

HOTEL PROPERTIES LIMITED

(Registration No. 198000348Z)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR HALF YEAR ENDED JUNE 30, 2022

HOTEL PROPERTIES LIMITED

INTERIM FINANCIAL STATEMENTS

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SECTION 1 - CONDENSED INTERIM FINANCIAL STATEMENTS

A(i). Condensed Interim Consolidated Income Statement

	Note	GROUP \$'000	
		Half year ended Jun 30, 2022	Half year ended Jun 30, 2021
Revenue	4	249,495	169,635
Cost of sales		(198,345)	(150,834)
Gross profit		51,150	18,801
Other operating income		2,813	25,711
Administrative expenses		(31,373)	(22,902)
Other operating expenses		(12,313)	(3,363)
Finance costs		(21,822)	(16,776)
Share of results of associates and jointly controlled entities		20,058	(18,696)
Profit (Loss) before income tax	5	8,513	(17,225)
Income tax expense	6	(2,726)	(1,838)
Profit (Loss) after income tax		5,787	(19,063)
Attributable to:			
Shareholders of the Company		1,924	(22,305)
Non-controlling interests		3,863	3,242
		5,787	(19,063)
Loss per ordinary share (Cents):			
- basic		(0.97)	(5.62)
- diluted		(0.97)	(5.62)

Basic loss 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, 2022	Half year ended Jun 30, 2021
Profit (Loss) after income tax	5,787	(19,063)
Other comprehensive income (loss) (net of tax):		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Increase in other reserves	-	71
Share of other comprehensive loss of a jointly controlled entity	(7,163)	-
	(7,163)	71
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange fluctuation and other reserves	(18,841)	(11,691)
Share of other comprehensive (loss) income of associates and jointly controlled entities	(33,150)	6,868
	(51,991)	(4,823)
Total comprehensive loss	(53,367)	(23,815)
Attributable to:		
Shareholders of the Company	(54,630)	(27,453)
Non-controlling interests	1,263	3,638
	(53,367)	(23,815)

B. Condensed Interim Statements of Financial Position

	Note	GROUP \$'000		COMPANY \$'000	
		Jun 30, 2022	Dec 31, 2021	Jun 30, 2022	Dec 31, 2021
ASSETS					
Current assets:					
Cash and bank balances		83,768	85,609	14,786	25,685
Held-for-trading investments	9	2,445	3,476	-	-
Trade and other receivables		86,638	75,724	3,021	3,224
Amount due from associates and jointly controlled entities ^(a)		53,280	102,834	5,989	6,009
Amount due from subsidiaries		-	-	230,177	222,026
Inventories		12,942	12,359	92	85
Completed properties held for sale		7,593	7,821	-	-
Total current assets		246,666	287,823	254,065	257,029
Non-current assets:					
Associates and jointly controlled entities ^(b)		911,387	690,122	-	-
Subsidiaries		-	-	1,698,568	1,565,777
Investments	9	258,483	261,640	-	-
Property, plant and equipment	10	1,585,608	1,578,380	216,589	217,381
Investment properties	11	684,896	684,896	-	-
Long-term deposits		21,097	29,296	21,097	23,163
Deferred tax assets		6,154	5,691	-	-
Intangible assets		9,588	9,686	-	-
Total non-current assets		3,477,213	3,259,711	1,936,254	1,806,321
Total assets		3,723,879	3,547,534	2,190,319	2,063,350
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings	12	134,882	156,864	-	-
Trade and other payables		106,603	115,422	9,191	8,400
Amount due to subsidiaries		-	-	8,002	10,228
Income tax payable		4,309	3,911	-	-
Total current liabilities		245,794	276,197	17,193	18,628
Non-current liabilities:					
Advances from subsidiaries		-	-	459,606	372,776
Long-term borrowings	12	1,411,201	1,061,941	705,822	478,800
Long-term lease liabilities		106,077	103,072	-	-
Deferred tax liabilities		13,342	15,183	404	478
Total non-current liabilities		1,530,620	1,180,196	1,165,832	852,054
Share capital and reserves:					
Share capital	13	726,780	725,493	726,780	725,493
Treasury shares		(1,746)	(1,746)	(1,746)	(1,746)
Reserves		884,398	968,542	123,046	160,955
Equity attributable to shareholders of the Company		1,609,432	1,692,289	848,080	884,702
Perpetual capital securities ^(c)		159,214	307,966	159,214	307,966
		1,768,646	2,000,255	1,007,294	1,192,668
Non-controlling interests ^(d)		178,819	90,886	-	-
Total equity		1,947,465	2,091,141	1,007,294	1,192,668
Total liabilities and equity		3,723,879	3,547,534	2,190,319	2,063,350

Note:

- (a) Amount due from associates and jointly controlled entities decreased mainly due to repayment from a jointly controlled entity.
- (b) The increase in Associates and jointly controlled entities is mainly attributable to investment in Cuscaden Peak Pte Ltd amounting to \$282 million.
- (c) Perpetual capital securities decreased due to redemption.
- (d) Non-controlling interests increased mainly due to additional contribution from non-controlling shareholders for the investment in Cuscaden Peak Pte Ltd.

