

HOTEL PROPERTIES LIMITED

(Registration No. 198000348Z)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR HALF YEAR ENDED JUNE 30, 2024

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, 2024	Half year ended Jun 30, 2023
Revenue	4	347,297	319,032
Cost of sales		(265,041)	(240,734)
Gross profit		82,256	78,298
Other operating income		11,963	20,681
Administrative expenses		(36,921)	(33,814)
Other operating expenses		(6,028)	(11,239)
Finance costs		(50,181)	(46,317)
Share of results of associates and jointly controlled entities		1,066	(16,462)
Profit (Loss) before income tax	5	2,155	(8,853)
Income tax expense	6	(5,615)	(8,260)
Loss after income tax		(3,460)	(17,113)
Attributable to:			
Shareholders of the Company		(4,925)	(17,177)
Non-controlling interests		1,465	64
		(3,460)	(17,113)
Loss per ordinary share (Cents):			
- basic		(1.62)	(3.97)
- diluted		(1.62)	(3.97)

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, 2024	Half year ended Jun 30, 2023 (restated)
Loss after income tax	(3,460)	(17,113)
Other comprehensive income (loss) (net of tax):		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Share of other comprehensive loss of a jointly controlled entity	(7,973)	(14,751)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange fluctuation and other reserves	1,174	6,019
Share of other comprehensive income of associates and jointly controlled entities	11,382	17,154
	12,556	23,173
Total comprehensive income (loss)	1,123	(8,691)
Attributable to:		
Shareholders of the Company	(1,393)	(5,989)
Non-controlling interests	2,516	(2,702)
	1,123	(8,691)

B. Condensed Interim Statements of Financial Position

	Note	GROUP \$'000		COMPANY \$'000	
		Jun 30, 2024	Dec 31, 2023	Jun 30, 2024	Dec 31, 2023
ASSETS					
Current assets:					
Cash and bank balances		103,635	94,798	27,990	23,101
Trade and other receivables ^(a)		86,004	96,078	7,922	6,339
Amount due from associates and jointly controlled entities		55,638	55,845	-	-
Amount due from subsidiaries		-	-	194,132	215,689
Inventories		15,281	15,502	119	134
Completed properties held for sale		7,106	7,427	-	-
Total current assets		267,664	269,650	230,163	245,263
Non-current assets:					
Associates and jointly controlled entities ^(b)		767,244	691,318	5,661	5,671
Subsidiaries		-	-	1,763,206	1,683,714
Investments	9	231,629	221,403	-	-
Property, plant and equipment ^(c)	10	1,776,258	1,686,457	221,664	222,577
Investment properties	11	1,319,933	1,319,933	-	-
Deferred tax assets		2,784	2,580	-	-
Intangible assets		9,632	9,648	-	-
Total non-current assets		4,107,480	3,931,339	1,990,531	1,911,962
Total assets		4,375,144	4,200,989	2,220,694	2,157,225
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings ^(d)	12	292,784	49,493	219,737	-
Trade and other payables ^(e)		136,409	157,765	13,620	19,975
Amount due to subsidiaries		-	-	3,756	585
Income tax payable		8,084	9,859	-	-
Total current liabilities		437,277	217,117	237,113	20,560
Non-current liabilities:					
Advances from subsidiaries		-	-	270,154	308,355
Long-term borrowings	12	1,439,868	1,464,199	713,944	782,542
Long-term lease liabilities		108,396	105,400	-	-
Deferred tax liabilities		17,135	16,839	482	446
Total non-current liabilities		1,565,399	1,586,438	984,580	1,091,343
Share capital and reserves:					
Share capital	13	733,697	726,780	733,697	726,780
Treasury shares		(1,746)	(1,746)	(1,746)	(1,746)
Reserves		1,387,681	1,428,822	107,836	161,074
Equity attributable to shareholders of the Company		2,119,632	2,153,856	839,787	886,108
Perpetual capital securities		159,214	159,214	159,214	159,214
		2,278,846	2,313,070	999,001	1,045,322
Non-controlling interests		93,622	84,364	-	-
Total equity		2,372,468	2,397,434	999,001	1,045,322
Total liabilities and equity		4,375,144	4,200,989	2,220,694	2,157,225

Note:

- Trade and other receivables decreased mainly due to collection during the period.
- The increase in Associates and jointly controlled entities is mainly attributable to shareholders' advances during the period, including advances of approximately \$41.8 million to a jointly controlled entity in which certain directors are deemed to have interest and the joint venture partner contributed in proportion to its shareholding.
- Property, plant and equipment increased mainly due to additions during the period.
- Short-term borrowings increased mainly due to reclassification of amounts maturing within 12 months.
The net current liabilities position as at June 30, 2024, is mainly due to this reclassification which is temporary, as most of these borrowings are capable of being refinanced. Notwithstanding the net current liabilities position, the Group has available committed revolving credit facilities to meet its current obligations as and when they fall due.
- Trade and other payables decreased mainly due to payment and lower purchases during the period.

