

HOTEL PROPERTIES LIMITED

(Registration No. 198000348Z)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED

DECEMBER 31, 2021

HOTEL PROPERTIES LIMITED

INTERIM FINANCIAL STATEMENTS

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CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED DECEMBER 31, 2021

SECTION 1 - CONDENSED INTERIM FINANCIAL STATEMENTS

A(i). Condensed Interim Consolidated Income Statement

	Note	GROUP \$'000			
		2H'2021	2H'2020	FY2021	FY2020
Revenue	4	174,586	113,997	344,221	258,760
Cost of sales	5	(156,047)	(124,211)	(306,881)	(272,647)
Gross profit (loss)		18,539	(10,214)	37,340	(13,887)
Other operating income	5	26,899	3,709	52,610	5,297
Administrative expenses		(27,132)	(19,908)	(50,034)	(47,183)
Other operating expenses	5	(1,697)	2,370	(5,060)	(33,823)
Finance costs		(17,961)	(15,232)	(34,737)	(31,712)
Share of results of associates and jointly controlled entities		9,712	(46,257)	(8,984)	(42,028)
Profit (Loss) before income tax and fair value changes in investment properties		8,360	(85,532)	(8,865)	(163,336)
Net fair value gain (loss) in investment properties		3,604	(28,223)	3,604	(28,223)
Profit (Loss) before income tax	5	11,964	(113,755)	(5,261)	(191,559)
Income tax credit (expense)	6	1,376	4,622	(462)	3,444
Profit (Loss) after income tax		13,340	(109,133)	(5,723)	(188,115)
Attributable to:					
Shareholders of the Company		14,614	(105,710)	(7,691)	(177,483)
Non-controlling interests		(1,274)	(3,423)	1,968	(10,632)
		13,340	(109,133)	(5,723)	(188,115)
Earnings per ordinary share (Cents):					
- basic		1.45	(21.64)	(4.17)	(36.76)
- diluted		1.45	(21.64)	(4.17)	(36.76)

Basic earnings per ordinary share is calculated based on the Group net profit (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			
	2H'2021	2H'2020	FY2021	FY2020
Profit (Loss) after income tax	13,340	(109,133)	(5,723)	(188,115)
Other comprehensive income (loss) (net of tax):				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit obligation	767	23	767	23
Decrease in other reserves	(71)	-	-	(216)
	696	23	767	(193)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(4,153)	(22,918)	(16,616)	(13,793)
(Decrease) Increase in other reserves	(7)	34	765	728
Share of other comprehensive income (loss) of associates and jointly controlled entities	(9,425)	18,872	(2,557)	6,570
	(13,585)	(4,012)	(18,408)	(6,495)
Total comprehensive income (loss)	451	(113,122)	(23,364)	(194,803)
Attributable to:				
Shareholders of the Company	2,090	(109,211)	(25,363)	(183,771)
Non-controlling interests	(1,639)	(3,911)	1,999	(11,032)
	451	(113,122)	(23,364)	(194,803)

