehensive income (loss) for the period									
Profit (Loss) for the period	-	-	(22,305)	-	(22,305)	-	(22,305)	3,242	(19,063)
Other comprehensive income (loss) for the period	-	-	-	(5,148)	(5,148)	-	(5,148)	396	(4,752)
Total	-	-	(22,305)	(5,148)	(27,453)	-	(27,453)	3,638	(23,815)
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	278	278	-	278	-	278
Dividends	-	-	(20,839)	-	(20,839)	-	(20,839)	-	(20,839)
Net movement during the period	-	-	-	-	-	-	-	949	949
Total	-	-	(20,839)	278	(20,561)	-	(20,561)	949	(19,612)
Distribution to perpetual capital securities holders	-	-	(6,969)	-	(6,969)	-	(6,969)	-	(6,969)
<b>Balance as at Jun 30, 2021</b>	<b>725,493</b>	<b>(1,746)</b>	<b>985,751</b>	<b>(12,298)</b>	<b>1,697,200</b>	<b>307,966</b>	<b>2,005,166</b>	<b>92,248</b>	<b>2,097,414</b>

\* Includes exchange fluctuation reserve, hedge reserve, option reserve and other capital reserve.

C. Condensed Interim Statements of Changes in Equity (cont'd)

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves** \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
<b>COMPANY</b>							
Balance as at Jan 1, 2020	724,043	(841)	182,665	10,661	916,528	307,966	1,224,494
Total comprehensive income (loss) for the period							
Loss for the period	-	-	(4,158)	-	(4,158)	-	(4,158)
Other comprehensive loss for the period	-	-	-	(92)	(92)	-	(92)
Total	-	-	(4,158)	(92)	(4,250)	-	(4,250)
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	417	417	-	417
Dividends	-	-	(41,678)	-	(41,678)	-	(41,678)
Issue of shares	1,450	-	-	(1,450)	-	-	-
Purchase of treasury shares	-	(905)	-	-	(905)	-	(905)
Total	1,450	(905)	(41,678)	(1,033)	(42,166)	-	(42,166)
Distribution to perpetual capital securities holders	-	-	(6,987)	-	(6,987)	-	(6,987)
<b>Balance as at Jun 30, 2020</b>	<b>725,493</b>	<b>(1,746)</b>	<b>129,842</b>	<b>9,536</b>	<b>863,125</b>	<b>307,966</b>	<b>1,171,091</b>
Balance as at Jan 1, 2021	725,493	(1,746)	152,798	9,922	886,467	307,966	1,194,433
Total comprehensive loss for the period							
Loss for the period	-	-	(7,031)	-	(7,031)	-	(7,031)
Other comprehensive income for the period	-	-	-	778	778	-	778
Total	-	-	(7,031)	778	(6,253)	-	(6,253)
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	278	278	-	278
Dividends	-	-	(20,839)	-	(20,839)	-	(20,839)
Total	-	-	(20,839)	278	(20,561)	-	(20,561)
Distribution to perpetual capital securities holders	-	-	(6,969)	-	(6,969)	-	(6,969)
<b>Balance as at Jun 30, 2021</b>	<b>725,493</b>	<b>(1,746)</b>	<b>117,959</b>	<b>10,978</b>	<b>852,684</b>	<b>307,966</b>	<b>1,160,650</b>

\*\* Includes hedge reserve and option reserve.