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, 2023 (restated)	726,780	(1,746)	1,000,501	(112,264)	1,613,271	159,214	1,772,485	155,860	1,928,345
Total comprehensive income (loss) for the period									
(Loss) Profit for the period	-	-	(17,177)	-	(17,177)	-	(17,177)	64	(17,113)
Other comprehensive income (loss) for the period	-	-	80	11,108	11,188	-	11,188	(2,766)	8,422
Total	-	-	(17,097)	11,108	(5,989)	-	(5,989)	(2,702)	(8,691)
Transactions with owners, recognised directly in equity									
Dividends	-	-	(26,065)	-	(26,065)	-	(26,065)	-	(26,065)
Net movement during the period	-	-	3	2	5	-	5	5,454	5,459
Total	-	-	(26,062)	2	(26,060)	-	(26,060)	5,454	(20,606)
Distribution to perpetual capital securities holders	-	-	(3,510)	-	(3,510)	-	(3,510)	-	(3,510)
Balance as at Jun 30, 2023	726,780	(1,746)	953,832	(101,154)	1,577,712	159,214	1,736,926	158,612	1,895,538
Balance as at Jan 1, 2024	726,780	(1,746)	1,528,083	(99,261)	2,153,856	159,214	2,313,070	84,364	2,397,434
Total comprehensive income (loss) for the period									
(Loss) Profit for the period	-	-	(4,925)	-	(4,925)	-	(4,925)	1,465	(3,460)
Other comprehensive income for the period	-	-	1,154	2,378	3,532	-	3,532	1,051	4,583
Total	-	-	(3,771)	2,378	(1,393)	-	(1,393)	2,516	1,123
Transactions with owners, recognised directly in equity									
Dividends	-	-	(31,366)	-	(31,366)	-	(31,366)	-	(31,366)
Net movement during the period	-	-	(2)	(3,508)	(3,510)	-	(3,510)	6,742	3,232
Issue of shares	6,917	-	-	(1,342)	5,575	-	5,575	-	5,575
Total	6,917	-	(31,368)	(4,850)	(29,301)	-	(29,301)	6,742	(22,559)
Distribution to perpetual capital securities holders	-	-	(3,530)	-	(3,530)	-	(3,530)	-	(3,530)
Balance as at Jun 30, 2024	733,697	(1,746)	1,489,414	(101,733)	2,119,632	159,214	2,278,846	93,622	2,372,468

* 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	Share- holders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY							
Balance as at Jan 1, 2023	726,780	(1,746)	154,994	10,688	890,716	159,214	1,049,930
Total comprehensive loss for the period							
Loss for the period	-	-	(15,758)	-	(15,758)	-	(15,758)
Total	-	-	(15,758)	-	(15,758)	-	(15,758)
Transactions with owners, recognised directly in equity							
Dividends	-	-	(26,065)	-	(26,065)	-	(26,065)
Total	-	-	(26,065)	-	(26,065)	-	(26,065)
Distribution to perpetual capital securities holders	-	-	(3,510)	-	(3,510)	-	(3,510)
Balance as at Jun 30, 2023	726,780	(1,746)	109,661	10,688	845,383	159,214	1,004,597
Balance as at Jan 1, 2024	726,780	(1,746)	150,386	10,688	886,108	159,214	1,045,322
Total comprehensive loss for the period							
Loss for the period	-	-	(17,000)	-	(17,000)	-	(17,000)
Total	-	-	(17,000)	-	(17,000)	-	(17,000)
Transactions with owners, recognised directly in equity							
Dividends	-	-	(31,366)	-	(31,366)	-	(31,366)
Issue of shares	6,917	-	-	(1,342)	5,575	-	5,575
Total	6,917	-	(31,366)	(1,342)	(25,791)	-	(25,791)
Distribution to perpetual capital securities holders	-	-	(3,530)	-	(3,530)	-	(3,530)
Balance as at Jun 30, 2024	733,697	(1,746)	98,490	9,346	839,787	159,214	999,001