B. Condensed Interim Statements of Financial Position

	Note	GROUP \$'000		COMPANY \$'000	
		Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
ASSETS					
Current assets:					
Cash and bank balances		85,609	95,744	25,685	20,139
Held-for-trading investments	9	3,476	2,831	-	-
Trade and other receivables		75,724	63,591	3,224	19,025
Amount due from associates and jointly controlled entities		102,834	131,915	6,009	5,217
Amount due from subsidiaries		-	-	222,026	212,894
Inventories		12,359	10,220	85	100
Completed properties held for sale		7,821	8,495	-	-
Derivative financial instruments ^(a)	9	-	7,025	-	7,025
Total current assets		287,823	319,821	257,029	264,400
Non-current assets:					
Associates and jointly controlled entities ^(b)		690,122	596,066	-	-
Subsidiaries		-	-	1,565,777	1,426,564
Investments ^(c)	9	261,640	211,776	-	-
Property, plant and equipment	10	1,578,380	1,564,959	217,381	219,477
Investment properties	11	684,896	681,292	-	-
Long-term deposits ^(d)		29,296	-	23,163	-
Deferred tax assets		5,691	4,386	-	-
Intangible assets		9,686	9,929	-	-
Total non-current assets		3,259,711	3,068,408	1,806,321	1,646,041
Total assets		3,547,534	3,388,229	2,063,350	1,910,441
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings	12	156,864	150,348	-	99,984
Trade and other payables		115,422	109,818	8,400	11,086
Amount due to subsidiaries		-	-	10,228	26,772
Income tax payable		3,911	7,751	-	481
Total current liabilities		276,197	267,917	18,628	138,323
Non-current liabilities:					
Advances from subsidiaries		-	-	372,776	273,197
Long-term borrowings	12	1,061,941	863,569	478,800	303,907
Long-term lease liabilities		103,072	92,439	-	-
Deferred tax liabilities		15,183	16,494	478	581
Total non-current liabilities		1,180,196	972,502	852,054	577,685
Share capital and reserves:					
Share capital	13	725,493	725,493	725,493	725,493
Treasury shares		(1,746)	(1,746)	(1,746)	(1,746)
Reserves		968,542	1,028,436	160,955	162,720
Equity attributable to shareholders of the Company		1,692,289	1,752,183	884,702	886,467
Perpetual capital securities		307,966	307,966	307,966	307,966
		2,000,255	2,060,149	1,192,668	1,194,433
Non-controlling interests		90,886	87,661	-	-
Total equity		2,091,141	2,147,810	1,192,668	1,194,433
Total liabilities and equity		3,547,534	3,388,229	2,063,350	1,910,441

Note:

- Derivative financial instruments decreased due to maturity of cross currency swap.
- Associates and jointly controlled entities increased mainly due to additional investments, of which \$40,758,000 relates to equity contribution or advances to associates and jointly controlled entities in which certain directors are deemed to have interest.
- Investments increased mainly due to net fair value gain and acquisition during the year.
- Deposits placed for investments.

C. Condensed Interim Statements of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves* \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP									
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 year									
Loss for the year	-	-	(177,483)	-	(177,483)	-	(177,483)	(10,632)	(188,115)
Other comprehensive income (loss) for the year	-	-	23	(6,311)	(6,288)	-	(6,288)	(400)	(6,688)
Total	-	-	(177,460)	(6,311)	(183,771)	-	(183,771)	(11,032)	(194,803)
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	803	803	-	803	-	803
Dividends	-	-	(41,678)	-	(41,678)	-	(41,678)	-	(41,678)
Net movement during the year	-	-	-	-	-	-	-	(438)	(438)
Issue of shares	1,450	-	-	(1,450)	-	-	-	-	-
Purchase of treasury shares	-	(905)	-	-	(905)	-	(905)	-	(905)
Total	1,450	(905)	(41,678)	(647)	(41,780)	-	(41,780)	(438)	(42,218)
Transfer upon disposal of investment	-	-	(2,502)	2,502	-	-	-	-	-
Distribution to perpetual capital securities holders	-	-	(14,032)	-	(14,032)	-	(14,032)	-	(14,032)
Balance as at Dec 31, 2020	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 year									
Profit (Loss) for the year	-	-	(7,691)	-	(7,691)	-	(7,691)	1,968	(5,723)
Other comprehensive income (loss) for the year	-	-	767	(18,439)	(17,672)	-	(17,672)	31	(17,641)
Total	-	-	(6,924)	(18,439)	(25,363)	-	(25,363)	1,999	(23,364)
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	323	323	-	323	-	323
Dividends	-	-	(20,839)	-	(20,839)	-	(20,839)	-	(20,839)
Net movement during the year	-	-	-	-	-	-	-	1,226	1,226
Total	-	-	(20,839)	323	(20,516)	-	(20,516)	1,226	(19,290)
Distribution to perpetual capital securities holders	-	-	(14,015)	-	(14,015)	-	(14,015)	-	(14,015)
Balance as at Dec 31, 2021	725,493	(1,746)	994,086	(25,544)	1,692,289	307,966	2,000,255	90,886	2,091,141