**D. Condensed Interim Consolidated Statement of Cash Flows**

	Note	Half year ended Jun 30, 2021 \$'000	Half year ended Jun 30, 2020 \$'000
<b>Cash flows from operating activities:</b>			
Profit (Loss) before income tax and share of results of associates and jointly controlled entities		1,471	(82,033)
Adjustments for:			
Amortisation of intangible assets		129	133
Depreciation expense		38,694	39,842
Share-based payment expense		278	417
Net fair value (gain) loss in held-for-trading investments	5	(641)	396
Net fair value (gain) loss in investments	5	(21,946)	33,788
Net loss on disposal of property, plant and equipment	5	16	17
Finance costs		16,776	16,480
Interest income	5	(494)	(923)
Dividend income	5	(2,439)	(453)
Profit before working capital changes		31,844	7,664
Trade and other payables		(21,351)	(47,797)
Completed properties held for sale		-	863
Trade and other receivables		9,305	3,270
Held-for-trading investments		(2,725)	135
Inventories		(871)	(185)
Cash generated from (used in) operations		16,202	(36,050)
Dividend received		2,439	453
Income tax paid		(6,980)	(2,451)
Net cash from (used in) operating activities		11,661	(38,048)
<b>Cash flows used in investing activities:</b>			
Additional property, plant and equipment		(64,090)	(21,390)
Net additional investments		(18,617)	(19,587)
Deposits placed for investments		(12,425)	-
Net investment in associates and jointly controlled entities		(52,069)	(61,111)
Proceeds from disposal of investments		-	217
Proceeds from disposal of property, plant and equipment		235	241
Net cash used in investing activities		(146,966)	(101,630)
<b>Cash flows from financing activities:</b>			
Interest received		494	923
Finance costs paid		(17,501)	(17,044)
Repayment of lease liabilities		(1,160)	(501)
Dividend paid	7	(20,839)	(41,678)
Distribution to perpetual capital securities holders		(6,969)	(6,987)
Net receipts from non-controlling shareholders		37	823
Additional borrowings <sup>(a)</sup>		280,930	372,453
Repayment of borrowings <sup>(a)</sup>		(116,831)	(249,891)
Purchase of treasury shares		-	(905)
Net cash from financing activities		118,161	57,193
Net decrease in cash and cash equivalents		(17,144)	(82,485)
Cash and cash equivalents at beginning of period		91,569	188,003
Effect of exchange rate changes on cash balances held in foreign currencies		269	1,338
Cash and cash equivalents at end of period		74,694	106,856

**Note:**

(a) Net additional borrowings were utilised mainly for investing activities during the half year under review.

**Cash and cash equivalents at end of period**

The cash and cash equivalents as at June 30, 2021, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$4,232,000.



## **E. Notes to the Condensed Interim Financial Statements**

### **1. Corporate Information**

Hotel Properties Limited ("The Company") is incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited. The principal business activities of the Group are those of hotel ownership, management and operation, property development and investment holding.

### **2. Basis of Preparation**

The condensed interim financial statements for the half year ended June 30, 2021, have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended December 31, 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards that are mandatory for financial years beginning on or after January 1, 2021. The adoption of these revised SFRS(I)s and amendments has no significant impact to the Group.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### **2.1. Use of Judgements and Estimates**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2020.

### 3. Segment Information

The segment information of the Group is organised into the following reportable segments:

#### Hotels

These refer mainly to the operations of the hotels and the shopping galleries of the Group as well as the provision of hotel management services. Income is derived mainly from the rental of rooms and shop units, sale of food and beverage and management fee.

#### Properties

These refer to the rental and sale operations on residential properties and commercial units. Sales and profit from the condominium development projects in Singapore are recognised based on percentage of completion method, and those from overseas projects are recognised based on completion of construction method.

#### Others

These refer to distribution and retail operations, activities on quoted and unquoted investments and others.

Half Year ended June 30, 2021

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
<b>REVENUE</b>					
External sales	158,031	11,601	3		169,635
Inter-segment sales	-	167	-	(167)	-
Total revenue	158,031	11,768	3	(167)	169,635
<b>RESULTS</b>					
Profit (Loss) before interest and tax	(11,583)	4,425	24,911		17,753
Finance costs					(16,776)
Interest income					494
Share of results of associates and jointly controlled entities	(20,130)	2,977	(1,543)		(18,696)
Loss before income tax					(17,225)
Income tax expense					(1,838)
Non-controlling interests					(3,242)
Loss attributable to shareholders of the Company					(22,305)
Segment assets	1,670,308	736,942	257,611		2,664,861
Investment in equity accounted investees	301,756	473,848	491		776,095
Unallocated corporate assets					51,604
Consolidated total assets					3,492,560
Segment liabilities	185,981	7,882	135		193,998
Unallocated corporate liabilities					1,201,148
Consolidated total liabilities					1,395,146