** Includes hedge reserve and option reserve.

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Half year ended Jun 30, 2024 \$'000	Half year ended Jun 30, 2023 \$'000
Cash flows from operating activities:			
Profit before income tax and share of results of associates and jointly controlled entities		1,089	7,609
Adjustments for:			
Amortisation of intangible assets		26	26
Depreciation expense		41,677	37,488
Net fair value loss in held-for-trading investments	5	-	55
Net fair value (gain) loss in investments	5	(5,513)	8,431
Net loss (gain) on disposal of property, plant and equipment	5	29	(16,129)
Finance costs		50,181	46,317
Interest income	5	(2,506)	(1,196)
Dividend income	5	(3,227)	(1,885)
Profit before working capital changes		81,756	80,716
Trade and other payables		(26,941)	(22,004)
Trade and other receivables		6,014	317
Held-for-trading investments		-	2,435
Inventories		527	951
Cash generated from operations		61,356	62,415
Dividend received		3,227	1,885
Income tax paid		(7,785)	(2,830)
Net cash from operating activities		56,798	61,470
Cash flows used in investing activities:			
Additional property, plant and equipment		(122,171)	(41,265)
Prepayment of right-of-use asset		(3,803)	-
Net additional investments		(1,606)	(2,148)
Net deposits placed for investments		-	(20,092)
Net investment in associates and jointly controlled entities		(63,324)	(44,458)
Proceeds from disposal of investment properties		-	87,797
Proceeds from disposal of property, plant and equipment		275	14,085
Net cash used in investing activities		(190,629)	(6,081)
Cash flows from (used in) financing activities:			
Interest received		2,506	1,196
Finance costs paid		(44,753)	(42,969)
Repayment of lease liabilities		(1,244)	(736)
Dividend paid	7	(31,366)	(26,065)
Distribution to perpetual capital securities holders		(3,530)	(3,510)
Net receipts from non-controlling shareholders		6,184	4,730
Additional borrowings ^(a)		308,869	226,281
Repayment of borrowings ^(a)		(102,224)	(218,886)
Decrease in deposits under pledge to bank		3,377	-
Proceeds from issue of shares		5,575	-
Net cash from (used in) financing activities		143,394	(59,959)
Net increase (decrease) in cash and cash equivalents		9,563	(4,570)
Cash and cash equivalents at beginning of period		91,077	87,898
Effect of exchange rate changes on cash balances held in foreign currencies		325	(458)
Cash and cash equivalents at end of period		100,965	82,870

Note:

- (a) Net additional borrowings were utilised mainly for investing activities during the half year under review, contributing to an increase in total 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, 2024, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$2,670,000 (June 30, 2023: \$18,195,000).

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, 2024, 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, 2023.

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, 2024. 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, 2023.

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, 2024

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	335,668	11,626	3	-	347,297
Inter-segment sales	-	173	-	(173)	-
Total revenue	335,668	11,799	3	(173)	347,297
RESULTS					
Profit before interest and tax	38,477	1,573	8,714	-	48,764
Finance costs					(50,181)
Interest income					2,506
Share of results of associates and jointly controlled entities	(1,334)	3,209	(809)	-	1,066
Profit before income tax					2,155
Income tax expense					(5,615)
Non-controlling interests					(1,465)
Loss attributable to shareholders of the Company					(4,925)
Segment assets					
Segment assets	1,904,264	1,373,067	232,313	-	3,509,644
Investment in equity accounted investees	244,886	577,458	538	-	822,882
Unallocated corporate assets					42,618
Consolidated total assets					4,375,144
Segment liabilities					
Segment liabilities	235,158	9,036	324	-	244,518
Unallocated corporate liabilities					1,758,158
Consolidated total liabilities					2,002,676

Half Year ended June 30, 2023

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	306,931	12,098	3	-	319,032
Inter-segment sales	-	168	-	(168)	-
Total revenue	306,931	12,266	3	(168)	319,032
RESULTS					
Profit (Loss) before interest and tax	57,325	2,105	(6,700)	-	52,730
Finance costs					(46,317)
Interest income					1,196
Share of results of associates and jointly controlled entities	(1,701)	(14,689)	(72)	-	(16,462)
Loss before income tax					(8,853)
Income tax expense					(8,260)
Non-controlling interests					(64)
Loss attributable to shareholders of the Company					(17,177)
Segment assets					
Segment assets	1,758,849	729,748	246,391	-	2,734,988
Investment in equity accounted investees #	249,955	726,079	458	-	976,492
Unallocated corporate assets					61,588
Consolidated total assets					3,773,068
Segment liabilities					
Segment liabilities	229,295	12,462	1,118	-	242,875
Unallocated corporate liabilities					1,634,655
Consolidated total liabilities					1,877,530
# restated					