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, 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)
Balance as at Jun 30, 2021	725,493	(1,746)	985,751	(12,298)	1,697,200	307,966	2,005,166	92,248	2,097,414
Balance as at Jan 1, 2022	725,493	(1,746)	994,086	(25,544)	1,692,289	307,966	2,000,255	90,886	2,091,141
Total comprehensive income (loss) for the period									
Profit (Loss) for the period	-	-	1,924	-	1,924	-	1,924	3,863	5,787
Other comprehensive income (loss) for the period	-	-	-	(56,554)	(56,554)	-	(56,554)	(2,600)	(59,154)
Total	-	-	1,924	(56,554)	(54,630)	-	(54,630)	1,263	(53,367)
Transactions with owners, recognised directly in equity									
Dividends	-	-	(20,852)	-	(20,852)	-	(20,852)	-	(20,852)
Net movement during the period	-	-	(2)	(203)	(205)	-	(205)	86,670	86,465
Issue of shares	1,287	-	-	(240)	1,047	-	1,047	-	1,047
Total	1,287	-	(20,854)	(443)	(20,010)	-	(20,010)	86,670	66,660
Redemption of perpetual capital securities	-	-	(1,248)	-	(1,248)	(148,752)	(150,000)	-	(150,000)
Distribution to perpetual capital securities holders	-	-	(6,969)	-	(6,969)	-	(6,969)	-	(6,969)
Balance as at Jun 30, 2022	726,780	(1,746)	966,939	(82,541)	1,609,432	159,214	1,768,646	178,819	1,947,465

* 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, 2021	725,493	(1,746)	152,798	9,922	886,467	307,966	1,194,433
Total comprehensive income (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)
Balance as at Jun 30, 2021	725,493	(1,746)	117,959	10,978	852,684	307,966	1,160,650
Balance as at Jan 1, 2022	725,493	(1,746)	149,932	11,023	884,702	307,966	1,192,668
Total comprehensive loss for the period							
Loss for the period	-	-	(8,600)	-	(8,600)	-	(8,600)
Total	-	-	(8,600)	-	(8,600)	-	(8,600)
Transactions with owners, recognised directly in equity							
Dividends	-	-	(20,852)	-	(20,852)	-	(20,852)
Net movement during the period	-	-	95	(95)	-	-	-
Issue of shares	1,287	-	-	(240)	1,047	-	1,047
Total	1,287	-	(20,757)	(335)	(19,805)	-	(19,805)
Redemption of perpetual capital securities	-	-	(1,248)	-	(1,248)	(148,752)	(150,000)
Distribution to perpetual capital securities holders	-	-	(6,969)	-	(6,969)	-	(6,969)
Balance as at Jun 30, 2022	726,780	(1,746)	112,358	10,688	848,080	159,214	1,007,294

** Includes hedge reserve and option reserve.

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Half year ended Jun 30, 2022 \$'000	Half year ended Jun 30, 2021 \$'000
Cash flows from operating activities:			
(Loss) Profit before income tax and share of results of associates and jointly controlled entities		(11,545)	1,471
Adjustments for:			
Amortisation of intangible assets		28	129
Depreciation expense		38,695	38,694
Share-based payment expense		-	278
Net fair value loss (gain) in held-for-trading investments	5	120	(641)
Net fair value loss (gain) in investments	5	11,633	(21,946)
Net (gain) loss on disposal of property, plant and equipment	5	(43)	16
Finance costs		21,822	16,776
Interest income	5	(609)	(494)
Dividend income	5	(952)	(2,439)
Profit before working capital changes		59,149	31,844
Trade and other payables		(12,411)	(21,351)
Trade and other receivables		(11,567)	9,305
Held-for-trading investments		911	(2,725)
Inventories		(378)	(871)
Cash generated from operations		35,704	16,202
Dividend received		952	2,439
Income tax paid		(2,955)	(6,980)
Net cash from operating activities		33,701	11,661
Cash flows used in investing activities:			
Additional property, plant and equipment		(48,640)	(64,090)
Net additional investments		(5,610)	(18,617)
Net deposits refunded (placed) for investments		5,620	(12,425)
Net investment in associates and jointly controlled entities		(215,372)	(52,069)
Proceeds from disposal of property, plant and equipment		288	235
Net cash used in investing activities		(263,714)	(146,966)
Cash flows from financing activities:			
Interest received		609	494
Finance costs paid		(18,841)	(17,501)
Repayment of lease liabilities		(793)	(1,160)
Dividend paid	7	(20,852)	(20,839)
Distribution to perpetual capital securities holders		(6,969)	(6,969)
Net receipts from non-controlling shareholders ^(a)		84,506	37
Additional borrowings ^(b)		434,396	280,930
Repayment of borrowings ^(b)		(95,538)	(116,831)
Redemption of perpetual capital securities		(150,000)	-
Proceeds from issue of shares		1,047	-
Net cash from financing activities		227,565	118,161
Net decrease in cash and cash equivalents		(2,448)	(17,144)
Cash and cash equivalents at beginning of period		81,365	91,569
Effect of exchange rate changes on cash balances held in foreign currencies		616	269
Cash and cash equivalents at end of period		79,533	74,694

