BUILDING OUR
PILLARS OF GROWTH

FAR EAST ORCHARD LIMITED

Annual Report 2024

Far East Orchard
LIMITED

GLOSSARY OF KEY ABBREVIATIONS

For ease of reading, this glossary provides definitions of abbreviations frequently used in this report.

ACRA	Accounting and Corporate Regulatory Authority
AGM	Annual General Meeting
ARC	Audit & Risk Committee
BCPs	Business Continuity Plans
CFO	Chief Financial Officer
CG Policy Manual	Corporate Governance Policy Manual
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
ERM	Enterprise Risk Management
FEHH	Far East Hospitality Holdings Pte. Ltd.
FEOHAM	FEO Hospitality Asset Management Pte. Ltd.
FEOR	Far East Orchard Limited
FY2023	Financial year ended 31 December 2023
FY2024	Financial year ended 31 December 2024
FY2025	Financial year ending 31 December 2025
F&B	Food & Beverage
GBP or £	Sterling Pound
Group CEO	Group Chief Executive Officer
GSTC	Global Sustainable Tourism Council
HFS	Homes for Students Limited
HSSE	Healthy, Safety, Security & Environment
IDs	Independent Directors
IPT	Interested Person Transaction
IR	Investor Relations
IT	Information Technology
JV	Joint Venture
MICE	Meetings, Incentives, Conferences & Exhibitions
MRSC	Management Risk & Sustainability Committee
NC	Nominating Committee
PBSA	Purpose-built Student Accommodation
RC	Remuneration Committee
SGD or S$	Singapore Dollar
SGX-ST	Singapore Exchange Securities Trading Limited
SID	Singapore Institute of Directors
STB	Singapore Tourism Board
TCFD	Task Force on Climate-Related Financial Disclosures
Toga Trust	Toga Hotel Holdings Unit Trust
TFE Hotels	Toga Far East Hotels
UK	United Kingdom
UCAS	Universities and Colleges Admissions Service
UN IPCC	United Nations Intergovernmental Panel on Climate Change

Our Vision

To be an enduring Singapore Real Estate Enterprise that strives to deliver steadfast growth for all stakeholders and the community.

Our Mission

To be a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio.

The Annual Report for FY2024
is available for viewing and download on our website:
www.fareastorchard.com.sg

Contents

BUILDING OUR PILLARS OF GROWTH

The Group is delivering steady growth on the foundation of our lodging platform, helmed by our two core pillars — Hospitality and PBSA. We will continue to build on these growth pillars, focusing on strengthening our twin pillars with strategic acquisition and capability enhancement as well as to explore capital recycling opportunities to unlock value and strengthen our financial structure. Our investment initiatives remain aligned with our strategic priorities to ensure sustained progress.

Corporate Profile

Far East Orchard Limited ("**Far East Orchard**") is a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio. Established in 1967, Far East Orchard has a proven track record in real estate development, investment, and management across residential, commercial, hospitality, and PBSA in Australia, Japan, Malaysia, Singapore, and the UK.

Listed on the Mainboard of the Singapore Exchange, Far East Orchard is also a member of Far East Organization, Singapore's largest private property developer.

Following a strategic transformation in 2012, the Group expanded into hospitality management and invested in healthcare real estate. In 2015, it diversified its portfolio to include the development and investment of PBSA properties in the UK.

In 2023, Far East Orchard celebrated a decade of partnerships in the hospitality business with The Straits Trading Company Limited and Toga Group, Australia. Its hospitality arm, Far East Hospitality, together with the joint venture, Toga Far East Hotels, now owns more than 10 assets and manages over 100 properties with more than 17,500 rooms in Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, Singapore, and Switzerland, across 10 distinct brands.

Far East Orchard's PBSA portfolio comprises close to 3,700 beds across key cities in the UK and two PBSA developments in Bristol and Glasgow. Upon completion of these developments, the Group's total PBSA portfolio will grow to more than 4,700 beds across 15 properties. In 2024, Far East Orchard acquired a 49% stake in a UK PBSA operator, Homes for Students, which manages over 50,000 beds. In the same year, the Group also established a private student accommodation fund focused on PBSA developments in the UK.

The Group also owns purpose-built medical suites for lease and sale in Novena, Singapore's premier medical hub.

GEOGRAPHICAL PRESENCE

As at 31 December 2024

Notes:

[1] Owned and/or managed.

[2] Excludes sites under development. The developments comprise a 706-bed PBSA development in Bristol and a 273-bed PBSA development in Glasgow, expected to be completed in 2026 and 2027 respectively. This would bring FEOR's PBSA portfolio to more than 4,700 beds across the UK upon completion.

[3] Includes PBSA properties and a mixed development, Westminster Fire Station.

[4] Includes managed hospitality properties and medical suites, shops and offices namely, Novena Medical Center, Novena Specialist Center, SBF Center and Woods Square.

HOSPITALITY[1]

10 Countries

> 100 Properties

31 Cities

> 17,500 Rooms

UK PBSA (OWNED)[2]

7 Cities

13 Properties

> 3,700 Beds

MANAGED BEDS

> 50,000 Beds

1 **United Kingdom**
14 Properties[3]

2 **Denmark**
1 Property

3 **Germany**
15 Properties

4 **Austria**
2 Properties

5 **Hungary**
1 Property

6 **Switzerland**
1 Property

7 **Japan**
3 Properties

8 **Malaysia**
1 Property

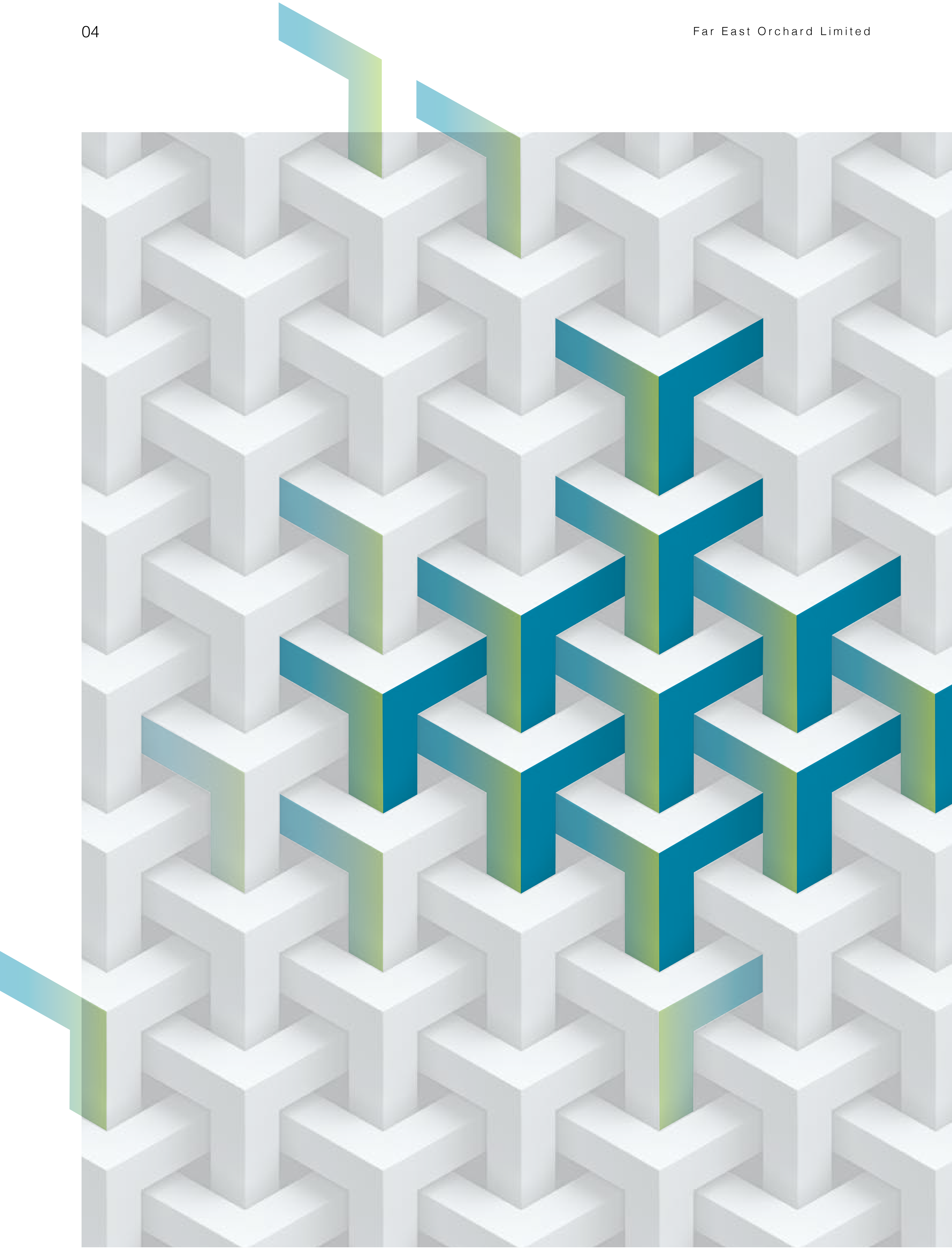
9 **Singapore**
29 Properties[4]

10 **Australia**
48 Properties

11 **New Zealand**
9 Properties

Legend

- PBSA
- Hotel Ownership & Management
- Commercial Units & Medical Suites
- Property Development



STRENGTHENING OUR GROWTH PILLARS

Strengthening our lodging platform through strategic investments, asset optimisation, and operational excellence. By strengthening our core pillars—Hospitality and PBSA—we are building a resilient and sustainable business that is well-positioned for long-term value creation.

CHAIR'S STATEMENT

Far East Orchard continues to focus on strategically building its lodging platform in the PBSA and Hospitality sector to grow its recurring income.

Koh Kah Sek
Chair, Non-Executive Director

Dear Shareholders,

FY2024 was marked by a challenging operating environment shaped by elevated interest rates, inflationary pressures, and ongoing geopolitical tensions. Against this backdrop, Far East Orchard has demonstrated resilience and adaptability, anchored by our diversified lodging platform and disciplined capital management. These fundamentals have enabled us to maintain financial flexibility while navigating market volatility.

Delivering Financial Resilience

Despite a volatile external environment in FY2024, the Group's revenue increased 4.5% to S$191.9 million, with operating profit recording a robust 35.6% increase to S$78.5 million, up from S$57.9 million in the preceding year. This marks another operating profit record, highlighting the

FIRST AND FINAL DIVIDEND
4.0
SINGAPORE CENTS

SPECIAL DIVIDEND
1.0
SINGAPORE CENT

CHAIR'S STATEMENT

REVENUE
S$191.9
MILLION

PROFIT AFTER TAX
S$61.3
MILLION

strength of our lodging platform. In particular, the PBSA business segment benefited from continued rental growth, an expanded portfolio and additional contribution from a strategic acquisition done by the Group in April 2024, where the Group acquired a 49% stake in a PBSA operating platform in the UK. Our hospitality business segment rode on the steady recovery in Europe and the strong recovery in Japan.

Aligning with the Group's proactive asset management strategy and improved capital allocation, the Group completed the divestment of a hospitality asset, Rendezvous Hotel Perth Central ("RHPC"), in December 2024, recognising a gain on disposal of S$5.9 million.

Despite the improvement in operating profit and gain on disposal of RHPC, profit after tax was lower at S$61.3 million, while profit attributable to shareholders was S$59.0 million, mainly due to the lower fair value gains recognised from our PBSA investment properties. Excluding these fair value gains on investment properties, the Group would have recorded a bigger jump in profit after tax and profit attributable to shareholders of S$35.5 million and S$33.3 million, respectively, in FY2024, as compared to the adjusted amount of S$18.3 million and S$18.1 million in FY2023. FY2024's profitability was also partially offset by the higher currency translation losses from the weakening Australian Dollar against the Singapore Dollar.

Strengthening Our Growth Pillars

Far East Orchard continues to focus on strategically building its lodging platform in the PBSA and Hospitality sector to grow its recurring income.

The UK PBSA market continues to demonstrate strong fundamentals, driven by a growing UK student population and supported by sustained international student demand growth. While new supply has increased, demand continues to outpace available beds, particularly in key university cities. This supply-demand imbalance, coupled with a preference for quality accommodation, indicates continued growth potential. Far East Orchard remains focused on maintaining a balanced approach as we navigate this evolving market.

In 2024, the Group strategically expanded its presence in the UK PBSA sector through the acquisition of HFS, the UK's largest independent PBSA operator. This is a significant step forward in our strategy to strengthen our PBSA operating management capabilities in the UK.

Towards an asset-light model, the Group established our inaugural private fund (the "Fund") with a target commitment of £100 million and closed its first £70 million in August 2024. The Fund is seeded with a development site in Glasgow, acquired in March 2024.

Solidifying Our Foundation

In our Hospitality business, we saw positive traction as travel recovery continued. The pace of recovery varies across markets. Arrivals in Asia and the Pacific region reached 87% of 2019 levels, up from 66% at the end of 2023, but still remained below the 2019 levels[1]. While demand for quality accommodations remains steady, growth is projected to moderate amid challenges such as rising costs, manpower shortages, slow global growth, and ongoing geopolitical uncertainties.

Nevertheless, our hospitality management arm, Far East Hospitality, together with Toga Far East Hotels, continues to expand our lodging platform in key markets. Following the addition of over 1,000 rooms to our operating portfolio in 2024, we expect to open over 500 rooms in 2025, demonstrating our confidence in the sector's long-term fundamentals. Our asset-light strategy and operational expertise position us to adapt to evolving conditions, strengthen portfolio resilience, and capture emerging opportunities.