4. Revenue

	GROUP \$'000	
	Half year ended Jun 30, 2024	Half year ended Jun 30, 2023
Hotel revenue	334,744	306,139
Rental income	11,273	11,762
Management fee	1,280	1,131
Total	347,297	319,032

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 loss before income tax:

	GROUP \$'000	
	Half year ended Jun 30, 2024	Half year ended Jun 30, 2023
Dividend income*	3,227	1,885
Interest income*	2,506	1,196
Depreciation and amortisation**	(41,703)	(37,514)
(Net allowance for) Write-back of doubtful trade receivables*	(228)	113
Net fair value loss in held-for-trading investments*	-	(55)
Net fair value gain (loss) in investments*	5,513	(8,431)
Net foreign exchange gain*	331	33
Net adjustment for over provision of tax in respect of prior years	1,578	16
Net (loss) gain on disposal of property, plant and equipment*	(29)	16,129
Pre-opening expenses incurred for new hotels*	(5,570)	-

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, 2024	Half year ended Jun 30, 2023
Transactions with companies in which certain directors are deemed to have interests:		
Management fee and other expense	(959)	(530)
Management fee income	919	800
Hotel revenue and rental income	2,586	2,799
Transactions with associates:		
Management fee income	361	331

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, 2024	Half year ended Jun 30, 2023
Current tax	(7,491)	(7,616)
Deferred tax	298	(660)
	(7,193)	(8,276)
Over provision of tax in respect of prior years	1,578	16
	(5,615)	(8,260)

7. Dividends

	GROUP \$'000	
	Half year ended Jun 30, 2024	Half year ended Jun 30, 2023
Ordinary dividends paid:		
First and final one-tier tax exempt dividend of 4 cents per share and a one-tier tax exempt special dividend of 2 cents per share		
(2023: First and final one-tier tax exempt dividend of 4 cents per share and a one-tier tax exempt special dividend of 1 cent per share)	31,366	26,065

8. Net Asset Value

	Jun 30, 2024	Dec 31, 2023
Group	\$4.05	\$4.13
Company	\$1.61	\$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, 2024	Dec 31, 2023
Financial assets measured at FVTPL	231,629	221,403

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, 2024				
<i>Financial assets</i>				
Investments	231,629	104,296	-	*127,333
Group - Dec 31, 2023				
<i>Financial assets</i>				
Investments	221,403	99,730	-	*121,673

*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, 2024	Dec 31, 2023
<i>Unquoted investments:</i>		
Opening balance	121,673	121,040
Total net gain in profit or loss	4,054	441
Net purchases	1,606	192
Closing balance	127,333	121,673

Financial liabilities

As at June 30, 2024, the carrying amount of certain notes payable and other long-term liabilities which bear fixed interest rates was \$837,208,000 and their fair value was \$795,156,000 (December 31, 2023: \$648,260,000 and \$609,434,000 respectively).

10. Property, Plant and Equipment

During the half year ended June 30, 2024, the Group acquired assets amounting to \$122,171,000 (June 30, 2023: \$41,265,000) and disposed of assets with net book value amounting to \$304,000 (June 30, 2023: \$9,437,000).

As at June 30, 2024, commitments for purchase of property, plant and equipment contracted but not provided for amounted to \$19,448,000 (December 31, 2023: \$134,179,000).

11. Investment Properties

11.1. Valuation

The fair value of the investment properties at December 31, 2023, which represents their highest and best use, 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 direct comparison method that reflects prevailing property market conditions and redevelopment opportunities as at this date. The Group has assessed that the key inputs and assumptions used by the valuer for valuation date December 31, 2023, remain applicable and reasonable as at June 30, 2024.

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, 2024		As at Dec 31, 2023	
Secured	Unsecured	Secured	Unsecured
\$73,047,000	\$219,737,000	\$49,493,000	-

Amount repayable after one year

As at Jun 30, 2024		As at Dec 31, 2023	
Secured	Unsecured	Secured	Unsecured
\$822,920,000	\$616,948,000	\$816,578,000	\$647,621,000

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 1,750,000 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, 2024, the number of outstanding share options under the Company's Share Option Scheme was 16,625,000 (as at June 30, 2023: 18,375,000).

As at June 30, 2024, the Company held 515,300 (as at June 30, 2023: 515,300) treasury shares which represents 0.1% (as at June 30, 2023: 0.1%) of the total number of issued shares (excluding treasury shares).