Note:

- (a) Net receipts from non-controlling shareholders during the half year under review was mainly attributable to investment in Cuscaden Peak Pte Ltd.
- (b) Net additional borrowings were utilised mainly for investing activities during the half year under review, contributing to an increase in Long-term borrowings in the Group Statement of Financial Position as well as an increase in Finance costs in the Consolidated Income Statement.

Cash and cash equivalents at end of period

The cash and cash equivalents as at June 30, 2022, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$4,359,000 (June 30, 2021: \$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, 2022, 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, 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, 2022. 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, 2021.

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

Half Year ended June 30, 2022

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	238,313	11,179	3		249,495
Inter-segment sales	-	168	-	(168)	-
Total revenue	238,313	11,347	3	(168)	249,495
RESULTS					
Profit (Loss) before interest and tax	18,555	2,018	(10,905)		9,668
Finance costs					(21,822)
Interest income					609
Share of results of associates and jointly controlled entities	22,411	(1,629)	(724)		20,058
Profit before income tax					8,513
Income tax expense					(2,726)
Non-controlling interests					(3,863)
Profit attributable to shareholders of the Company					1,924
Segment assets					
Segment assets	1,715,769	740,266	261,847		2,717,882
Investment in equity accounted investees	245,754	718,679	234		964,667
Unallocated corporate assets					41,330
Consolidated total assets					3,723,879
Segment liabilities					
Segment liabilities	204,568	7,698	144		212,410
Unallocated corporate liabilities					1,564,004
Consolidated total liabilities					1,776,414

Half Year ended June 30, 2021

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	158,031	11,601	3	-	169,635
Inter-segment sales	-	167	-	(167)	-
Total revenue	158,031	11,768	3	(167)	169,635
RESULTS					
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					
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					
Segment liabilities	185,981	7,882	135		193,998
Unallocated corporate liabilities					1,201,148
Consolidated total liabilities					1,395,146

4. Revenue

	GROUP \$'000	
	Half year ended Jun 30, 2022	Half year ended Jun 30, 2021
Hotel revenue	237,495	157,438
Rental income	10,802	11,271
Management fee	1,198	926
Total	249,495	169,635

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	
	Half year ended Jun 30, 2022	Half year ended Jun 30, 2021
Dividend income*	952	2,439
Interest income*	609	494
Depreciation and amortisation**	(38,723)	(38,823)
Net allowance for doubtful trade receivables*	(13)	(105)
Net fair value (loss) gain in held-for-trading investments*	(120)	641
Net fair value (loss) gain in investments*	(11,633)	21,946
Net foreign exchange loss*	(42)	(3,149)
Net adjustment for over provision of tax in respect of prior years	1,461	656
Net gain (loss) on disposal of property, plant and equipment*	43	(16)

During the half year ended June 30, 2022, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government, and an amount of \$1.2 million (June 30, 2021: \$5.8 million) was recognised in profit or loss against staff costs.

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, 2022	Half year ended Jun 30, 2021
Transactions with companies in which certain directors are deemed to have interests:		
Management fee expense	(382)	(285)
Management fee income	914	733
Rental income	3,146	3,356
Transactions with associates:		
Management fee income	292	197

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, 2022	Half year ended Jun 30, 2021
Current tax	(4,711)	(3,464)
Deferred tax	524	970
	(4,187)	(2,494)
Over provision of tax in respect of prior years	1,461	656
	(2,726)	(1,838)

7. Dividends

	GROUP \$'000	
	Half year ended Jun 30, 2022	Half year ended Jun 30, 2021
Ordinary dividends paid:		
First and final one-tier tax exempt dividend of 4 cents per share (2021: First and final one-tier tax exempt dividend of 4 cents per share)	20,852	20,839

8. Net Asset Value

	Jun 30, 2022	Dec 31, 2021
Group	\$3.09	\$3.25
Company	\$1.63	\$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, 2022	Dec 31, 2021
Financial assets measured at FVTPL	260,928	264,119
Financial assets at FVTOCI		
Debt instruments measured at FVTOCI	-	997

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 - Jun 30, 2022				
<i>Financial assets</i>				
Held-for-trading investments	2,445	2,445	-	-
Investments	258,483	136,537	-	*121,946
Group - Dec 31, 2021				
<i>Financial assets</i>				
Held-for-trading investments	3,476	3,476	-	-
Investments	261,640	152,051	-	*109,589

*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.