* 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
COMPANY							
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 year							
Profit for the year	-	-	25,843	-	25,843	-	25,843
Other comprehensive loss for the year	-	-	-	(92)	(92)	-	(92)
Total	-	-	25,843	(92)	25,751	-	25,751
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	803	803	-	803
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)	(647)	(41,780)	-	(41,780)
Distribution to perpetual capital securities holders	-	-	(14,032)	-	(14,032)	-	(14,032)
Balance as at Dec 31, 2020	725,493	(1,746)	152,798	9,922	886,467	307,966	1,194,433
Total comprehensive income for the year							
Profit for the year	-	-	31,988	-	31,988	-	31,988
Other comprehensive income for the year	-	-	-	778	778	-	778
Total	-	-	31,988	778	32,766	-	32,766
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	323	323	-	323
Dividends	-	-	(20,839)	-	(20,839)	-	(20,839)
Total	-	-	(20,839)	323	(20,516)	-	(20,516)
Distribution to perpetual capital securities holders	-	-	(14,015)	-	(14,015)	-	(14,015)
Balance as at Dec 31, 2021	725,493	(1,746)	149,932	11,023	884,702	307,966	1,192,668

** Includes hedge reserve and option reserve.

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Year ended Dec 31, 2021 \$'000	Year ended Dec 31, 2020 \$'000
Cash flows from operating activities:			
Profit (Loss) before income tax and share of results of associates and jointly controlled entities		3,723	(149,531)
Adjustments for:			
Amortisation of intangible assets		220	264
Depreciation expense		79,379	80,333
Share-based payment expense		323	803
Impairment in property, plant and equipment		-	2,126
Impairment in intangible assets		-	10,714
Net fair value (gain) loss in investment properties		(3,604)	28,223
Net fair value loss in held-for-trading investments	5	315	22
Net fair value (gain) loss in investments	5	(45,115)	14,483
Net loss on disposal of property, plant and equipment	5	24	163
Finance costs		34,737	31,712
Interest income	5	(964)	(1,440)
Dividend income	5	(4,610)	(453)
Profit before working capital changes		64,428	17,419
Trade and other payables		6,792	(34,903)
Completed properties held for sale		-	1,686
Trade and other receivables		(11,550)	456
Held-for-trading investments		(960)	365
Inventories		(2,068)	2,112
Cash generated from (used in) operations		56,642	(12,865)
Dividend received		4,610	453
Income tax paid		(7,148)	(8,968)
Net cash from (used in) operating activities		54,104	(21,380)
Cash flows used in investing activities:			
Additional property, plant and equipment		(96,112)	(39,524)
Net additional investments		(39,710)	(24,699)
Deposits placed for investments		(29,296)	-
Net investment in associates and jointly controlled entities		(74,884)	(94,745)
Proceeds from disposal of investments		35,836	4,736
Proceeds from disposal of property, plant and equipment		347	285
Net cash used in investing activities		(203,819)	(153,947)
Cash flows from financing activities:			
Interest received		964	1,440
Finance costs paid		(35,303)	(28,167)
Repayment of lease liabilities		(2,549)	(922)
Dividend paid	7	(20,839)	(41,678)
Distribution to perpetual capital securities holders		(14,015)	(14,032)
Net receipts from non-controlling shareholders		73	861
Additional borrowings ^(a)		313,372	456,783
Repayment of borrowings ^(a)		(103,913)	(293,161)
Purchase of treasury shares		-	(905)
Net cash from financing activities		137,790	80,219
Net decrease in cash and cash equivalents		(11,925)	(95,108)
Cash and cash equivalents at beginning of year		91,569	188,003
Effect of exchange rate changes on cash balances held in foreign currencies		1,721	(1,326)
Cash and cash equivalents at end of year		81,365	91,569

Note:

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

Cash and cash equivalents at end of year

The cash and cash equivalents as at December 31, 2021, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$4,244,000 (December 31, 2020: \$4,175,000).