As part of our proactive portfolio management strategy, we have commenced refurbishment works across selected hotel assets to enhance their competitiveness and optimise long-term performance. The operating performance will be impacted in the short term when these refurbishment works are ongoing.

[1] UNWTO. "International Tourism Recovers Pre-Pandemic Levels in 2024 (unwto.org)". 25 Jan 2025.

CHAIR'S STATEMENT

> **"As we strengthen our lodging platform and expand recurring income streams, we remain guided by discipline and a clear strategy."**

The Group maintains discipline in capital allocation, ensuring investments align with our capital recycling strategy. The divestment of RHPC reflects our ongoing efforts to optimise our portfolio and returns for our shareholders. Looking ahead, we remain focused on proactive portfolio management, asset enhancements, and capital recycling to drive long-term value across our properties.

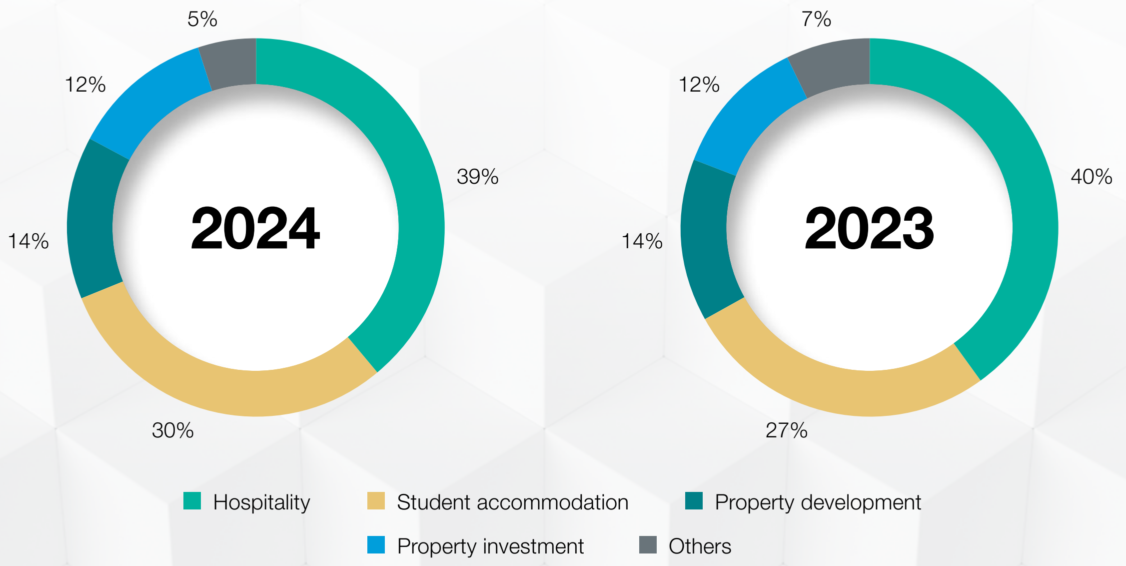
As we strengthen our lodging platform and expand recurring income streams, we remain guided by discipline and a clear strategy. With prudent capital management, Far East Orchard is well-positioned to enhance returns and drive sustainable growth.

Advancing on our Sustainability Journey

Sustainability remains integral to our long-term strategy. As stewards of the company, the Board recognises the importance of sustainability as a business imperative and actively oversees initiatives that align with the Group's long-term objective of fostering a resilient and future-ready Far East Orchard.

Advancing on our sustainability journey, the Group commenced a climate scenario analysis across key assets in our portfolio to understand how climate-related risks and opportunities could impact our portfolio, with plans to quantify the impact. The Board remains actively engaged in this process, ensuring that when completed, the analysis

TOTAL ASSETS BY BUSINESS SEGMENTS



CHAIR'S STATEMENT

will enable us to make better-informed strategic decisions to align with the Group carbon emissions reduction target of 42% by 2030 from the 2022 baseline.

Upholding strong governance and diversity remains a priority for Far East Orchard. In the 2024 Singapore Governance and Transparency Index (SGTI), Far East Orchard was ranked among the top 18% of companies, and in the 2025 Singapore Board Diversity Index, we were ranked in the top 8% of 553 companies listed on the Singapore Exchange (SGX). These recognitions affirm our commitment to fostering diverse perspectives within our leadership. Additionally, our dedication to transparency and corporate governance was also acknowledged with the Bronze Award in the mid-cap category for Best Annual Report at the 2024 Singapore Corporate Awards. We believe that upholding strong corporate governance is essential to sustaining our business for the long term.

Delivering on our Commitment to Shareholders

The Group remains steadfast in our commitment to delivering tangible returns to our shareholders. Taking into account the Group's FY2024 financial performance, one-off gain from the disposal of RHPC, and our continued focus on prudent capital management to maintain cash reserves and credit lines for future growth opportunities, the Board has recommended a first and final dividend of 4.0 Singapore cents per share, along a special dividend of 1.0 Singapore cent. This brings the total dividend for FY2024 to 5.0 Singapore cents per share, an increase from the 4.0 Singapore cents per share declared for FY2023.

Board Changes: A Fond Farewell and New Beginning

On 25 April 2024, we bid farewell to Mr Samuel Gene Rhee, whose unwavering commitment and contributions have been invaluable to the Board and the Group. On behalf of the Board, I extend our heartfelt gratitude for Samuel's dedication and best wishes in his future endeavours.

During the year, we welcomed Mr Chan Hon Chew to the Board. Hon Chew's extensive experience in business, finance, and strategic planning will provide valuable perspectives as the Group continues to build on its growth foundations.

These changes reaffirm our commitment to maintaining a dynamic and diverse Board equipped to guide the Group towards sustainable long-term value creation.

Acknowledgement

I would like to express my appreciation to the management team and staff members for their dedication and resilience in executing our strategic priorities. I am also grateful for the continued trust and support from our shareholders, business partners, and stakeholders. A special note of appreciation goes to my fellow Board members for their stewardship and oversight in guiding the Group through today's business landscape.

Looking ahead, while signs of recovery are emerging, including expectations of moderating interest rates and sustained travel demand, macroeconomic pressures persist arising from global geopolitical tensions and headwinds. Far East Orchard remains committed to financial discipline and leveraging its lodging platform to unlock growth opportunities and create long-term shareholder value.

Koh Kah Sek
Chair, Non-Executive Director
18 March 2025

CHAT WITH GROUP CEO

We remain steadfast in our pursuit of growth and I look forward to building our pillars of growth together, creating long-term value to our stakeholders and advancing our shared goals.

Alan Tang
Executive Director and Group CEO

Q The theme of this year's annual report is 'Building Our Pillars of Growth'. What does this mean to you?

"Building Our Pillars of Growth" encapsulates our progress in 2024 and underscores our commitment to positioning FEOR for sustainable long-term growth. We remained focused on strengthening the two core pillars of our lodging platform—Hospitality and PBSA.

Throughout the year, we reinforced these pillars with strategic initiatives. In Hospitality, we continued to build operational scale and efficiency. In PBSA, the phased acquisition of HFS in April 2024 expanded our portfolio and strengthened our operational capabilities.

Beyond our core operating businesses, we took steps to position FEOR for future growth. The establishment of a private student accommodation fund in August 2024 opened new avenues for expansion, complementing our existing lodging platform. These initiatives reinforced and strengthened our two core pillars, preparing ourselves to scale up the lodging platform and ensuring that FEOR remains well-positioned for long-term value creation.

Q The Group delivered a resilient performance in FY2024. What drove these results?

In FY2024, the Group's revenue grew 4.5% from S$183.6 million to S$191.9 million. Our PBSA business was the key driver of revenue growth, increasing by 16.1%. The segment benefitted from strong demand and rental uplifts for the academic years commencing in September 2023 and 2024 ("AY23/24" and "AY24/25"), as well as the full-year contribution from a PBSA asset in Southampton, which we acquired in May 2023.

Meanwhile, our Hospitality business remained a significant revenue contributor, with revenue of S$126.5 million, a slight decline of 0.3% year-on-year. This was mainly due to the impact of a major multi-year refurbishment of our owned property Rendezvous Hotel Perth Scarborough ("RHPS") which started in October 2024, and softer performance from our leased and managed property, Orchard Rendezvous Hotel, Singapore ("ORH"), which was impacted by surrounding construction works.

On the profitability front, operating profit jumped 35.6% year-on-year from S$57.9 million to S$78.5 million, boosted by the strong operating performance of the PBSA business. PBSA business' operating profit increased from S$21.5 million

CHAT WITH GROUP CEO

to S$37.1 million, supported by rental growth, additional contributions from the Southampton PBSA asset, share of fair value gains recognised by a PBSA joint venture, and the share of profits from HFS, which we acquired a 49% stake in April 2024.

Our hospitality segment also delivered resilient results, with operating profit increasing by S$4.9 million to S$29.1 million, despite the results being affected by the refurbishment works at RHPS. Japan was a bright spot, with additional contributions from a leased hotel that opened in April 2023 and improved performance from our Japan managed properties. Our hospitality joint ventures also delivered strong results due to robust hospitality performance in Japan and Europe.

As part of our active asset management strategy, we divested RHPC, recognising a gain of S$5.9 million. This was in line with our efforts to optimise our portfolio and recycle capital efficiently.

All in all, profit after tax came in at S$61.3 million. This was slightly lower than last year's S$66.1 million, mainly due to lower fair value gains and unrealised currency translation losses from the weakening of Australian Dollar against Singapore Dollar. If we exclude fair value gains (net of tax), our profit after tax would have been S$35.5 million—almost double the adjusted S$18.3 million recorded in FY2023.

Our prudent capital management strategy supported the stability of our cash flow and balance sheet. Our total assets grew to S$2,641.5 million, mainly due to higher investment properties valuations and favourable currency translation effects of the Great Britain Pound on the investment properties. The slight decrease in liabilities reflects our efforts to optimise borrowings and manage financial risks, including securing refinancing for maturing loans.

Net Asset Value (NAV) per share rose 2.2% to S$2.84, demonstrating the strength of our portfolio, while our gearing ratio improved from 44.1% to 43.3%. With cash and bank balances of S$200.9 million, we are positioned to pursue future growth opportunities while maintaining financial resilience, even amidst macroeconomic uncertainties.

Overall, FY2024 reaffirmed the resilience of our lodging platform. The strong performance of our PBSA and Hospitality businesses, along with disciplined capital allocation, positions us well as we continue building our pillars of growth to scale our lodging platform.

Q FEOR is moving into the final phase of FEOR25. What were the key milestones achieved in 2024?

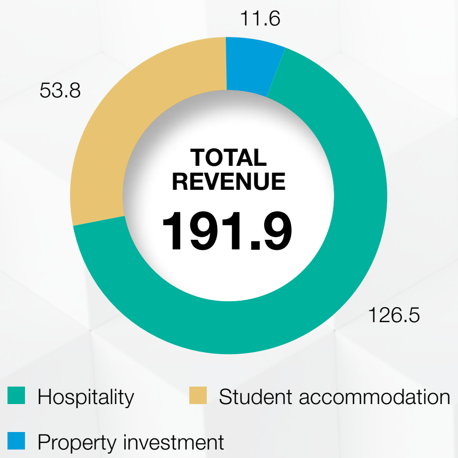
2024 has been a pivotal year for FEOR as we advanced into the final phase of FEOR25 strategy. Despite macroeconomic uncertainties, we remained focused on building our lodging platform and maintaining operational resilience. Both our Hospitality and PBSA businesses demonstrated resilience and growth in 2024.

Hospitality: Unlocking Opportunities

The global tourism recovery has been a strong tailwind for our hospitality business, and we have capitalised on this momentum by expanding our portfolio and enhancing our existing assets.

In 2024, we added over 1,000 rooms across Australia, New Zealand and Singapore. Among these, Far East Hospitality introduced Quincy House Singapore (255-room), a first

FY2024 REVENUE BY SEGMENT
(S$'Million)



FEOR25 STRATEGY

Achieve
25,000
Rooms &

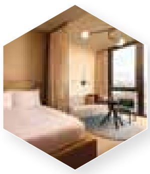
5,000
Beds by 2025

CHAT WITH GROUP CEO

serviced residence under the Quincy brand. Additionally, our joint venture, TFE Hotels, deepened its presence in New Zealand through a strategic partnership with Heritage Hotels, adding five properties with over 500 rooms across Auckland, Wellington, Christchurch, and Queenstown. These properties have since been rebranded under Adina and Rendezvous.

In Japan, we continued to expand through third-party management agreements. Since the opening of Far East Village Hotel Ariake ("FEVHA") in 2020, our Japan portfolio has grown to three properties with over 700 rooms. A key highlight was assuming full operational control of FEVHA from 1 July 2024, boosting our local operational capabilities and reinforcing our confidence in Japan's long-term growth potential. We see significant opportunities for further expansion, particularly in Osaka and Fukuoka.

OPERATIONAL UPDATES



8 APRIL 2024

273 rooms
Expanded the Vibe Hotels brand with the opening of Vibe Hotel Melbourne Docklands

26 SEPTEMBER 2024

TFE Hotels expands in New Zealand with 500+ rooms across five properties, rebranded under Adina and Rendezvous, through a strategic partnership with Heritage Hotels

1 OCTOBER 2024

255 rooms
Far East Hospitality debuts Quincy's first serviced residence, with the opening of Quincy House Singapore

13 FEBRUARY 2025

Opened The EVE Hotel Sydney, Redfern

As at 31 December 2024, our hospitality portfolio comprises over 100 properties with more than 17,500 rooms across 10 countries. In February 2025, we opened the EVE Hotel Sydney, operated by TFE Hotels. Looking ahead, we have a pipeline of over 500 new rooms across Australia and Austria.