13.2. Total Number of Issued Shares

	Jun 30, 2024	Dec 31, 2023
Total number of issued shares	523,565,251	521,815,251
Treasury shares	(515,300)	(515,300)
Total number of issued shares excluding treasury shares	523,049,951	521,299,951

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.

14. Restatement of Comparative Information

The Group's jointly controlled entity in United Kingdom recorded a prior year adjustment of its profit and loss statement for the year ended December 31, 2022, which resulted in the restatement of certain items for the half year ended June 30, 2023 as detailed below. The jointly controlled entity has an investment property located in United Kingdom. In 2023, the jointly controlled entity reviewed the valuation basis relating to the investment property applied by the valuer and updated it to align with SFRS(I) 13, where the investment property should be valued on its own, without the consideration of it being valued as held within a corporate structure, which enjoys certain local tax benefits that should not be considered. As a result, certain line items have been adjusted in the Statement of Financial Position, Statement of Other Comprehensive Income, Statement of Changes in Equity and the related notes to the interim financial statements for the half year ended June 30, 2023.

Details are described below:

Restated Statement of Financial Position as at June 30, 2023:

	GROUP \$'000		
	Reported	Adjustment	Restated
ASSETS			
Associates and jointly controlled entities	956,644	(36,609)	920,035
Total non-current assets	3,552,682	(36,609)	3,516,073
Total assets	3,809,677	(36,609)	3,773,068
Share capital and reserves:			
Reserves	889,287	(36,609)	852,678
Equity attributable to shareholders of the Company	1,614,321	(36,609)	1,577,712
Total equity	1,932,147	(36,609)	1,895,538
Total liabilities and equity	3,809,677	(36,609)	3,773,068

14. Restatement of Comparative Information (cont'd)

Restated Consolidated Statement of Other Comprehensive Income for the half year ended June 30, 2023:

	GROUP \$'000		
	Reported	Adjustment	Restated
Other comprehensive income (loss) (net of tax):			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income (loss) of associates and jointly controlled entities	19,178	(2,024)	17,154
Total comprehensive loss	(6,667)	(2,024)	(8,691)
Attributable to:			
Shareholders of the Company	(3,965)	(2,024)	(5,989)

Restated Group Statement of Changes in Equity for the half year ended June 30, 2023:

	GROUP \$'000		
	Reported	Adjustment	Restated
Retained profits			
Balance as at Jan 31, 2023	1,036,734	(36,233)	1,000,501
Other reserves			
Balance as at Jan 31, 2023	(113,912)	1,648	(112,264)
Other comprehensive income (loss) for the period	13,132	(2,024)	11,108
Balance as at Jun 30, 2023	(100,778)	(376)	(101,154)

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, 2024, 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, 2024, the Group recorded a revenue of \$347.3 million, which is 8.9% higher than the \$319.0 million recorded for the corresponding period last year. Gross profit also increased from \$78.3 million for 1H 23 to \$82.3 million for the half year under review. The increase was mainly attributable to the opening of Six Senses Kanuhura Maldives following a major refurbishment and better performance by majority of the Group's hotels and resorts.

For the half year ended June 30, 2024, the Group recorded a mark-to-market fair value gain on long term investments of \$5.5 million compared to a loss of \$8.4 million for the corresponding period last year. Finance cost increased from \$46.3 million for first half 2023 to \$50.2 million for the half year under review due to higher borrowings as well as interest rates.

The Group's share of results of associates and jointly controlled entities turned from a loss of \$16.5 million for the first half of 2023 to a profit of \$1.1 million for the half year under review mainly due to share of fair value and divestment gains from investment properties held by jointly controlled entities.

For the half year ended June 30, 2024, the Group recorded a profit before tax of \$2.2 million compared to a loss before tax of \$8.9 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, 2024 was \$4.9 million compared to a net loss of \$17.2 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 Group opened our first hotel in Japan, Four Seasons Osaka Hotel, on August 1, 2024. The hotel is located inside the One Dojima building, a mixed-used building with 49 storeys. Besides the hotel, One Dojima also houses the Brillia Tower Dojima residential apartments, which the Group has 25% co-ownership. The sale of most of these apartments are expected to complete later this year.

The market is expecting interest rates cuts by the US Federal Reserve soon. However, geopolitical tensions remain, which may lead to softer economic conditions.

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, 2024, 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

Joanna Lim Lan Sim
Company Secretary
August 13, 2024