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

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

3. Segment Information (cont'd)

Information by business segment

Second Half ended December 31, 2021

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	163,750	10,833	3		174,586
Inter-segment sales	-	168	-	(168)	-
Total revenue	163,750	11,001	3	(168)	174,586
RESULTS					
Profit (Loss) before interest and tax	(10,053)	2,060	24,132		16,139
Finance costs					(17,961)
Interest income					470
Share of results of associates and jointly controlled entities	9,027	1,333	(648)		9,712
Profit before fair value changes					8,360
Fair value changes in investment properties		3,604			3,604
Profit before income tax					11,964
Income tax credit					1,376
Non-controlling interests					1,274
Profit attributable to shareholders of the Company					14,614
Segment assets	1,707,558	741,749	276,027		2,725,334
Investment in equity accounted investees	316,820	475,684	452		792,956
Unallocated corporate assets					29,244
Consolidated total assets					3,547,534
Segment liabilities	205,915	8,411	3,905		218,231
Unallocated corporate liabilities					1,238,162
Consolidated total liabilities					1,456,393

3. Segment Information (cont'd)

Information by business segment (cont'd)

Second Half ended December 31, 2020

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	99,342	14,652	3		113,997
Inter-segment sales	-	128	-	(128)	-
Total revenue	99,342	14,780	3	(128)	113,997
RESULTS					
Profit (Loss) before interest and tax	(47,493)	3,723	19,210		(24,560)
Finance costs					(15,232)
Interest income					517
Share of results of associates and jointly controlled entities	(46,004)	1,349	(1,602)		(46,257)
Loss before fair value changes					(85,532)
Fair value changes in investment properties		(28,223)			(28,223)
Loss before income tax					(113,755)
Income tax credit					4,622
Non-controlling interests					3,423
Loss attributable to shareholders of the Company					(105,710)
Segment assets	1,677,394	719,369	216,851		2,613,614
Investment in equity accounted investees	317,669	408,419	1,893		727,981
Unallocated corporate assets					46,634
Consolidated total assets					3,388,229
Segment liabilities	192,532	9,292	175		201,999
Unallocated corporate liabilities					1,038,420
Consolidated total liabilities					1,240,419

3. Segment Information (cont'd)

Information by business segment (cont'd)

Year ended December 31, 2021

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	321,781	22,434	6		344,221
Inter-segment sales	-	335	-	(335)	-
Total revenue	321,781	22,769	6	(335)	344,221
RESULTS					
Profit (Loss) before interest and tax	(21,636)	6,485	49,043		33,892
Finance costs					(34,737)
Interest income					964
Share of results of associates and jointly controlled entities	(11,103)	4,310	(2,191)		(8,984)
Loss before fair value changes					(8,865)
Fair value changes in investment properties		3,604			3,604
Loss before income tax					(5,261)
Income tax expense					(462)
Non-controlling interests					(1,968)
Loss attributable to shareholders of the Company					(7,691)
Segment assets	1,707,558	741,749	276,027		2,725,334
Investment in equity accounted investees	316,820	475,684	452		792,956
Unallocated corporate assets					29,244
Consolidated total assets					3,547,534
Segment liabilities	205,915	8,411	3,905		218,231
Unallocated corporate liabilities					1,238,162
Consolidated total liabilities					1,456,393

3. Segment Information (cont'd)

Information by business segment (cont'd)

Year ended December 31, 2020

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	232,709	26,045	6		258,760
Inter-segment sales	-	349	-	(349)	-
Total revenue	232,709	26,394	6	(349)	258,760
RESULTS					
Profit (Loss) before interest and tax	(84,083)	7,520	(14,473)		(91,036)
Finance costs					(31,712)
Interest income					1,440
Share of results of associates and jointly controlled entities	(59,898)	22,441	(4,571)		(42,028)
Loss before fair value changes					(163,336)
Fair value changes in investment properties		(28,223)			(28,223)
Loss before income tax					(191,559)
Income tax credit					3,444
Non-controlling interests					10,632
Loss attributable to shareholders of the Company					(177,483)
Segment assets	1,677,394	719,369	216,851		2,613,614
Investment in equity accounted investees	317,669	408,419	1,893		727,981
Unallocated corporate assets					46,634
Consolidated total assets					3,388,229
Segment liabilities	192,532	9,292	175		201,999
Unallocated corporate liabilities					1,038,420
Consolidated total liabilities					1,240,419

4. Revenue

	GROUP \$'000			
	2H'2021	2H'2020	FY2021	FY2020
Sale of completed properties held for sale	-	1,149	-	2,337
Hotel revenue	163,184	99,079	320,622	231,801
Rental income	10,525	13,185	21,796	23,072
Management fee	877	584	1,803	1,550
Total	174,586	113,997	344,221	258,760

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. Profit (Loss) Before Income Tax