### 3. Segment Information (cont'd)

#### Information by business segment (cont'd)

Half Year ended June 30, 2020

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
<b>REVENUE</b>					
External sales	133,367	11,393	3		144,763
Inter-segment sales	-	221	-	(221)	-
Total revenue	133,367	11,614	3	(221)	144,763
<b>RESULTS</b>					
Profit (Loss) before interest and tax	(36,590)	3,797	(33,683)		(66,476)
Finance costs					(16,480)
Interest income					923
Share of results of associates and jointly controlled entities	(13,894)	21,092	(2,969)		4,229
Loss before income tax					(77,804)
Income tax expense					(1,178)
Non-controlling interests					7,209
Loss attributable to shareholders of the Company					(71,773)
Segment assets	1,726,180	748,689	211,296		2,686,165
Investment in equity accounted investees	361,078	356,060	3,129		720,267
Unallocated corporate assets					84,550
Consolidated total assets					3,490,982
Segment liabilities	185,803	8,545	377		194,725
Unallocated corporate liabilities					1,024,996
Consolidated total liabilities					1,219,721

### 4. Revenue

	GROUP \$'000	
	Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Sale of completed properties held for sale	-	1,188
Hotel revenue	157,438	132,722
Rental income	11,271	9,887
Management fee	926	966
Total	169,635	144,763

Sale of completed properties held for sale is recognised at a point in time when the control of the completed properties underlying the particular performance obligation is transferred to the buyer.

Hotel room revenue is recognised at a point in time based on room occupancy while other hotel revenue are recognised at a point in time when the goods are delivered or the services are rendered to the customers.

Management fee income is recognised when services are rendered over the contractual period.

## 5. Loss Before Income Tax

The following items have been included in arriving at loss before income tax:

	GROUP \$'000	
	Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Dividend income*	2,439	453
Interest income*	494	923
Depreciation and amortisation**	(38,823)	(39,975)
Net allowance for doubtful trade receivables*	(105)	(110)
Net fair value gain (loss) in held-for-trading investments*	641	(396)
Net fair value gain (loss) in investments*	21,946	(33,788)
Net foreign exchange loss*	(3,149)	(111)
Net adjustment for over provision of tax in respect of prior years	656	1,157
Net loss on disposal of property, plant and equipment*	(16)	(17)

During the half year ended June 30, 2021, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government, and an amount of \$5.8 million (June 30, 2020: \$6.4 million) was recognised in profit or loss against staff costs.

During the previous half year ended June 30, 2020, the Group received property tax rebate and cash grant from the Singapore Government of \$2.0 million for its commercial properties in Singapore which was passed on to the tenants as required. The Group also received property tax rebate and cash grant of \$1.3 million for its hotels in Singapore during the same period last year.

### Note:

\* Included in Other operating income (expenses).

\*\* Included in Cost of sales.

### 5.1. Related Party Transactions

Significant related party transactions during the period, other than those disclosed elsewhere in the financial statements, are as follows:

	GROUP \$'000	
	Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Transactions with companies in which certain directors are deemed to have interests:		
Management fee expense	(285)	(326)
Management fee income	733	729
Rental income	3,356	2,910
Transactions with associates:		
Management fee income	197	227

## 6. Income Tax Expense

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

	GROUP \$'000	
	Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Current tax	(3,464)	(1,140)
Deferred tax	970	2,455
	(2,494)	1,315
Over provision of tax in respect of prior years	656	1,157
Tax on share of profits from partnership classified as jointly controlled entity	-	(3,650)
	(1,838)	(1,178)

## 7. Dividends

	GROUP \$'000	
	Half year ended Jun 30, 2021	Half year ended Jun 30, 2020
Ordinary dividends paid:		
First and final one-tier tax exempt dividend of 4 cents per share		
(2020: First and final one-tier tax exempt dividend of 4 cents per share and		
a one-tier tax exempt special dividend of 4 cents per share)	20,839	41,678

## 8. Net Asset Value

	Jun 30, 2021	Dec 31, 2020
Group	\$3.26	\$3.36
Company	\$1.64	\$1.70

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares (excluding treasury shares) of the Company.