Growth is not just about expansion. It is also about keeping our portfolio competitive. That is why we have taken a proactive approach to asset management, ensuring our properties remain relevant through refurbishments and enhancements aligned with market trends and each property's lifecycle. Targeted refurbishments are being carried out or will be carried out across key properties. The refurbishments are strategic investment that will enhance the properties' long-term value, though it would have some near-term impact.

PLANNED REFURBISHMENTS

AUSTRALIA
Rendezvous Hotel Perth Scarborough

No. of rooms
337

Expected completion
2028
(Undergoing a multi-year major refurbishment commenced in October 2024)

**Hotel remains operational, but business may be impacted during the works.*

AUSTRALIA
Adina Apartment Hotel Sydney Darling Harbour

No. of rooms
114

Expected completion
2026
(Expect to commence full refurbishment in 2nd half of 2025)

GERMANY
Adina Apartment Hotel Frankfurt Neu Oper

No. of rooms
134

Expected completion
2026
(Expect to commence refurbishment in 3Q 2025)

Meanwhile, we continue optimising our portfolio through disciplined capital recycling. The divestment of RHPC allowed us to optimise the asset value, realise a gain on disposal of S$5.9 million, strengthen the balance sheet, and redeploy capital into higher-growth opportunities.

UK PBSA: Delivering on Strategic Focus

Turning to our PBSA business, we continue to see strong performance driven by robust student demand and favourable supply-demand dynamics.

As at 31 December 2024, our PBSA portfolio occupancy for the academic year commencing September 2024 (AY24/25) stood at around 90%. While this is below the 99% occupancy achieved for AY23/24, AY24/25 still achieved healthy rental growth.

CHAT WITH GROUP CEO

Our PBSA portfolio valuation as at 31 December 2024 of S$669.4 million comprises 13 assets in seven UK cities, reflected a S$22.1 million valuation gain, driven by rental growth and sustained supply-demand imbalance. Our joint venture PBSA development in Bristol is progressing well and is on track for completion in 2026. A valuation gain was recognised in FY2024 for this development, contributing to the share of profits from joint ventures.

A key focus was scaling our PBSA business. Our acquisition of a 49% stake in HFS, UK's largest independent PBSA operator, has strengthened our presence in a high-demand sector. With this, FEOR has become one of the largest PBSA operators in the UK, managing over 50,000 beds. This scale enhances our operational efficiency and capabilities and strengthens our market position.

We also took a major step forward in our asset-light strategy by establishing our first private fund in Singapore. This is a strategic initiative we have been developing for a while. The fund is seeded with a 273-bed PBSA development site in Glasgow acquired in March 2024. This development marks our first strategic entry into Scotland and is expected to be completed in 2027.

Q For sustainability, what progress did the Group make in 2024?

Sustainability remains a key focus for FEOR and is not just a box we check. Through our **RENEW** framework, which focuses on **R**esponsible Operations, **E**nvironmental Accountability, **N**urturing a Resilient Business, **E**thical & Transparent Governance, and the **W**ell-being of People & Communities, we continue to take deliberate steps towards building a more sustainable and resilient future.

In 2024, we made progress in our climate action efforts. Recognising the importance of understanding risks and opportunities, we completed a qualitative climate scenario analysis across our key assets and will progress to quantify the impact. This laid the groundwork for more informed decision-making as we work towards our 2030 decarbonisation target.

Sustainability is a continuous journey, and while we acknowledge there is more to do, we remain steadfast in making meaningful progress that creates a lasting impact. We invite you to explore our efforts more in our latest Sustainability Report 2024.

Q Looking ahead to 2025, how will FEOR continue to build its lodging platform amid macroeconomic uncertainties?

In 2025, our focus remains on building and strengthening our lodging platform while navigating macroeconomic uncertainties. Growth will be driven by the continued expansion of our Hospitality and PBSA businesses, disciplined capital management, and a strategic approach to portfolio optimisation.

The hospitality sector remains well-supported by a strong tourism recovery, with international arrivals projected to grow by 3% to 5%, assuming stable economic conditions, easing inflation, and geopolitical stability[1]. However, we remain cautious of challenges such as rising travel costs and fluctuating oil prices. While sustained demand is expected to contribute to long-term growth across our key markets, we continue to enhance our existing assets through targeted refurbishments to ensure their competitiveness and value. These initiatives aim to optimise asset performance, though they may result in some near-term impact extending beyond 2025.

In parallel, we continue to focus on strengthening our position in the UK PBSA market. 2025 marks a decade of our presence in this sector, and over the years, we have built a robust foundation through strategic investments and operational expertise. The establishment of our PBSA fund marks a strategic shift, complementing our fee-based operating model by leveraging our investment and asset management capabilities. This initiative strengthens our recurring income streams while advancing our asset-light strategy.

At the same time, capital recycling will remain a key priority. We will continue to take a disciplined approach to asset divestments and reinvestment, ensuring we optimise returns while strengthening our lodging platform.

We expect to see a flattening of rent and room rate growth in both PBSA and Hospitality businesses due to the normalisation of the post-pandemic surge and market uncertainties. Despite easing inflation and slow interest rate decline, we continue to operate in an elevated cost environment amid the ongoing economic and geopolitical uncertainties. Against this backdrop, we will adopt a cautious approach and remain focused on scaling our platform and enhancing our capabilities while staying vigilant and nimble. By carefully assessing opportunities and risks, we aim to position the Group for sustainable growth and to create long-term value for shareholders.

I'd like to express my heartfelt appreciation to my dedicated team for their diligence, perseverance and contributions. The results and notable milestones in 2024 are a testament to their collective efforts. I'm also grateful to our customers and business partners for their invaluable support and to Board members for their guidance. To our shareholders, thank you for your continued trust in our vision and strategy.

[1] UNWTO. "International Tourism Recovers Pre-Pandemic Levels in 2024 (unwto.org)". 25 Jan 2025.

Fortifying our lodging platform through strategic asset planning, operational efficiencies, and disciplined capital management. This robust foundation ensures resilience and positions us for long-term growth and value creation.

SOLIDIFYING OUR FOUNDATION

BOARD OF DIRECTORS AND MANAGEMENT

MS KU XIAN HONG
Non-Executive ID

MR SHAILESH ANAND GANU
Non-Executive ID

MS KOH KAH SEK
Chair, Non-Executive Director

MR ALAN TANG YEW KUEN
Executive Director and Group CEO

MR RAMLEE BIN BUANG
Non-Executive Lead ID

MDM EE CHOO LIN DIANA
Non-Executive Director

MR CHAN HON CHEW
Non-Executive ID

BOARD OF DIRECTORS AND MANAGEMENT

MS KOH KAH SEK

Chair, Non-Executive Director

- Member, NC

Ms Koh Kah Sek was appointed as a Non-Executive Director on 1 November 2016 and was last re-elected on 19 April 2023. Ms Koh was appointed as Chair of the Board on 18 April 2022 and as a member of the NC on 1 January 2023. As Ms Koh is directly associated with Far East Organization Pte. Ltd., which is a substantial shareholder of the Company, she is considered by the NC and Board to be non-independent.

Ms Koh is an Executive Director and the CFO of Far East Organization ("**FEO**"), where she is responsible for FEO's financial affairs, including corporate finance, treasury, property investments, risk management and capital management. She also oversees FEO's Commercial Group and the Group Legal Division.

Ms Koh is also a Non-Executive ID and Chairman of the Audit Committee of Netlink NBN Management Pte. Ltd., trustee-manager of Netlink NBN Trust.

Prior to joining FEO, Ms Koh worked in Singapore Telecommunications Limited (SingTel) from 2005 to 2011, where she held various senior management positions, including Group Financial Controller, CFO of Singapore Business and Group Treasurer. Ms Koh has also served as a board member of public listed companies including Globe Telecom Inc. and Advanced Info Service Public Company Limited. Ms Koh's professional journey began with her career at Price Waterhouse, after which she joined a leading global investment bank. Prior to her tenure at SingTel, Ms Koh held a senior management role in a public listed F&B company in Singapore.

Ms Koh graduated with a Bachelor of Commerce from the University of Melbourne and is a member of the Institute of Singapore Chartered Accountants and a Fellow Member of CPA Australia.

Present directorships in other listed companies:

SINGAPORE

- Netlink NBN Management Pte. Ltd. (trustee-manager of Netlink NBN Trust, a business trust listed on the SGX-ST) (Non-Executive ID and Chair of Audit Committee)

Other principal commitments:

SINGAPORE

- FEO (Executive Director and CFO)
- Baker & Cook Pte. Ltd. (Director)
- Commonwealth Concepts Pte. Ltd. (Director)

OVERSEAS

Nil

Past directorships in other listed companies (2022-2024):

Nil

BOARD OF DIRECTORS AND MANAGEMENT

MR ALAN TANG YEW KUEN

Executive Director

- Group CEO

Mr Alan Tang Yew Kuen was appointed as an Executive Director on 1 January 2020, and was last re-elected on 19 April 2023. Mr Tang was also appointed as the Group CEO of the Company on 1 January 2020.

Mr Tang has rich and balanced experience in the global hospitality real estate capital market and operations. He served as Senior Vice President, Head Hospitality of GIC Real Estate Private Limited, where he held leadership responsibilities for investment and asset management of a USD multi-billion portfolio. During his tenure at GIC Real Estate Private Limited, he oversaw both direct and indirect (through third-party funds) equity and debt investments, as well as both private and public-listed entities. Prior to joining the Company, Mr Tang was Chief Operating Officer of Frasers Hospitality International Pte. Ltd., where he led the operations of its hotels and serviced apartments worldwide.

Mr Tang received a Bachelor of Science (Distinction) in 1992 from the School of Hotel Administration, Cornell University, USA. He is also a Chartered Financial Analyst (CFA). In 2016, he completed the Module 10 of the Capital Markets and Financial Advisory Services (CMFAS) Examination.

Present directorships in other listed companies:
Nil

Other principal commitments:
SINGAPORE
- FEHH (Chairman)
- Member of Hotel Innovation Committee, Singapore Hotel Association

OVERSEAS
- Toga Hotel Holdings Pty Limited (Director of the Trustee Board)
- Homes for Students Limited (Director)

Past directorships in other listed companies (2022-2024):
Nil

BOARD OF DIRECTORS AND MANAGEMENT

MR RAMLEE BIN BUANG

Non-Executive Lead ID

- Chair, ARC
- Member, NC

Mr Ramlee Bin Buang was appointed as a Non-Executive Director on 25 April 2017 and was last re-elected on 25 April 2024. Mr Ramlee was appointed Chair of the ARC and a member of the NC on 24 April 2018, and as Lead ID on 1 January 2023. The NC and Board considers Mr Ramlee to be an ID.

Mr Ramlee has extensive experience in corporate and international business and finance, accounting, tax, IR, management information systems, risk management and audit, human resource development in leading multinational corporations and in various industries ranging from petroleum, power tools and housewares to household and personal care products, health supplements, F&B and hospitals.

Mr Ramlee holds a Professional Qualification from the Chartered Association of Certified Accountants, UK, a Diploma in Marketing from the Chartered Institute of Marketing, UK and a Graduate Diploma in Marketing from the Marketing Institute of Singapore. He is a non-practicing member of the Institute of Singapore Chartered Accountants. He attended the Harvard Business School Advanced Management Program in 2011. He is a Certified Governance, Risk Management and Compliance Professional, Certified Professional Co-Active Coach (The Coaches Training Institute) and an Associated Certified Coach with International Coaching Federation.

He was conferred the Public Service Medal (PBM) in 2018 and Public Service Star (BBM) in 2024.

Present directorships in other listed companies:

Nil

Other principal commitments:

SINGAPORE

- Ukyo Advisory (Founder/ Owner)
- 1FSS Pte. Ltd. (Chair, Director and member of Human Resource Committee)
- Singapore University of Technology and Design (Member of Board of Trustee and Chair of the ARC)
- Public Service Commission (Member of Council)
- ACRA (Board Member and Member of Audit & Risk Management Committee)

OVERSEAS

Nil

Past directorships in other listed companies (2022-2024):

Nil

BOARD OF DIRECTORS AND MANAGEMENT

MDM EE CHOO LIN DIANA

Non-Executive Director

- Member, ARC
- Member, RC

Mdm Ee Choo Lin Diana was appointed as a Non-Executive Director on 29 April 2011, and was last re-elected on 19 April 2023. Mdm Ee is a member of the ARC and RC. As Mdm Ee has served the Board for more than nine years, with effect from 1 January 2022, she was re-designated as a Non-Independent Non-Executive Director. Nonetheless, Mdm Ee continues to demonstrate strong independence in character and judgement, and provides impartial and autonomous views.

A business leader in the hospitality, lodging, tourism and MICE industry, Mdm Ee brings with her strategic, commercial and governance experience. After a career posting in the US, she built her 25 years of experience in hospitality management. She held senior executive leadership roles managing multi-hotel brands and gained broad commercial experience across business operations, global sales and marketing, brand stewardship, e-distribution and revenue management, technical services, quality assurance and strategic organisational development.

Formerly, as President of Raffles Hotels & Resorts, she held responsibilities for the brand's growth strategy and for the operating and financial performance of its hotels, in multi-cultural environments spanning South East Asia, China, the United States, Middle East and Europe. Mdm Ee has previously served as a Board Member of Sentosa Development Corporation, STB, Republic Polytechnic Singapore, and as Chairman of Mount Faber Leisure Group Pte. Ltd., an operator of a suite of leisure and lifestyle offerings including attractions such as the Singapore Cable Car and operations in retail and F&B.

She is presently Vice-Chairman of SHATEC Institutes Pte. Ltd. and a Director of Constellar Holdings Pte. Ltd., manager of proprietary large scale international events in Asia and operator of Singapore Expo, Singapore's largest purpose-built venue for MICE.