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

	GROUP \$'000			
	2H'2021	2H'2020	FY2021	FY2020
Dividend income*	2,171	-	4,610	453
Interest income*	470	517	964	1,440
Depreciation and amortisation**	(40,776)	(40,622)	(79,599)	(80,597)
Net allowance for doubtful trade receivables*	(115)	(34)	(220)	(144)
Net fair value (loss) gain in held-for-trading investments*	(956)	374	(315)	(22)
Net fair value gain (loss) in investments*	23,169	19,305	45,115	(14,483)
Net foreign exchange loss*	(489)	(136)	(3,638)	(247)
Net adjustment for over provision of tax in respect of prior years	1,038	3,252	1,694	4,409
Impairment in property, plant and equipment*	-	(2,126)	-	(2,126)
Impairment in intangible assets*	-	(10,714)	-	(10,714)
Net loss on disposal of property, plant and equipment*	(8)	(146)	(24)	(163)

During the year ended December 31, 2021, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government, and an amount of \$8.9 million (December 31, 2020: \$11.6 million) was recognised in profit or loss against staff costs.

During the year ended December 31, 2021, the Group received cash grant of \$3.1 million (December 31, 2020: \$4.4m) for its hotels in Singapore. The Group also received property tax rebate and cash grant from the Singapore Government of \$4.3 million for its commercial properties in Singapore which was passed on to the tenants as required in the previous financial year.

Note:

* Included in Other operating income (expenses).

** Included in Cost of sales.

5.1. Related Party Transactions

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

	GROUP \$'000			
	2H'2021	2H'2020	FY2021	FY2020
Transactions with companies in which certain directors are deemed to have interests:				
Management fee expense	(275)	(220)	(560)	(546)
Management fee income	662	390	1,395	1,119
Rental income	3,012	3,535	6,368	6,445
Transactions with associates:				
Management fee income	218	211	415	438

6. Income Tax Credit (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			
	2H'2021	2H'2020	FY2021	FY2020
Current tax	(1,110)	(610)	(4,574)	(1,750)
Deferred tax	1,448	2,464	2,418	4,919
	338	1,854	(2,156)	3,169
(Under) Over provision of tax in respect of prior years	(695)	3,252	(39)	4,409
Over provision of tax in respect of prior years on share of profits from partnership classified as jointly controlled entity	1,733	-	1,733	-
Tax on share of profits from partnership classified as jointly controlled entity	-	(484)	-	(4,134)
	1,376	4,622	(462)	3,444

7. Dividends

	GROUP \$'000	
	Year ended Dec 31, 2021	Year ended Dec 31, 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

	Dec 31, 2021	Dec 31, 2020
Group	\$3.25	\$3.36
Company	\$1.70	\$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	
	Dec 31, 2021	Dec 31, 2020
Financial assets measured at FVTPL	264,119	213,597
Derivative financial instrument		
Designated in hedge accounting relationships	-	7,025
Financial assets at FVTOCI		
Debt instruments measured at FVTOCI	997	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:

- 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.

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 - Dec 31, 2021				
<i>Financial assets</i>				
Held-for-trading investments	3,476	3,476	-	-
Investments	261,640	152,051	-	*109,589
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.

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

9.1. Financial Value Measurement (cont'd)

Reconciliation of level 3 fair value measurements:

	GROUP \$'000	
	Dec 31, 2021	Dec 31, 2020
<i>Unquoted investments:</i>		
Opening balance	81,846	72,326
Total net gains or (losses)		
- In profit or loss	18,787	2,505
- In other comprehensive income	-	(216)
Net purchases	8,956	7,231
Closing balance	109,589	81,846

Financial liabilities

As at December 31, 2021, the carrying amount of certain notes payable and other long-term liabilities which bear fixed interest rates was \$346,123,000 and their fair value was \$350,141,000 (December 31, 2020: \$271,454,000 and \$273,221,000 respectively).

10. Property, Plant and Equipment

During the year ended December 31, 2021, the Group acquired assets amounting to \$96,112,000 (December 31, 2020: \$39,524,000) and disposed of assets with net book value amounting to \$371,000 (December 31, 2020: \$448,000).