## 9. Financial Assets Measured at Fair Value

	GROUP \$'000	
	Jun 30, 2021	Dec 31, 2020
Financial assets measured at FVTPL	253,402	213,597
Derivative financial instrument		
Designated in hedge accounting relationships	-	7,025
Financial assets at FVTOCI		
Equity shares designated at FVTOCI	6,104	-
Debt instruments measured at FVTOCI	1,005	1,010

### 9.1. Financial Value Measurement

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:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b) 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
- c) Level 3 inputs are unobservable inputs for the asset or liability.

## 9. Financial Assets Measured at Fair Value (cont'd)

### 9.1. Financial Value Measurement (cont'd)

The table below analyses financial instrument carried at fair value, by valuation method.

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group - Jun 30, 2021				
<i>Financial assets</i>				
Held-for-trading investments	6,197	6,197	-	-
Investments	254,314	143,088	-	*111,226
Group - Dec 31, 2020				
<i>Financial assets</i>				
Held-for-trading investments	2,831	2,831	-	-
Investments	211,776	129,930	-	*81,846
Derivative financial instruments	7,025	-	**7,025	-

\*The key unobservable input used to determine this fair value is the net asset value. The higher the net asset value, the higher the fair value of the investments.

\*\*Derivative financial instruments of the Group and the Company were valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques included forward pricing and swap models, using present valuation calculations. The models incorporated various inputs including the credit quality of counterparties, foreign exchange spot and forward rate.

Reconciliation of level 3 fair value measurements:

	GROUP \$'000	
	Jun 30, 2021	Dec 31, 2020
<i>Unquoted investments:</i>		
Opening balance	81,846	72,326
Total net gains or (losses)		
- In profit or loss	10,692	2,505
- In other comprehensive income	71	(216)
Net purchases	18,617	7,231
Closing balance	111,226	81,846

#### Financial liabilities

As at June 30, 2021, the carrying amount of certain notes payable and other long-term liabilities which bear fixed interest rates was \$345,877,000 and their fair value was \$352,994,000 (December 31, 2020: \$271,454,000 and \$273,221,000 respectively).

## 10. Property, Plant and Equipment

During the half year ended June 30, 2021, the Group acquired assets amounting to \$64,090,000 (June 30, 2020: \$21,390,000) and disposed of assets with net book value amounting to \$251,000 (June 30, 2020: \$258,000).

As at June 30, 2021, commitments for purchase of property, plant and equipment contracted but not provided for amounted to \$22,315,000 (December 31, 2020: \$18,077,000).

## 11. Investment Properties

### 11.1. Valuation

The fair value of the investment properties at December 31, 2020 has been determined on the basis of valuation carried out at the year end date by independent valuers having an appropriate recognised professional qualification based on income capitalisation approach and direct comparison method that reflects prevailing property market conditions and existing tenancies as at this date. The Group has assessed that the key inputs and assumptions used by the valuer for valuation date December 31, 2020, remain applicable and reasonable as at June 30, 2021.

The Group considers certain unobservable inputs used by the independent valuers in determining the fair value measurement of the Group's investment properties as sensitive to the fair value measurement. A change in these inputs will have a corresponding change in the fair valuation.

## 12. Borrowings

### Aggregate Amount of Group's Borrowings and Debt Securities

#### Amount repayable in one year or less, or on demand

As at Jun 30, 2021		As at Dec 31, 2020	
Secured	Unsecured	Secured	Unsecured
\$59,844,000	\$1,067,000	\$50,364,000	\$99,984,000

#### Amount repayable after one year

As at Jun 30, 2021		As at Dec 31, 2020	
Secured	Unsecured	Secured	Unsecured
\$778,974,000	\$343,485,000	\$693,533,000	\$170,036,000

#### Details of any collateral

The above are secured by legal mortgages on properties of the Company and some subsidiaries, fixed and floating charges on assets of the Company and some subsidiaries and pledge of shares of certain subsidiaries.