Mdm Ee obtained her Bachelor of Arts degree in Economics from the National University of Singapore.

Present directorships in other listed companies:

Nil

Other principal commitments:

SINGAPORE

- SHATEC Institutes Pte. Ltd. (Vice-Chairman)
- FEHH (Director)
- Constellar Holdings Pte. Ltd. (Director)
- Singapore Standards Council (Member), Singapore Services Standards Committee (Co-Chairman)
- SPD (Supporting People with Disabilities) (Board Director)

OVERSEAS

- Toga Hotel Holdings Pty Ltd (Director and Member of the ARC of the Trustee Board)
- Homes for Students Limited (Director)

Past directorships in other listed companies (2022-2024):

Nil

BOARD OF DIRECTORS AND MANAGEMENT

MR SHAILESH ANAND GANU

Non-Executive ID

- Chair, RC

Mr Shailesh Anand Ganu was appointed as a Non-Executive Director on 12 February 2019, and was last re-elected on 18 April 2022. Mr Ganu was appointed as the Chair of the RC on 1 January 2022. He was appointed as a member of the NC on 18 April 2022 and stepped down as a member of the NC on 25 April 2024. The NC and Board considers Mr Ganu to be an ID.

Mr Ganu is a seasoned business leader, management consultant, and senior human capital practitioner with experience leading large teams and projects in both corporate and consulting environments. He has over 24 years of experience working closely with the Boards and management teams of some of the leading companies in the world across Real Estate and several other industries. He is an Executive Compensation, Sustainability, and Corporate Governance expert, with deep expertise in the design and implementation of people strategies, organisation development, business transformations, and ESG issues.

Mr Ganu has a Bachelor of Engineering (Chemical Engineering) degree from the University of Mumbai, India; and a Masters of Business Administration from Sydney Business School – University of Wollongong, Australia. He is a member and faculty of non-executive director institutes across the region, and is an associate lecturer teaching corporate governance and strategic HR courses. He is a keynote speaker, and frequently writes for business publications on gender diversity and board effectiveness matters.

Mr Ganu will retire pursuant to Regulation 98 of the Company's Constitution at the Company's 57th AGM and he is eligible for re-election.

Present directorships in other listed companies:

SINGAPORE

- Telechoice International Limited (Non-Executive ID & Chair of Risk and Sustainability Committee)

Other principal commitments:

SINGAPORE

- WTW (Managing Director; Global Practice Leader – Executive Compensation and Board Advisory)
- SATA Commhealth (ID, Chair of Human Resource Committee, and member of Governance and Nominating Committee)
- Singapore Institute of Directors (Governing Council member, Chair of ESG Committee)
- Vanguard Healthcare Pte. Ltd. (ID)
- NUS High School of Mathematics and Science (Board of Governors)

OVERSEAS

Nil

Past directorships in other listed companies (2022-2024):

Nil

BOARD OF DIRECTORS AND MANAGEMENT

MS KU XIAN HONG

Non-Executive ID

- Chair, NC
- Member, RC

Ms Ku Xian Hong was appointed as a Non-Executive Director on 1 January 2022, and was last re-elected on 18 April 2022. On 25 April 2024, Ms Ku stepped down from the ARC and was appointed as the Chair of NC, and a member of the RC. The NC and Board considers Ms Ku to be an ID.

Prior to her directorship roles, Ms Ku spent 27 years in Accenture Singapore where she was a Managing Director. She assumed multiple Asia Pacific leadership roles during her career at Accenture where she led technology and consulting projects across clients in various industries. She also spent four years in China, Hong Kong and Taiwan where she established the Greater China Change Management practice to help clients transform their organisation and workforce.

Ms Ku chairs the Risk and Sustainability Committee at Netlink NBN Management Pte. Ltd., trustee-manager of Netlink NBN Trust. She is also a member of the RC at Netlink NBN. She has recently stepped down from the Council of Singapore Cancer Society after nine years' service where she was the Chairperson of its Digital and Technology Committee.

Ms Ku obtained her Bachelor of Science from the National University of Singapore and Master of Business Administration (with Distinction) from the DePaul University, Chicago.

Ms Ku will retire pursuant to Regulation 98 of the Company's Constitution at the Company's 57th AGM and she is eligible for re-election.

Present directorships in other listed companies:

SINGAPORE

- Netlink NBN Management Pte. Ltd. (trustee-manager of Netlink NBN Trust, a business trust listed on the SGX-ST) (Non-Executive ID, Chair of Risk and Sustainability Committee, and member of RC)

Other principal commitments:

SINGAPORE

- Surbana Jurong Private Limited (Non-Executive ID, and member of ARC)

OVERSEAS

Nil

Past directorships in other listed companies (2022-2024):

Nil

BOARD OF DIRECTORS AND MANAGEMENT

MR CHAN HON CHEW

Non-Executive ID

- Member, ARC

Mr Chan Hon Chew was appointed as a Non-Executive Director on 6 March 2024, and was last re-elected on 25 April 2024. Mr Chan was appointed as a member of the ARC on 25 April 2024. The NC and Board considers Mr Chan to be an ID.

Mr Chan has extensive experience in business and finance, strategic planning, investment, corporate accounting and reporting, treasury, tax and risk management. He began his career with Price Waterhouse and thereafter worked as Financial Controller at IBM, before moving to Wing Tai Holdings as Assistant General Manager, Finance where he oversaw all financial matters as well as tax, legal and corporate secretarial functions.

In 2003, Mr Chan joined Singapore Airlines Limited (SIA) where he served as Senior Vice President, Finance and was responsible for a diverse range of functions including IR, risk management and insurance and was involved in SIA's strategic planning process. During his tenure with SIA, Mr Chan received the Best CFO Award at the 2011 Singapore Corporate Awards, under the category of companies with S$1 billion and above in market capitalization.

In 2014, Mr Chan joined Keppel Corporation Limited (Keppel) where he served as CFO and contributed significantly to sharpening Keppel's focus as one integrated company when its various operating units were privatised between 2015 to 2019. While at Keppel, the Singapore Ministry of Finance appointed Mr Chan to the Board of the Accounting Standard Council. Mr Chan contributed to the successful digitalisation and streamlining of Keppel's finance processes, and the prudent management of Keppel's finances. Mr Chan retired from Keppel in December 2023.

Mr Chan obtained his Bachelor of Accountancy (Honours) from the National University of Singapore. He is a Chartered Accountant of Singapore, Australia and New Zealand, and a Chartered Financial Analyst with CFA Institute. Mr Chan is also a Senior Accredited Director with SID.

Present directorships in other listed companies:

Nil

Other principal commitments:

SINGAPORE

- National University of Singapore Business School (Member of Accounting Advisory Board)

OVERSEAS

Nil

Past directorships in other listed companies (2022-2024):

Nil

BOARD OF DIRECTORS AND MANAGEMENT

MR KIONG KIM HOCK ARTHUR

CEO, Far East Hospitality

Mr Kiong Kim Hock Arthur was appointed CEO of the hospitality business of the Company on 1 September 2012.

Arthur was the Managing Director of Hotel Operation (Asia Pacific & China) and Senior Vice President of Group Marketing Services at Banyan Tree Hotels & Resorts from 2008 to 2012. He was the Director of Far East Hospitality Business Group from August 2005 to 2007. Arthur was Vice-President of Marketing (Asia Pacific) for the Peninsula Group based in Hong Kong from 2002 to 2005, where he was responsible for the marketing functions in Head Office and sales performance of the hotels outside the USA.

Arthur has 38 years of hotel industry experience having held operations, sales and marketing roles for various hotels in Asia and the USA including The Peninsula Hotels, The Mandarin Oriental Hong Kong, The Ritz-Carlton, Hyatt International, Westin Hotels and Banyan Tree Hotels & Resorts.

MS JOANNA GOK YIN YIN

CFO

Ms Joanna Gok Yin Yin was appointed CFO of the Company on 2 January 2018. Joanna leads the finance and corporate development teams and is responsible for business ventures, strategic partnerships, risk management, IR and overall financial matters of the Company and its group of companies. She also supports the Group CEO in the Group's strategic business planning process. Joanna has over 20 years of diversified experience in her previous roles in external audit and transaction services in the Big Four audit firms and finance and investment-related roles.

Joanna joined the Company in 2012 and held various managerial positions before her appointment as CFO.

Prior to joining the Company, Joanna served as CFO of Newage Investment Holding Pte Ltd for two years, overseeing financial matters of the holding company in Singapore which owns hotels and office buildings in Jakarta. Joanna began her career at Arthur Andersen before moving on to Ernst & Young where she led statutory audit and IPO-audit engagements. Thereafter, she joined the Transaction Services team in KPMG Singapore as Senior Manager, before leaving as Director in 2010. In KPMG, she led financial due diligence engagements for both buy-side and sell-side engagements.

Joanna holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University, Singapore, and is a Chartered Accountant of Singapore.

CORPORATE GROUP STRUCTURE

As at 18 March 2025

Far East Orchard LIMITED

Singapore | Australia | United Kingdom | Japan | Malaysia | Europe

Hospitality*

- First Choice Properties Pte Ltd
- Pinehigh Development Sdn. Bhd.
- Far East Hospitality Holdings Pte. Ltd. (70%)[1]
- Far East Hospitality Management Japan Kabushiki Kaisha (70%)[1]
- Far East Hospitality Management (S) Pte. Ltd. (70%)[1]
- Far East Hospitality Properties Australia Pte. Ltd. (70%)[1]
- Far East Hospitality Properties (Europe) Pte. Ltd. (70%)[1]
- Ariake Properties (Singapore) Pte. Ltd. (35%)[1]
- Toga Hotel Holdings Unit Trust (35%)[1]

PBSA

- Far East Orchard Holdings (Jersey) Limited
- Far East Orchard UK (One) Pte. Ltd.
- Silverthorne Locke Holdings Pte. Ltd. (50%)[1]
- FE UK Student Accommodation Development Fund (50%)[1]
- Homes for Students Limited (49%)[1]

Property Investment

- Jelco Properties Pte Ltd

Property Development

- Westminster Fire Station Limited
- Woodlands Square Pte. Ltd. (40%)[1,2]
- Far East Opus Pte. Ltd. (20%)[1]

Investment Holdings

- FEO Hospitality Asset Management Pte. Ltd. (33%)[1]

Notes:

* Principal activities span across investment holding, ownership and/or management of hospitality properties.

1 Effective interest is shown if ownership is not 100%.

2 On 24 January 2025, the Group acquired additional interest of 6.7% in Woodlands Square Pte. Ltd. ("WSPL"). Subsequent to the acquisition, the Group's interest in WSPL increased from 33.3% to 40.0%.

2024 CORPORATE HIGHLIGHTS

12 MARCH

273 beds

Acquired first PBSA development site in Glasgow, Scotland[1]

25 APRIL

Acquired 49% stake in Homes for Students, UK largest independent PBSA operator[2]

22 AUGUST

Established a £100M private student accommodation development fund in Singapore, securing £70M in first closing with Osborne Street, Glasgow (273 beds) as the seed development

17 DECEMBER

103 rooms

Completed the disposal of Rendezvous Hotel Perth Central

27 AUGUST

Awarded Bronze for Best Annual Report at the Singapore Corporate Awards 2024

15 NOVEMBER

Winner of the Singapore-Australia Business Alliance Award at the AustCham Singapore Business Awards

1 The development is targeting completion for the 2027/28 academic year.
2 Remaining 51% stake could be acquired in two stages, by September 2025 and November 2030, subject to terms & conditions of the SPA.

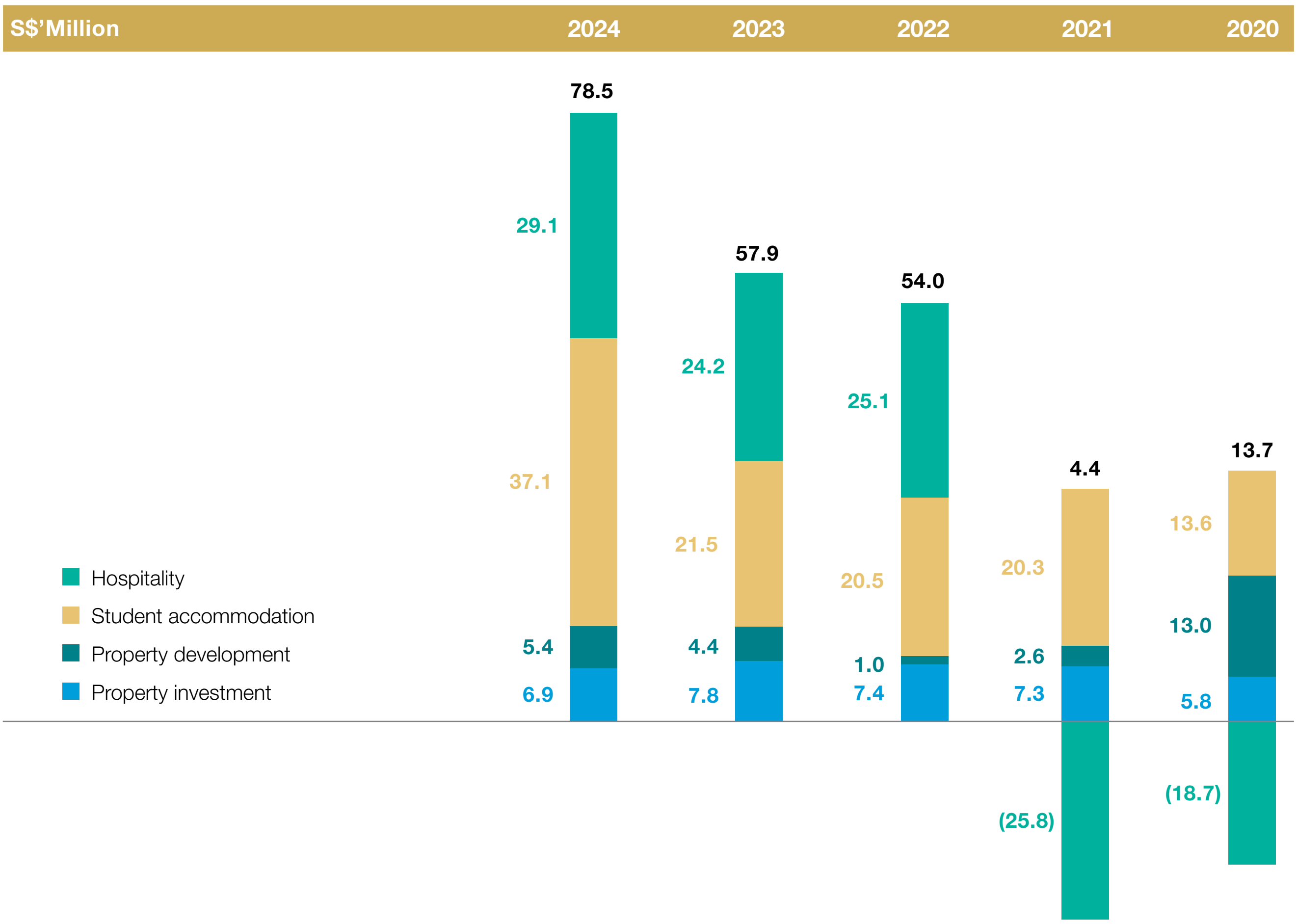
STEERING
A BALANCED APPROACH

Steering a balanced approach to growth by divesting assets to unlock value, recycling capital to enhance financial flexibility, and diversifying revenue streams to build resilience. This strategy positions us to navigate market dynamics while seizing new growth opportunities.