Reconciliation of level 3 fair value measurements:

	GROUP \$'000	
	Jun 30, 2022	Dec 31, 2021
<i>Unquoted investments:</i>		
Opening balance	109,589	81,846
Total net gains or (losses) in profit or loss	10,481	18,787
Net purchases	1,876	8,956
Closing balance	121,946	109,589

Financial liabilities

As at June 30, 2022, the carrying amount of certain notes payable and other long-term liabilities which bear fixed interest rates was \$523,400,000 and their fair value was \$497,017,000 (December 31, 2021: \$346,123,000 and \$350,141,000 respectively).

10. Property, Plant and Equipment

During the half year ended June 30, 2022, the Group acquired assets amounting to \$48,640,000 (June 30, 2021: \$64,090,000) and disposed of assets with net book value amounting to \$245,000 (June 30, 2021: \$251,000).

As at June 30, 2022, commitments for purchase of property, plant and equipment contracted but not provided for amounted to \$39,774,000 (December 31, 2021: \$25,647,000).

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 has assessed that the key inputs and assumptions used by the valuer for valuation date December 31, 2021, remain applicable and reasonable as at June 30, 2022.

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, 2022		As at Dec 31, 2021	
Secured	Unsecured	Secured	Unsecured
\$134,882,000	-	\$156,864,000	-

Amount repayable after one year

As at Jun 30, 2022		As at Dec 31, 2021	
Secured	Unsecured	Secured	Unsecured
\$888,894,000	\$522,307,000	\$718,655,000	\$343,286,000

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 issued 325,000 new ordinary shares for the current half year under review upon exercise of subscription rights by senior executives of the Company granted in conjunction with the Hotel Properties Limited Share Option Scheme 2010.

The newly issued shares rank pari passu in all respects with the existing shares of the Company.

As at June 30, 2022, the number of outstanding share options under the Company's Share Option Scheme was 18,375,000 (as at June 30, 2021: 18,900,000).

As at June 30, 2022, the Company held 515,300 (as at June 30, 2021: 515,300) treasury shares which represents 0.1% (as at June 30, 2021: 0.1%) of the total number of issued shares (excluding treasury shares).

13.2. Total Number of Issued Shares

	Jun 30, 2022	Dec 31, 2021
Total number of issued shares	521,815,251	521,490,251
Treasury shares	(515,300)	(515,300)
Total number of issued shares excluding treasury shares	521,299,951	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 interim consolidated statement of financial position of the Group as at June 30, 2022, and the related condensed interim consolidated income statement and statement of other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim 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, 2022, the Group recorded a revenue of \$249.5 million, which is 47.1% higher than the \$169.6 million recorded for the corresponding period last year. The increase was mainly attributable to better performance by the Group's hotels and resorts in general as most countries have re-opened their borders and eased travel restrictions.

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 \$59.1 million for the half year ended June 30, 2022, compared to \$31.8 million for the corresponding period last year. However, due to market volatility, the Group suffered mark-to-market fair value losses of \$11.6 million for the half year under review compared to a fair value gain of \$21.9 million for the corresponding period last year.

The Group's share of results of associates and jointly controlled entities turned from a loss of \$18.7 million for half year ended June 30, 2021, to a profit of \$20.1 million for the half year under review mainly due to gain from disposal of Hilton London Olympia of \$30 million as well as better results from other hotels in general.

Group profit / loss before income tax turned from a loss of \$17.2 million for the half year ended June 30, 2021, to a profit of \$8.5 million for the half year under review. After accounting for income tax and non-controlling interests, Group net profit attributable to shareholders for the half year ended June 30, 2022, was \$1.9 million compared to a net loss of \$22.3 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.

The outlook of hospitality industry is expected to remain good for the rest of the year. However, challenges remain, including manpower shortages, cost pressure as a result of inflation, rising interest rates as well as geopolitical tensions.

In London, the commercial office space of Paddington Square has now been fully pre-let and practical completion will be expected prior to end of this year, with the London Underground ticket hall and related areas comprising retail units to follow early next year. Phase one of Bankside Yard is also expected to achieve practical completion by end this year and pre-leasing activities are currently on-going.

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/recommended, 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, 2022, 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

Heng Michelle Fiona
Company Secretary
August 12, 2022