### 13. Share Capital

#### 13.1. Details of Any Changes in Company's Issued Share Capital

The Company did not issue any new shares since the end of the previous period reported on.

As at June 30, 2021, the number of outstanding share options under the Company's Share Option Scheme was 18,900,000 (as at June 30, 2020: 18,900,000).

As at June 30, 2021, the Company held 515,300 (as at June 30, 2020: 515,300) treasury shares which represents 0.1% (as at June 30, 2020: 0.1%) of the total number of issued shares (excluding treasury shares).

#### 13.2. Total Number of Issued Shares

	Jun 30, 2021	Dec 31, 2020
Total number of issued shares	521,490,251	521,490,251
Treasury shares	(515,300)	(515,300)
Total number of issued shares excluding treasury shares	520,974,951	520,974,951

#### 13.3. Statement Showing All Sales, Transfers, Cancellation and/or Use of Treasury Shares

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

#### 13.4. Statement Showing All Sales, Transfers, Cancellation and/or Use of Subsidiary Holdings

Not applicable. There is no subsidiary holdings as at the end of the current financial period reported on.

## **SECTION 2 - OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. Audit Statement**

The condensed consolidated statement of financial position of the Group as at June 30, 2021, and the related condensed consolidated income statement and statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year then ended and the notes to the condensed interim financial statements have not been audited or reviewed.

### **2. Review of Performance**

For the half year ended June 30, 2021, the Group recorded a revenue of \$169.6 million, which is 17.2% higher than the \$144.8 million recorded for the corresponding period last year. The increase was mainly attributable to better performance by the Group's resorts in Maldives. The Group's hotels and resorts in other parts of the world are generally still adversely affected by travel restrictions and lockdown measures implemented by various countries as a result of COVID-19.

The Group generated an operating profit before share of results of associates and jointly controlled entities, depreciation, amortisation, fair value changes and finance costs of \$31.8 million for the half year ended June 30, 2021, compared to \$7.7 million for the corresponding period last year.

The Group's share of results of associates and jointly controlled entities turned from a profit of \$4.2 million for half year ended June 30, 2020, to a loss of \$18.7 million for the half year under review. There was a significant decrease in contribution from the properties division as apartments from Holland Park Villas and Burlington Gate in London were fully sold last year, while hotel owning associates and jointly controlled entities continue to incur losses as a result of COVID-19.

Group loss before income tax for the half year ended June 30, 2021 was \$17.2 million, which is a significant improvement over a loss of \$77.8 million for the corresponding period last year. After accounting for income tax and non-controlling interests, Group net loss attributable to shareholders for the half year ended June 30, 2021 was \$22.3 million compared to \$71.8 million for the corresponding period last year.

### **3. Variance from Previous Forecast or Prospect Statement**

Not applicable.

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

As the vaccination programme around the world progresses and with more countries starting to explore mutual travel arrangements and easing of travel restrictions, a gradual recovery of the hospitality industry and global economy can be expected. However, in the near term, uncertainties remain as many countries continue to experience resurgence of COVID-19 cases resulting from the variants.

Barring unforeseen circumstances, the Group's resorts in Maldives are expected to continue to contribute positively to the Group's operating cashflow in the second half of the year. The Group will continue to be vigilant in cost and liquidity management amidst these difficult times and will be ready to ride the recovery from COVID-19 when it comes.

**5. Dividend**

**(a) Current Financial Period Reported On**

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**6. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision**

It is not the Company's practice to declare/recommend an interim dividend.

**7. Interested Person Transactions ("IPT")**

The Group has not obtained a general mandate from shareholders for IPTs.

**8. Review of Performance by Business Segments**

Please refer to Section 2 paragraph 2 above.

**9. Negative Assurance Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended June 30, 2021, to be false or misleading in any material respect.

**10. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**BY ORDER OF THE BOARD**

Lo Swee Oi  
Company Secretary  
August 12, 2021