5-YEAR FINANCIAL HIGHLIGHTS

S$'000	2024	2023	2022	2021	2020
Hospitality	126,487	126,918	90,354	59,990	69,104
Student accommodation	53,840	46,390	40,773	37,290	28,426
Property development	-	-	-	-	6,561
Property investment	11,546	10,312	9,841	9,548	8,124
Total revenue	**191,873**	**183,620**	**140,968**	**106,828**	**112,215**
Operating profit	78,498	57,888	54,016	4,350	13,728
Profit/(Loss) before income tax	72,809	80,373	22,896	29,078	(3,359)
Profit attributable to equity holders	58,968	65,946	21,918	28,127	1,538
Shareholders' equity	1,387,680	1,355,616	1,294,528	1,280,128	1,240,883
Total assets	2,641,463	2,615,148	2,535,234	2,625,384	2,618,614
Net assets per share (S$)	2.84	2.78	2.73	2.76	2.72
EPS (cents)[1,2]	12.1	13.7	4.7	6.1	0.4
Dividends (cents)					
- First and final dividend per share	4.0	4.0	3.0	3.0	3.0
- Special dividend per share	1.0	-	1.0	-	-
Gearing ratio	0.43	0.44	0.46	0.54	0.54

Total Operating Profit/(Loss) by Business Segment



Notes:

1 EPS are calculated by reference to the weighted average number of shares in issue during the financial year.

2 Figures have been rounded.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Chair
Ms Koh Kah Sek

Executive Director
Mr Alan Tang Yew Kuen (Group CEO)

IDs
Mr Ramlee Bin Buang (Lead ID)
Mr Shailesh Anand Ganu
Ms Ku Xian Hong
Mr Chan Hon Chew

Non-Executive Director
Mdm Ee Choo Lin Diana

ARC
Mr Ramlee Bin Buang (Chair)
Mdm Ee Choo Lin Diana
Mr Chan Hon Chew

NC
Ms Ku Xian Hong (Chair)
Mr Ramlee Bin Buang
Ms Koh Kah Sek

RC
Mr Shailesh Anand Ganu (Chair)
Mdm Ee Choo Lin Diana
Ms Ku Xian Hong

COMPANY SECRETARY
Ms Phua Siyu, Audrey

REGISTERED OFFICE
6 Eu Tong Sen Street
#04-28 The Central
Singapore 059817

T: (65) 6830 6599
W: www.fareastorchard.com.sg

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

T: (65) 6536 5355
F: (65) 6438 8710

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

Partner-in-charge:
Mr Chua Chin San
(Appointed since the financial year ended
31 December 2022)

MAIN BANKERS
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

PROPERTIES OF THE GROUP

As at 31 December 2024

	Location	Effective Interest	Tenure	Approximate Site Area (sm)	No. of Units/ Rooms/ Beds
Hospitality Properties					
Owned Properties					
Australia					
A by Adina Sydney	Sydney	35%	Freehold	583	194
Adina Apartment Hotel Adelaide Treasury	Adelaide	35%	Leasehold	4,153	79
Adina Apartment Hotel Brisbane	Brisbane	35%	Freehold	1,485	220
Adina Apartment Hotel Sydney Darling Harbour	Sydney	35%	Leasehold	3,058	114
Rendezvous Hotel Perth Scarborough	Perth	70%	Freehold	11,467	337
Rendezvous Hotel Melbourne	Melbourne	70%	Freehold	1,999	340
Travelodge Resort Darwin[1]	Darwin	35%	Freehold	13,100	224
Denmark					
Adina Apartment Hotel Copenhagen	Copenhagen	35%	Freehold	3,000	128
Germany					
Adina Apartment Hotel Berlin Checkpoint Charlie	Berlin	35%	Freehold	2,143	127
Adina Apartment Hotel Berlin Mitte	Berlin	35%	Freehold	1,798	139
Adina Apartment Hotel Frankfurt Neue Oper	Frankfurt	35%	Freehold	1,455	134
Japan					
Far East Village Hotel Tokyo, Ariake	Tokyo	35%	Freehold	2,541	306
Malaysia					
Oasia Suites Kuala Lumpur	Kuala Lumpur	100%	Freehold	1,880	247
Leased and Managed					
Singapore					
Orchard Rendezvous Hotel, Singapore	Singapore	100%	Freehold	8,143[2]	388
Village Hotel Albert Court	Singapore	100%	Leasehold	4,273	210

Notes:

1 Reclassified to non-current assets held-for-sale in the balance sheet of Toga Trust as at 31 December 2024, with the sale expected to be completed in 2025.

2 Includes 1,069 sm of leasehold area.

PROPERTIES OF THE GROUP

As at 31 December 2024

	Location	Effective Interest	Tenure	Approximate Site Area (sm)	No. of Units/ Rooms/ Beds
Properties Held for Sale & Development Properties					
Commercial					
Singapore					
Novena Medical Center – Medical Suites	Singapore	100%	Leasehold	–	7
Novena Specialist Center – Medical Suites	Singapore	100%	Leasehold	–	29
SBF Center – Medical Suite	Singapore	20%	Leasehold	–	1
Woods Square – Offices	Singapore	33%[3]	Leasehold	18,569[4]	253
Mixed Development					
United Kingdom					
Westminster Fire Station	London	100%	Freehold	769	18[5]
PBSA					
United Kingdom					
Osborne Street	Glasgow	50%	Freehold	2,170	–[6]
Investment Properties					
Australia					
Rendezvous Hotel Perth Scarborough – Retail Podium	Perth	70%	Freehold	–	13
Singapore					
Novena Medical Center – Medical Suites	Singapore	100%	Leasehold	–	37
Novena Specialist Center – Medical Suites	Singapore	100%	Leasehold	–	10
SBF Center – Shops	Singapore	20%	Leasehold	–	3
Woods Square – Offices and Retail	Singapore	33%[3]	Leasehold	18,569[4]	68
United Kingdom (PBSA)					
Emily Davies	Southampton	100%	Freehold	1,380	126
Harbour Court	Bristol	100%	Freehold	794	133
Hollingbury House	Brighton	100%	Freehold	1,616	195
King Square Studios	Bristol	100%	Freehold	2,700	301
Land sites for student accommodation buildings	Newcastle upon Tyne	100%	Freehold	4,513	–
Plot 6 Silverthorne Lane	Bristol	42.5%	Freehold	7,350	–[7]
Portland Green Student Village – Bryson Court	Newcastle upon Tyne	100%	Freehold	3,287	366
Portland Green Student Village – Marshall Court	Newcastle upon Tyne	100%	Freehold	2,155	196
Portland Green Student Village – Newton Court	Newcastle upon Tyne	100%	Freehold	3,271	295
Portland Green Student Village – Rosedale Court	Newcastle upon Tyne	100%	Freehold	3,548	338
Portland Green Student Village – Turner Court	Newcastle upon Tyne	100%	Freehold	2,640	274
St Lawrence House	Bristol	100%	Freehold	1,022	166
The Elements	Sheffield	100%	Freehold	5,196	735
The Foundry	Leeds	100%	Freehold	2,161	239
The Glassworks	Liverpool	100%	Freehold	1,900	323

Notes:

3 On 24 January 2025, the Group acquired additional interest of 6.7% in Woodlands Square Pte. Ltd. ("WSPL"). Subsequent to the acquisition, the Group's interest in WSPL increased from 33.3% to 40.0%.

4 Comprises properties held for sale (including site area of sold units) and investment property.

5 17 residential units and 1 restaurant unit.

6 The Group established its first private fund in August 2024. Osborne Street which will be developed into a 273-bed PBSA has been seeded into the fund. As at 31 December 2024, the Group held 50% interest in the fund.

7 Will be developed into a 706-bed PBSA.

CORPORATE GOVERNANCE

BOARD MATTERS

REMUNERATION MATTERS

ACCOUNTABILITY AND AUDIT

SHAREHOLDER RIGHTS AND ENGAGEMENT

MANAGING STAKEHOLDER RELATIONSHIPS

ADDITIONAL INFORMATION

CORPORATE GOVERNANCE

FEOR (the "**Company**") is firmly committed to maintaining a high standard of corporate governance and promoting corporate transparency, accountability and integrity to enhance long-term shareholder value, while taking into account the interests of its other stakeholders. Under the Singapore Governance and Transparency Index ("**SGTI**") which assesses companies on the timeliness, accessibility and transparency of their financial results announcements along with their corporate governance disclosure and practices, the Company ranked 83 out of 477 listed companies in 2024. At the Singapore Corporate Awards 2024, which is supported by ACRA and Singapore Exchange, the Company received the Bronze Award for Best Annual Report Award, in the category of companies with market capitalisation of S$300 million to less than S$1 billion ("**Mid Cap**"). The 2025 Board Diversity Index, developed by SID with global advisory firm WTW and James Cook University, evaluated 553 Singapore-listed companies across eight dimensions of diversity based on data as of September 2024, and the Company is one of six Mid Cap companies recognised for exemplar diversity standards.

This report describes the corporate governance practices and policies of the Company and its subsidiaries (the "**Group**") with reference to the principles and provisions of the Code of Corporate Governance 2018 as amended on 11 January 2023 (the "**Code**"), the Mainboard Rules of the Listing Manual of the SGX-ST ("**Listing Rules**"), the Companies Act 1967 ("**Companies Act**"), the Securities and Futures Act 2001 ("**Securities and Futures Act**") and the voluntary Practice Guidance as at 14 December 2023 ("**Practice Guidance**").

The Company has complied with all the principles and provisions in the Code.

BOARD MATTERS

The Board's Conduct of its Affairs

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

Principal Duties of the Board

The Board, as fiduciaries acting in the Company's interests, is collectively responsible for the Group's long-term success. In addition to its statutory duties, the Board's principal functions are to:

a. create value for shareholders and to ensure the long-term success of the Group;
b. oversee the effectiveness of Management, provide leadership, review the Group's corporate strategies and direction having regard to sustainability, and ensure that the necessary financial and human resources are adequate to achieve the Group's goals;
c. review and approve the annual budget of the Group;
d. establish a robust ERM framework including a workplace health and safety framework, and a sound system of internal controls to safeguard shareholders' interests and the Group's assets;
e. review the business performance of the Group and approve the release of the half-year and full-year results and any other announcements;
f. endorse the framework of remuneration for the Board and key management personnel ("**KMP**") (being the Group CEO, the Chief Executive Officer of Far East Hospitality, the CFO and any other persons having authority and responsibility for planning, directing and controlling the activities of the Group);
g. identify the key stakeholder groups for engagement;
h. set the Group's values and standards and ensure that obligations to shareholders and other stakeholders are understood and met; and
i. set the sustainability direction for the Group, providing oversight and management of ESG risks and opportunities.

CORPORATE GOVERNANCE

Independent Judgement and Proper Accountability

The Board and Management are guided by a CG Policy Manual, which encapsulates the terms of reference for the Board and each Board Committee, and is aligned with the Code. The Group's employees are also guided by its Code of Conduct and Employee Handbook which are published on the intranet and which prescribes the standards of ethical behaviour.

The CG Policy Manual directs the Board and Management to adhere to the approved policies and schemes, including the Board Diversity Policy, the Dividend Policy and Scrip Dividend Scheme, the IR Policy, the Securities Trading Policy and Whistle-blowing Policy. It comprehensively addresses declaration and disclosure obligations, covering areas such as director independence, listed company directorships and principal commitments, declaration of any relatives in managerial positions and conflicts of interest.

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring (i) Directors to declare any conflict of interest to any proposal or papers submitted for deliberation, and (ii) for such Directors to recuse from participating in meetings or discussions (or relevant segments thereof) in addition to abstaining from voting, on any matter in which they are so interested or conflicted. To monitor IPTs and directors' independence, and for accountability, each Director is also required to submit details of his/her associates to the Company.