As at December 31, 2021, commitments for purchase of property, plant and equipment contracted but not provided for amounted to \$25,647,000 (December 31, 2020: \$18,077,000).

11. Investment Properties

11.1. Valuation

The fair value of the investment properties at December 31, 2021 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 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 Dec 31, 2021		As at Dec 31, 2020	
Secured	Unsecured	Secured	Unsecured
\$156,864,000	-	\$50,364,000	\$99,984,000

Amount repayable after one year

As at Dec 31, 2021		As at Dec 31, 2020	
Secured	Unsecured	Secured	Unsecured
\$718,655,000	\$343,286,000	\$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 December 31, 2021, the number of outstanding share options under the Company's Share Option Scheme was 18,900,000 (as at December 31, 2020: 18,900,000).

As at December 31, 2021, the Company held 515,300 (as at December 31, 2020: 515,300) treasury shares which represents 0.1% (as at December 31, 2020: 0.1%) of the total number of issued shares (excluding treasury shares).

13.2. Total Number of Issued Shares

	Dec 31, 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 December 31, 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 six months and full year then ended and the notes to the condensed interim financial statements have not been audited or reviewed.

2. Review of Performance

For the year ended December 31, 2021, the Group recorded a revenue of \$344.2 million, which is 33% higher than the \$258.8 million recorded last year. The increase was mainly attributable to better performance by the Group's resorts in Maldives. Our Singapore hotels also benefited from the increase in inbound travel with the introduction of Vaccinated Travel Lanes ("VTL") and domestic staycation business, especially during the school holidays. Unfortunately, the business of our resorts in other parts of South East Asia continue to be adversely affected by the COVID-19 related restrictions imposed in these countries.

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 \$64.4 million for the year ended December 31, 2021 compared to \$17.4 million last year.

In line with the market recovery, the Group recorded mark-to-market fair value gain of \$45.1 million on long term investments during the year under review compared to a fair value loss of \$14.5 million last year, resulting in an increase in Other operating income and a decrease in Other operating expense.

The Group's share of results of associates and jointly controlled entities improved from a loss of \$42.0 million for the year ended December 31, 2020, to a smaller loss of \$9.0 million for the year under review. Last year's losses included \$32.3 million impairment losses relating to hotel properties owned by the associates and jointly controlled entities. \$22.6 million of such losses were reversed during the year under review due to improvement in valuation of these properties. There was however a decrease in contribution from the properties division as apartments from Holland Park Villas and Burlington Gate in London were fully sold last year.

Group net profit attributable to shareholders for the second half of year ended December 31, 2021 was \$14.6 million compared to a net loss of \$105.7 million for the corresponding period last year. Group net loss attributable to shareholders for the full year ended December 31, 2021 was \$7.7 million compared to \$177.5 million 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.

Despite being more infectious, the latest Omicron virus is deemed to be less deadly. This, together with higher vaccination rates have prompted reopening of borders and resumption of international travel, which bode well for the hospitality industry. Nevertheless, challenges and uncertainties remain, including geopolitical tensions, rising business cost as a result of inflation and interest rate hikes as well as risk of emergence of new COVID-19 variants which may cause further business disruption.

On the property front, Paddington Square and phase one of Bankside Yards developments in London are expected to achieve practical completion in second half of this year. Pre-leasing activities are currently on-going for these premium commercial properties.

5. Dividend

(a) Current Financial Period Reported On

The Board of Directors has recommended a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share in respect of the current financial year reported on. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company declared a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share in respect of the immediately preceding financial year.

(c) Date payable

Will be announced at a later date.

(d) Books closure date

Notice will be given at a later date of the date of closure of the transfer books and register of members.

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

Not applicable.

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. Breakdown of Sales and Operating Profit (Loss)

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% increase/(decrease) Group
(a) Sales reported for first half year	169,635	144,763	17.18
(b) Operating loss after tax before deducting non-controlling interests reported for first half year**	(19,063)	(78,982)	(75.86)
(c) Sales reported for second half year	174,586	113,997	53.15
(d) Operating profit (loss) after tax before deducting non-controlling interests reported for second half year**	9,736	(35,782)	(127.21)

** excludes net fair value gain (loss) in investment properties and impairment in property, plant and equipment and intangible assets

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

11. 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
February 25, 2022