The CG Policy Manual makes clear that every Director is expected to objectively discharge his/her duties and responsibilities, to act in good faith, provide insights and consider the interests of the Group at all times. The Directors have the right core competencies and experience to enable the Board to contribute effectively.

Delegation by the Board

The Board has established three board committees ("**Board Committees**") to assist in the execution of its responsibilities. They are the ARC, the RC and the NC. Each Board Committee is governed by clear terms of reference setting out its role, authority, duties and responsibilities, as well as qualifications for committee membership in line with the Code, which has been approved by the Board.

Authority has been delegated to Management to approve transactions below certain thresholds, which are set out in a structured Delegation of Authority Matrix ("**DoA Matrix**"), while key matters are reserved for the Board's approval.

The Board Committees and Management remain accountable to and report back to the Board. Minutes of meetings of all Board Committees in FY2024 were provided to the Board, and the Chair of each Board Committee provided updates at Board meetings in FY2024 of its activities and matters discussed in Board Committee meetings. The activities of each Board Committee in FY2024 are disclosed under the respective principles of this report.

Board and Board Committees Meetings

The Board meets at least quarterly, or more frequently when required or appropriate, to review and evaluate the Group's performance and address key matters. The meeting calendar is planned and circulated one year in advance to ensure maximum attendance by the participants. Directors are expected to attend all Board meetings and meetings of the Board Committees on which they serve in person, or otherwise by telephone or video-conference which is allowed under the Company's Constitution. The agendas are approved by the Chair and respective Chair of the Board Committees in consultation with the KMP, with sufficient time provisioned for key and material topics. The agendas and meeting materials are circulated to the Board and Board Committees about one week before the meetings to allow for sufficient time to review and raise questions prior to the meeting. The Board and Board Committees may also make decisions by way of circular resolutions. Minutes of meetings are prepared and circulated to the Directors for review and approval post-meeting.

The attendance of the Directors and Group CEO at scheduled meetings of the Board and Board Committees and the AGM held in FY2024 is disclosed below. The Directors with multiple board representations have ensured that sufficient time and attention are given to the affairs of the Company.

CORPORATE GOVERNANCE

	AGM	Board of Directors	ARC	NC	RC
No. of Meetings Held	**1**	**6**	**5**	**2**	**2**
Names of Directors	**Number of Meetings Attended**				
Koh Kah Sek	1	6	-	2	-
Ramlee Bin Buang	1	6	5	2	-
Alan Tang Yew Kuen [1]	1	6	5	2	2
Ee Choo Lin Diana	1	6	5	-	2
Shailesh Anand Ganu [2]	1	6	-	1	2
Ku Xian Hong [3]	1	6	2	1	1
Chan Hon Chew [4]	1	5	3	-	-
Samuel Gene Rhee [5]	1	1	-	1	1

Board Approval

Key Matters

The Company has a structured DoA Matrix and internal guidelines regarding matters that require Board approval. Key matters which require Board approval include:

a. transactions in the ordinary course of business that have not been delegated by the Board to any Board Committee for approval;
b. major transactions not in the ordinary course of business;
c. bank borrowings;
d. provision of corporate guarantees or other securities to secure loans granted to subsidiaries and associated companies;
e. acquisition or disposal of fixed assets, save where authority has been delegated by the Board to any Board Committee for approval;
f. equity or contractual JV; and
g. diversification into new businesses.

Key Activities of the Board during FY2024

Regular agenda items:

- Quarterly updates on the businesses
- Quarterly review of ERM and sustainability updates
- Quarterly review of financial and operational performance including compliance of financial covenants and cash flow projection
- Review and approval of all announcements including full-year results and year-end financial statements
- Conflict of interests and register of IPTs
- Disclosure of Directors' interests pursuant to the Companies Act and the Securities and Futures Act
- Reports of the ARC, NC and RC

Other key agenda items considered during FY2024:

- Discuss and provide guidance on the Company's 5-year strategy (FEOR25)
- Approve the 2024 strategic asset plans and hurdle rates
- Sustainability issues as part of Group's strategy
- Review the results of the qualitative climate scenario analysis and the climate-related risks faced by the Group
- Cybersecurity matters
- Business opportunities
- New banking relationships
- Material developments relating to accounting, risk management, sustainability reporting, legal, regulatory and/or corporate governance issues
- Adequacy and effectiveness of the internal controls and risk management systems of the Group
- Review of the independence, effectiveness and adequacy of resources for the internal audit function
- Review of a workplace health and safety framework for the Group

[1] Group CEO and Executive Director Mr Tang was invited to attend all the ARC, NC and RC meetings held in FY2024.
[2] Mr Ganu attended all NC meetings before he stepped down as a NC member on 25 April 2024.
[3] Ms Ku attended all ARC meetings before she stepped down as an ARC member on 25 April 2024. She was appointed as the NC Chair and a RC member on 25 April 2024; and attended all NC and RC meetings thereafter.
[4] Mr Chan was appointed as a Director on 6 March 2024, and an ARC member on 25 April 2024. He attended all meetings after his respective appointments.
[5] Mr Rhee retired as a Director at the conclusion of the last AGM held on 25 April 2024. He attended all meetings before his retirement.

CORPORATE GOVERNANCE

Matters reserved for Board recommendation/approval annually:

- Documents for distribution to shareholders including the Annual Report, Sustainability Report and Audited Financial Statements
- Annual budget and business plan
- Dividend payout
- Remuneration of the Executive Director(s), Non-Executive Directors ("**NEDs**") and KMP
- Retirement and re-election of Directors
- Appointment and re-appointment of external auditors

Throughout the year, the Board receives regular updates on business performance, risk management, sustainability initiatives, and strategic discussions. This ensures that all decisions are made based on comprehensive and up-to-date information.

The Company schedules periodic site visits to the Group's local and overseas operations for the Directors to have a deeper understanding on the issues reported by Management and on-site conditions. During FY2024, the Board visited selected hotels operated by TFE Hotels in Europe, and the Group's UK PBSA.

Board Training and Orientation

Directors receive a comprehensive induction when they are first appointed to the Board. New Directors are provided with relevant information on the Group's business activities, strategic directions, policies and procedures relating to corporate conduct and governance, including disclosure of interests in securities, restricted periods for dealings in the Company's securities and restrictions on disclosure of confidential or price-sensitive information. If the new Director is also appointed to a Board Committee, relevant information on the duties of such Board Committee is also provided. If there are first-time Directors appointed, the Group will direct them to attend external training courses prescribed by SGX, at the Company's cost. Each newly appointed Director is also provided with a formal letter setting out the Director's duties and obligations, including pertinent obligations under the Companies Act, the Securities and Futures Act, the Listing Rules and the Code, and information on the Group including the Company's Annual Report and the detailed Group organisation structure.

The Company is responsible for funding and arranging regular training for the Directors from time to time, particularly on changes in the relevant laws, regulations and changing commercial risks to enable them to make well-informed decisions in carrying out their expected roles and responsibilities. Changes to regulations and accounting standards are monitored closely by Management, and Directors are briefed during Board meetings or at specially convened sessions conducted by professionals, on regulatory changes that have any significant bearing on the Group's or Directors' obligations. Directors are provided with opportunities to attend appropriate courses, conferences and seminars.

In FY2024, the Company's Directors attended training programmes by reputable providers such as the Singapore Business Federation, law firms, IRAS, ACRA, public accounting firms, CPA Australia and SID, covering a wide range of topics including audit committee matters, cybersecurity, board leadership in sustainability, climate risk reporting, workplace health and safety, and the SID Directors Conference 2024 among others. The Company also arranged for the Board to attend a focused discussion on climate scenario risk analysis.

Mr Chan Hon Chew, who has prior experience as a director of listed companies, was appointed as an ID on 6 March 2024 and he attended an induction programme conducted by the Company in April 2024.

Complete, Adequate and Timely Information

The Board has separate and independent access to Management. Management also keeps the Board apprised of the Group's operations and performance by providing regular management reports. To ensure that the Board is able to fulfil its responsibilities, Management is required to provide complete, adequate and timely information to the Board on issues that require their decision. Whenever appropriate, employees or external advisors who can provide additional insight in the matters to be discussed are invited to attend the Board meetings.

Board papers and related materials are disseminated about one week in advance to the Board and the Board Committees, giving the Directors sufficient time to review the relevant information. In line with the Company's sustainability efforts and for efficiency, the Company subscribes to a secure electronic board portal to electronically disseminate board papers and materials. Directors can access the board portal through a secure log-in process from any device, which eliminates the need to circulate hard copies. News articles and industry knowledge relevant to the Group's businesses are also uploaded to the secure electronic board portal on a regular basis to keep Directors updated.

CORPORATE GOVERNANCE

Provision of Information to the Board

Information provided include board papers and related materials, background or explanatory information relating to matters, and copies of disclosure documents, budgets, forecasts and quarterly internal financial statements. Material variances between the actual results and forecast and budgets are also discussed and explained by Management to the Board. The Directors can ask for additional information as needed to make informed decisions.

Company Secretary

The Directors have separate and independent access to the Company Secretary. The role of the Company Secretary is crucial in facilitating the operations of the Board, including attendance at all Board meetings, preparation of the agenda and papers for meetings of the Board and Board Committees, taking and circulating minutes of meetings, sending the Board information relating to the Group as needed, advising the Board on corporate and administrative matters, ensuring that Board procedures are followed and that applicable rules and regulations including requirements of the Code, Companies Act, Securities and Futures Act and Listing Rules are complied with, facilitating orientation and assisting with professional development for the Board. The Company Secretary also ensures good information flow within the Board and Board Committees and between the Management and NEDs, advising the Board on all governance matters. In FY2024, the Company Secretary attended the AGM and all meetings of the Board and Board Committees.

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

Independent Professional Advice

In fulfilling their duties, the Directors may (individually or as a group), seek independent professional advice whenever necessary, at the Company's expense. This includes access to a reputable law firm which has been appointed by the Company as corporate governance advisor.

Board Composition and Guidance

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

Board Size and Composition

The Board comprised seven[6] Directors in FY2024, the majority of whom are non-executive. The only Executive Director is the Group CEO.

There is a strong element of independence on the Board, as the IDs constitute a majority of the Board. The Board's decision-making process is not dominated by any individual or small group of individuals. While the Board Chair is a non-independent non-executive Director ("**NI-NED**"), the Company has complied with the Code's requirement for IDs to make up a majority of the Board and appointment of a lead ID ("**Lead ID**").

Each Director is required to complete a detailed self-assessment questionnaire on his/her independence annually. For FY2024, the questionnaires were premised on Rule 210(5)(d) of the Listing Rules, Provision 2.1 of the Code, and the circumstances set out in Practice Guidance 2. The NC assessed the questionnaires submitted and reported to the Board on its findings and recommendations.

For FY2024, four Directors provided declarations to confirm that they do not have any relationship with the Company or its related companies and its officers that could impair, interfere, or be reasonably perceived to interfere, with their judgement in the best interests of the Company, and are to be considered IDs. They are Mr Ramlee Bin Buang, Mr Shailesh Anand Ganu, Ms Ku Xian Hong and Mr Chan Hon Chew. The NC and Board observed many occasions where Mr Ramlee, Mr Ganu, Ms Ku and Mr Chan debated issues, objectively scrutinised and challenged Management, and provided impartial and autonomous views, and following deliberation, concurred that they are all independent. Each ID abstained from deliberations on his/her independence.

As Mdm Ee Choo Lin Diana has served the Board for more than nine years, with effect from 1 January 2022, she was re-designated as a NI-NED. Nonetheless, Mdm Ee continues to demonstrate strong independence in character and judgement, and provides impartial and autonomous views.

The Board concurred with the NC that its size and the size of each Board Committee is appropriate and facilitates effective decision-making, taking into account the scope and nature of the Group's operations.

[6] During the period from 6 March 2024 (when Mr Chan Hon Chew was appointed) until just before the conclusion of the 25 April 2024 AGM (when Mr Samuel Gene Rhee retired), the Board comprised eight Directors.

CORPORATE GOVERNANCE

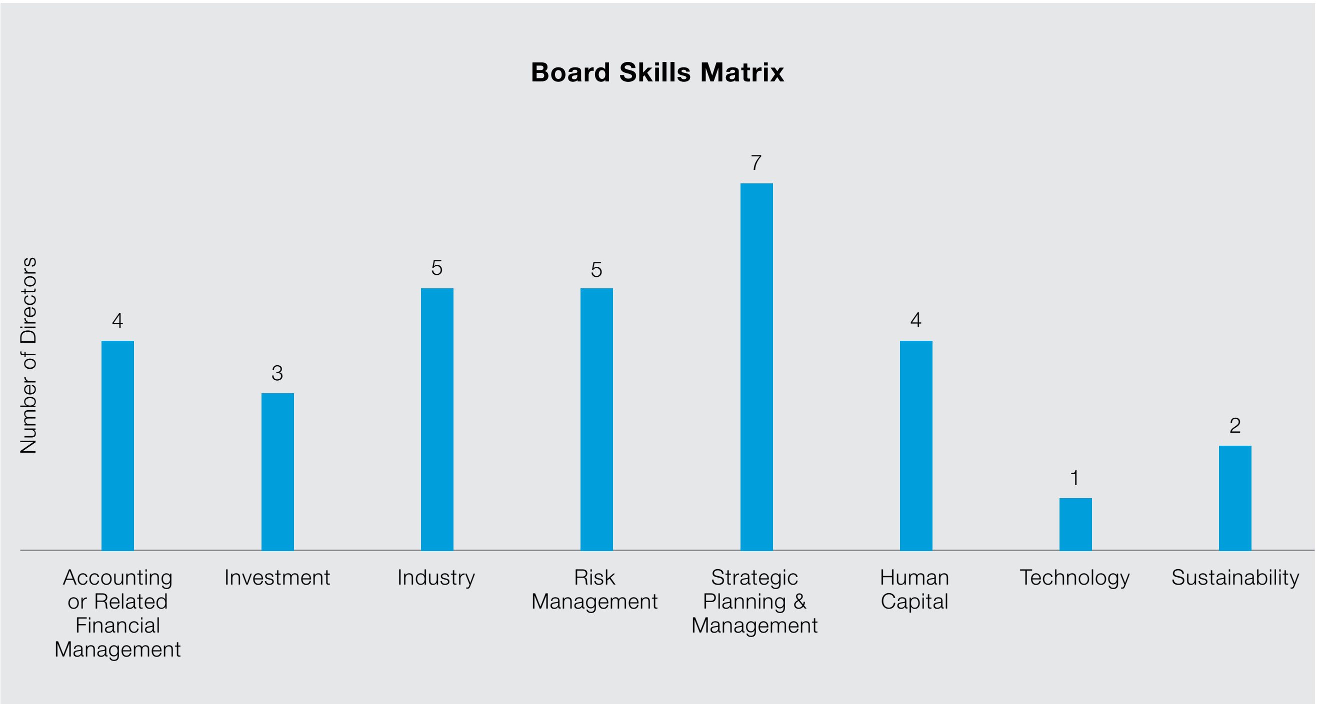
Board Competency and Diversity Policy

The Company is compliant with Rule 710A(2) of the Listing Rules. The Board comprises respected members of the business community, female and male, across diverse age ranges, with long and extensive experience in various fields, including real estate, engineering, hospitality, investment, corporate management, accounting, finance, human capital, risk management, technology, and sustainability. The Board finds the core competencies of the Directors, which include industry knowledge, strategic planning and customer-based experience, to be relevant and beneficial to the Group, both in the context of the Group's current plans and future strategy.

The 2025 Singapore Board Diversity Index monitored eight diversity attributes, being age, gender, industry experience, domain or functional expertise, international experience, cultural ethnicity, board independence and tenure of directors, and recognised listed companies with exemplar diversity standards across four or more of these attributes. The Company is pleased to be recognised as one of six Mid-Cap companies recognised in this Index.

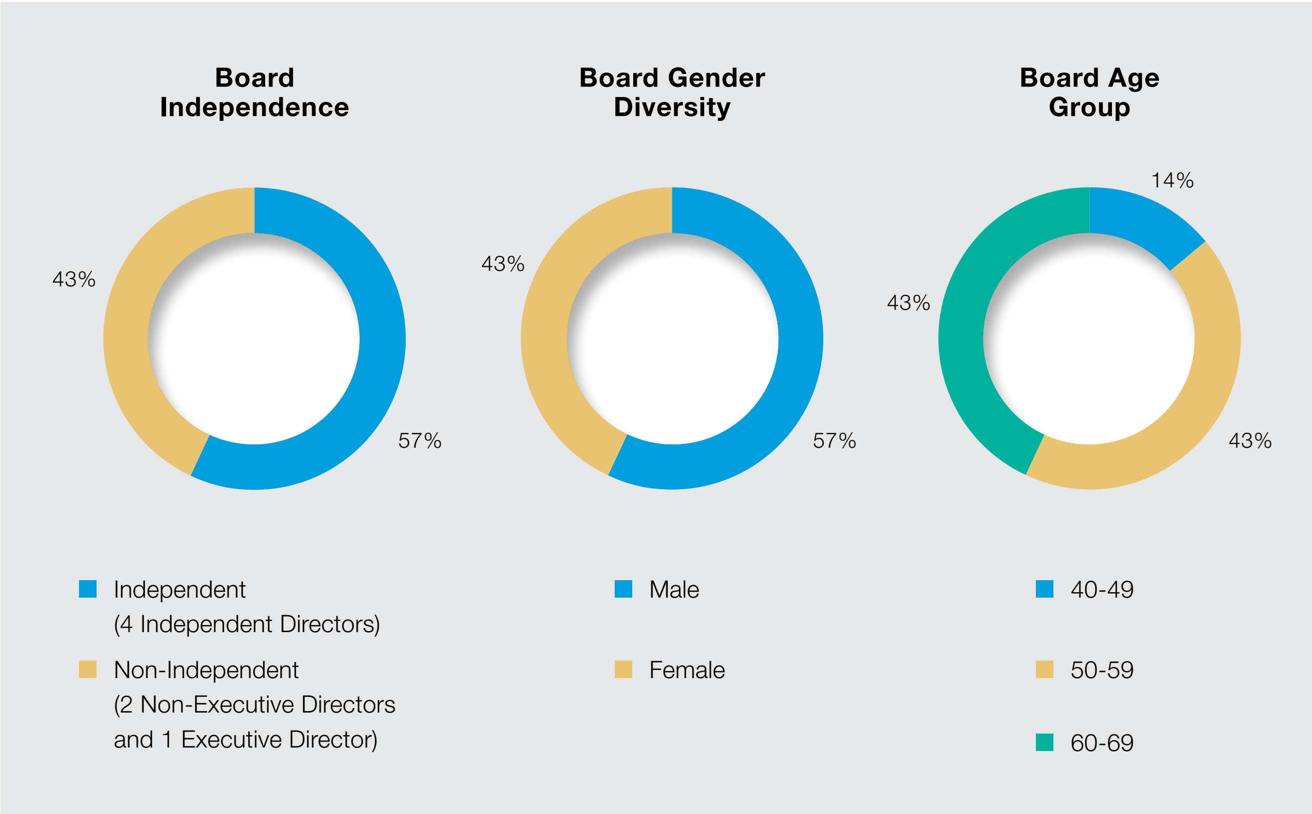
When deciding on the appointment of new directors to the Board, the NC and the Board will consider various factors such as scope and nature of the Group's operations, skills, knowledge, experience, gender, age and competencies of the candidates that are required on the Board and Board Committees, conflicts of interest, time commitments, the prevailing Board Skills Matrix, the Board Succession Planning Policy and the Board Diversity Policy. The Board Skills Matrix was formalised in FY2023, along with a list of the knowledge/ skillsets and expertise desired of the Board.

The Board Diversity Policy was established since 2018 as the NC and Board firmly believe that board diversity enhances decision-making capability and fosters constructive debate. The Board agreed that diversity is a wide-ranging concept and covers aspects ranging from industry knowledge, professional experience, educational qualifications, gender, age, ethnicity and nationality, among others. While all appointments to the Board will continue to be made based on merit, in making recommendations on Board appointments, the NC will consider all aspects of diversity to achieve an optimal composition for the Board.



CORPORATE GOVERNANCE

The Board Diversity Policy sets out two specific targets addressing age and gender, and the practical measures which may be implemented to meet such targets. The age target is to have directors of different age ranges (so that the Board will not consist of directors only in a particular age band). The gender target is for women to comprise at least 30% of the Board – this was increased from the original 20% target when the Board Diversity Policy was updated in February 2024. Both targets were met and maintained throughout FY2024 and to-date. A profile of each Director is found in the "Board of Directors and Management" section of this Annual Report.



Role of NEDs

The NEDs are well-supported by accurate, complete and timely information from Management. They engage in open and constructive debate and challenge Management on its assumptions and proposals, which are fundamental to good corporate governance. They aid in the development of growth strategies and oversee effective implementation by Management to achieve set objectives. They also monitor the performance of the Group.

NEDs have unrestricted access to Management. When NEDs are unable to attend any Board or Board Committee meetings, they may provide their comments to the Chair of the Board or the relevant Board Committees separately. The NEDs constructively challenge and help develop proposals on strategy formulated by Management. They also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of financial and operational performances.

Meetings of NEDs, and of IDs, without the presence of Management

In FY2024, the NEDs met regularly without the presence of Management, and discussed matters ranging from internal audit and external audit matters to the performance of Management.

In FY2024, the IDs, led by the Lead ID, met periodically without the presence of other Directors and Management and discussed matters including succession planning and remuneration, and where appropriate they provided feedback to the Board Chair after such meetings.

CORPORATE GOVERNANCE

Chair and Chief Executive Officer

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

Separate Persons Acting as Chair and Group CEO

The roles and responsibilities of the Chair and the Group CEO are distinct and separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The division of responsibilities between the Chair and the Group CEO are clearly established in the Group's CG Policy Manual. The Chair and the Group CEO are not related family members. The Chair and the Group CEO are also not related to any substantial shareholder of the Company.

Roles of Chair

Ms Koh Kah Sek assumed the role of Chair on 18 April 2022. The Chair is responsible for leading the Board and ensuring the effectiveness and governance of the Board and Board Committees.

The other roles of the Chair include the following:

a) schedule meetings that enable the Board to perform its duties responsibly while minimising disruptions to the Company's operations;
b) ensure sufficient allocation of time for thorough discussion of Board meeting agenda items;
c) promote an open environment for debate at the Board;
d) foster constructive dialogue between shareholders, the Board and Management at AGMs and other shareholders' meetings;
e) encourage constructive relations within the Board and between the Board and Management;
f) ensure that NEDs are able to speak freely and contribute effectively; and
g) promote high standards of corporate governance.

Roles of Group CEO

Mr Alan Tang Yew Kuen was appointed as the Group CEO on 1 January 2020. The roles and responsibilities of the Group CEO are clearly defined in his service contract with the Company and includes managing and supervising the day-to-day business operations in accordance with the strategies, policies and business plans approved by the Board.

Lead ID

The Company has a Lead ID as the Chair is not an ID. Mr Ramlee Bin Buang was appointed as Lead ID on 1 January 2023. The Lead ID is a key member of the Board, providing leadership in situations where the Chair is conflicted, representing the views of the IDs, offering a confidential channel for the NEDs to discuss any concerns, and facilitating communication between shareholders, the Chair and the Board.

Shareholders with concerns may contact the Lead ID directly if contact through the normal channels via the Chair or Management is inappropriate or has failed to provide satisfactory resolution. The Lead ID's email address is lead_independent_director@fareastorchard.com.sg, which is also listed on the Company's website.

Board Membership

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

NC Composition and Key Terms of Reference

During FY2024, the NC comprised three NEDs, the majority of whom, including the NC Chair, are independent. In FY2024, the Lead ID was a NC member.

FY2024 NC Composition
Ms Ku Xian Hong (ID) as NC Chair
Mr Ramlee Bin Buang (Lead ID)
Ms Koh Kah Sek (NI-NED)

The composition of the NC was refreshed from the conclusion of the last AGM on 25 April 2024, when ID Mr Samuel Gene Rhee retired, Ms Ku was appointed as the NC Chair and Mr Ganu stepped down as a member of NC.

The principal functions of the NC under its terms of reference are to:

a. identify and nominate new Directors for appointment to the Board and Board Committees, after evaluating factors such as the candidate's experience, knowledge, skills, age and gender in relation to the needs of the Board, whether the candidate will add diversity to the Board having regard to the Board Diversity Policy and Board Skills Matrix, the composition and progressive renewal of the Board and Board Committees, and whether it is ideal to appoint an independent third-party search firm to source and screen candidates;

CORPORATE GOVERNANCE

b. develop and maintain a formal and transparent process for the appointment of new Directors to the Board, which includes disclosing to the Board the channels used in searching for candidates, and the criteria used to identify and evaluate the candidates;
c. provide nominations for the re-appointment of a Director having regard to the Director's performance, tenure, commitment and ability to continue contributing to the Board, and how the Director will fit in the overall competency, performance, diversity of the Board and Board Skills Matrix;
d. recommend retirement of Directors at regular intervals and arrange all Directors to submit themselves for re-nomination and re-appointment at least once every three years in accordance with the Listing Rules;
e. identify and develop training and professional development programmes for the Board and Board Committees, and review these annually;
f. provide the Board with succession plans for the Chair and Directors and KMP;
g. review the independent status of NEDs and assess the independence of the Directors annually having regard to the Listing Rules, the Code, and the Practice Guidance, among others;
h. review the appropriate structure, composition and size of the Board and Board Committees for effective decision-making and constructive debate;
i. develop and maintain a formal annual assessment process and objective performance criteria to evaluate the effectiveness of the Board, its Board Committees and the contribution by each Director (including the Chair) to the effectiveness of the Board, and to analyse the findings of the performance evaluation forms submitted; and
j. provide a reasoned assessment of a Director's ability to diligently discharge his/her duties where such Director holds a significant number of listed company directorships and principal commitments.

In FY2024, the NC held two meetings. In those meetings, the NC carried out all its principal functions as listed above. After each NC meeting, the NC Chair provided updates and relevant recommendations to the Board.

Board Renewal, Roles and Responsibilities

The Board's renewal is an on-going process, to ensure good governance and to maintain relevance to the business as well as the changing needs of the Group. New Directors are appointed by way of a Board Resolution, after the NC recommends their appointments.

The Board Succession Planning Policy together with a Board Skills Matrix and the Board Diversity Policy serves as a guide to the NC in the identification, nomination and appointment of new directors and re-nominating Directors to the Board. The annual performance evaluations of individual Directors are considered by the NC when nominating Directors for re-election. The Board Succession Planning Policy and Board Diversity Policy are regularly reviewed and were updated in FY2024 to reflect an increase in the gender diversity target for the Board. The Board Skills Matrix was also updated in FY2024 when the Board composition was refreshed following the appointment of Mr Chan and the retirement of Mr Rhee.

Throughout FY2024 and to-date, IDs continue to make up a majority of the Board.

The NC is charged with the responsibility of re-nominating the Directors. The Company's Constitution requires one-third, or the number nearest to one-third of the Directors, to retire from office. The Directors to retire every year are those who have been longest in office since their last election. In line with SGX Listing Rule 720(5), all Directors are required to submit themselves for re-nomination and re-election at least once every three years. In addition, a newly appointed Director will hold office only until the next AGM at which he/she will be eligible for re-election.

Each NC member abstains from voting on any resolution, making any recommendation and/or participating in matters where he/she is the subject or interested in.

Directors who are subject to retirement by rotation in accordance with the Company's Constitution and who are seeking re-election at the forthcoming AGM scheduled on 25 April 2025, are named in the Notice of AGM on page 158 of this Annual Report.

Review of Directors' Independence

The NC conducts an annual review of the independence of each Director, with full regard to the Listing Rules, the Code, the Practice Guidance and having considered the self-assessment of independence submitted by each Director to the NC, details of which were explained above. The NC provides its views on the independence of the Directors to the Board for consideration. The NC is also committed to reassessing the independence of each individual Director as and when warranted. Directors are required to notify the Board of any changes to their external appointments, interests in shares, and other relevant information which may affect their independence.

CORPORATE GOVERNANCE

Based on the review for FY2024, the Board concurred with the NC that Mr Ramlee Bin Buang, Mr Shailesh Anand Ganu, Ms Ku Xian Hong and Mr Chan Hon Chew are independent.

Multiple Board Representations

When a Director has multiple board representations or principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company. The NC will consider factors such as the degree of participation by a Director at meetings and in considering issues, and the quality of contributions made by a Director, as well as attendance since Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

Since FY2023, the NC and Board agreed on a guideline of a maximum of four other directorships in unrelated listed companies for each Director, noting the significant time commitment required of directors on listed companies. Through FY2024 and to-date, there were no Directors who exceeded this internal guideline limit. In FY2024, three Directors held one other directorship in unrelated listed companies. The NC reviewed each Director's other directorships, principal commitments, attendance, performance and contributions to the Board, and noted the full attendance of all Directors at the AGM, all scheduled Board meetings and all Board Committee meetings. The NC is satisfied that all Directors have given sufficient time and attention to the Company's matters and have diligently discharged their duties.

Appointment of Alternate Director

The Company did not have any alternate director on its Board during FY2024. The Company discourages the appointment of alternate directors as it is an indication that the principal director is not able or prepared to commit the time required for the Company's affairs.

Nomination and Selection of Directors

The Board Succession Planning Policy, guided by the Practice Guidance, supported by a service tenure chart of the Board and a checklist process, guides the NC in the identification, nomination and appointment of new Directors to the Board and relevant Board Committees, if applicable. The various factors to be considered by the NC when identifying and evaluating potential new directors are set out therein. The criteria include relevant experience, skillsets, qualifications, whether they have the calibre to contribute to the Group and its businesses, whether they complement the skills, competencies and attributes of the existing Board, and their independence status. The NC will also consider the Company's current Board in terms of its size, composition, collective skills, experience, diversity, tenure, the Board Skills Matrix, and the targets in the Board Diversity Policy. The NC will also assess whether a Director's resignation from the board of any company casts any doubt on his/her qualification and ability to act as a Director of the Company.

Potential new directors are shortlisted after conducting external searches and/or tapping on internal resources and referrals from existing Directors. The potential candidates are required to provide their curriculum vitae and the following key information to the NC: (a) any relationships including immediate family relationships between the candidate and the Directors, the Company or its 5% shareholders; (b) a list of all current directorships in other listed companies; (c) details of other principal commitments; and (d) any shareholding (including immediate family's shareholding) in the Company and its related corporations.

The NC meets with each shortlisted candidate personally to assess suitability and to ensure that the candidate is aware of the expectations and the level of commitment required. Thereafter, the NC makes a recommendation to the Board for approval.

During FY2024, as part of the Board renewal exercise, the NC conducted the search of potential candidates for Board appointments. The exercise is guided by the Board Succession Planning Policy, supported by the service tenure chart of the Board, the checklist process, the Board Skills Matrix and the Board Diversity Policy. After identifying several candidates through referrals, the NC evaluated them based on the established criteria and eventually shortlisted Mr Chan Hon Chew, and recommended him to the Board for approval. As Mr Chan was appointed on 6 March 2024, he retired per the Company's Constitution, and was re-elected, at the last AGM on 25 April 2024.

Key Information of Directors

Key information regarding the Directors including academic and professional qualifications, membership or chairmanship in the Group's Board Committees, date of first appointment and last re-appointment, directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments are listed in the "Board of Directors and Management" section of this Annual

CORPORATE GOVERNANCE

Report. Information on the Directors is also available on www.fareastorchard.com.sg/board-of-directors-and-management.html.

Board Performance

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

Board Evaluation Process

The responsibilities of the NC include evaluating the performance and effectiveness of the Board, the Board Committees and the contribution by the Chair and each Director, based on a set of criteria. The Board and each Board Committee carefully considered the sample evaluation forms in SID's NC Guidebook before preparing separate forms for evaluation of the Board, the ARC, the RC and the NC. These forms were specifically designed to focus on the specific roles and performance of the Board and each Board Committee.

The annual evaluation process involves each Director completing performance evaluation forms on the Board and each relevant Board Committee on which he/she is a member of, including the chair of such Board Committee. Each Director is also to complete a self-assessment performance evaluation form. Directors are encouraged to provide comments or suggestions for improvement in these forms.

The results of the performance evaluations are taken into consideration when the NC conducts its regular review in consultation with the Board Chair, on the appropriate composition for the Board and Board Committees and whether it would be appropriate or beneficial to propose changes to such composition.

The Company subscribes to a secure electronic board portal and utilises its survey tools to conduct the annual evaluation process. The findings from the performance evaluation forms are collated and presented by the Company Secretary to the NC for review. The NC considers the actions appropriate or beneficial to improve the corporate governance and effectiveness of the Board and Board Committees, before it presents the results of the evaluation exercise and its recommendations to the Board. The NC and the Board deliberated and agreed that in FY2024 the Board and each Board Committee was effective, and that the Board Chair and each individual Director have contributed to the effectiveness of the Board.

The NC agreed that there was no need to appoint any external facilitator to assist in the assessment for FY2024 and that it will suffice for the NC Chair to speak with the Directors individually on how to improve effectiveness of the Board and Board Committees.

Board and Board Committee Performance Criteria

The Board and each Board Committee are evaluated on a range of criteria including competencies, attendance, guidance provided in relation to the Company's performance, degree of preparedness, participation and candour of Directors, contribution to effective risk management, timeliness in response to resolution of issues, adequacy and conduct of Board and Board Committee meetings, engagement and collaboration, independence and objectivity, succession planning, and communication lines with Management and shareholders.

The Board is committed to guide the Company towards achieving its growth targets identified in the Company's 5-year business plan.

Individual Director Evaluation

For FY2024, the NC took note of each Director's attendance and preparation for Board and relevant Board Committee meetings, constructive participation in discussions, and application of skillset to the decision-making process. When assessing the contribution of each individual Director to the Board, each NC member abstains from assessing on his/her own performance as a Director to avoid any conflict of interest.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

RC Composition and Key Terms of Reference

During FY2024, the RC comprised three NEDs, the majority of whom, including the RC Chair, are independent.

CORPORATE GOVERNANCE

FY2024 RC Composition
Mr Shailesh Anand Ganu (ID) as RC Chair
Mdm Ee Choo Lin Diana (NI-NED)
Ms Ku Xian Hong (ID)

The composition of RC was refreshed at the conclusion of the last AGM held on 25 April 2024, following the retirement of Director Mr Rhee and Ms Ku's appointment as a RC member.

The principal functions of the RC under its terms of reference are to:

a. review and recommend to the Board, a formal and transparent procedure for determining the remuneration of the Company's Directors, including NEDs and the Executive Director(s);
b. review and recommend to the Board, a remuneration framework for Directors' fees (covering all aspects of remuneration) and the appropriateness of remuneration awarded to attract, retain and motivate Directors, having regard to factors including but not limited to the effort, time spent and responsibilities of the Director;
c. review and recommend to the Board, a remuneration framework for KMP (including the Group CEO), with remuneration packages designed to align interest with shareholders and the Company's long-term goals, promoting long-term corporate value creation;
d. review and recommend to the Board, proposed performance measures and targets for any performance-related pay schemes operated by the Company, and specific remuneration packages for each KMP covering all aspects of remuneration, including but not limited to salaries, allowances, bonuses, options and long-term incentives;
e. review the design of all short-term and long-term incentive plans for approval by the Board and shareholders, with consideration of the use of long-term incentives such as share schemes (if appropriate) for KMP;
f. review the level and structure of pay and employment conditions for KMP relative to internal and external peers from companies in the same industry to ensure that KMP are appropriately remunerated;
g. oversee any major changes in employee benefits or remuneration structures and review the ongoing appropriateness and relevance of the Company's remuneration policy; and
h. ensure that contractual terms and any termination payments for KMP are fair to the individuals and to the Company, and that poor performance will not be rewarded.

In FY2024, the RC held two meetings, during which the RC carried out all its principal functions as listed above.

RC's Access to Advice on Remuneration Matters

The RC has access to appropriate advice from the Head of Human Resources, who is invited to all RC meetings. The RC may also seek external expert advice on the remuneration of Directors and employees as and when the need arises. In its deliberations, the RC takes into consideration industry practices and norms in compensation, the Group's relative performance to the industry, and the performance of individual Directors.

Remuneration Framework

The RC reviews and recommends to the Board a general framework of remuneration for the Board as well as the entire Group, with a goal to recruit, motivate and retain employees through competitive compensation. The RC annually reviews the overall annual increment and bonus framework for Group employees, before putting forth its recommendations to the Board for approval.

The RC reviews and recommends to the Board the specific remuneration packages for the Executive Director/Group CEO and the other KMP upon recruitment. Subsequently, various aspects of their remuneration will be reviewed by the RC for recommendation to the Board from time to time, and the Board will annually assess their performance and approve their remuneration.

Individual Directors do not participate in any decisions concerning their own remuneration.

The Directors' Fees framework is evaluated for appropriateness, taking into account the level of contribution, the responsibilities and obligations of the Directors, the prevailing market conditions, the most recent bench-marking report (if any) and referencing the Directors' Fees against comparable and independent benchmarks. Bench-marking study is conducted to ensure that the remuneration structure for the Board is appropriate to attract, retain and motivate the Directors to provide good stewardship to the Company. The most recent bench-marking study was done independently by Mercer in FY2024 through to FY2025 on the remuneration of NEDs. The RC has reviewed and recommended to the Board the updated framework. After considering the RC's recommendation, the Board approved the revised Directors' Fees framework effective from FY2025. The revised Directors' Fees framework is presented under Principle 8 of this Report.

CORPORATE GOVERNANCE

Service Contracts

The RC has reviewed the Company's obligations arising in the event of termination of the Executive Director/Group CEO and other KMP's service contracts and is of the view that such service contracts contain fair and reasonable termination clauses which are not overly generous nor reward poor performance.

Level and Mix of Remuneration

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

Remuneration of Executive Director and KMP

The Company has one Executive Director who is the Group CEO, Mr Alan Tang Yew Kuen. He does not receive any Directors' fees, as his Group CEO remuneration package is inclusive of his executive directorship responsibilities. The identities of the top five KMP (who are not Directors or the Group CEO) are set out in Principle 8.

The service contracts of the Company's Executive Director/ Group CEO and the other top five KMP comprise both fixed and variable components. The fixed component comprises base salary, fixed allowances, and central provident fund contributions. The variable component comprises a cash-based annual short-term incentive (that is performance-related and is linked to the Company's and the individual's performance) and a long-term incentive scheme as detailed below. In structuring their remuneration packages, the RC and Board take into account the performance of the Group and the individual, and risk policies of the Group, so as to be symmetric with risk outcomes and sensitive to the time horizon of risks. The variable components are designed to align remuneration with the interest of shareholders and to promote the long-term success of the Group.

The RC and Board annually assess and evaluate the performance of the Group CEO and other top five KMP with reference to the performance metrics tied to the Group's long-term strategic objectives. The RC and the Board have deliberated and are assured that the current level and structure of the remuneration of the Company's Executive Director/ Group CEO and the other top five KMP are aligned with the interest of shareholders, long-term success and risk management policies of the Company, and are appropriate to retain and motivate them to successfully manage the Group for the long-term.

Long-term Incentive ("LTI")

The Group has a LTI scheme for KMP and selected senior executives. Through the LTI scheme, the Group seeks to drive long-term business value creation, and ensure the alignment of longer-term interests among the LTI participants and those of shareholders and stakeholders. Through the LTIs, the Group seeks to motivate and retain key talents that are responsible for achieving the Group's long-term objectives.

The LTIs are cash-based, with a forward-looking three-year performance period, and performance metrics tied to the Group's long-term strategic objectives. Since FY2023, the LTI includes ESG targets to achieve the Group's long-term strategic sustainability objectives. Aligned with strong pay-for-performance principles, LTI outcomes are not guaranteed, and are subject to the achievement of stretched goals and long-term priorities set by the Board. As the LTIs are cash-based, they do not dilute the current shareholders of the Company. The Group does not have any employee share scheme.

Remuneration of NEDs

NEDs are paid a base retainer fee that varies depending on whether he/she serves as Board Chair, or as an ID or a NI-NED. The NEDs receive additional fees if they serve as the Lead ID or as a chair or member of the various Board Committees. NEDs do not receive any variable incentives or equity grants. The remuneration framework and fee structure are presented under Principles 6 and 8 of this Report.

At the AGM of each financial year, the Company will seek shareholders' approval for the aggregate of the fees that may be paid to the Board in such financial year ("**Directors' Fees**"). NED fees were last revised in FY2019. Following the recent independent bench-marking study on the remuneration of NEDs, a sum of up to S$560,000 as total pool for the NED fees for FY2025 will be recommended by the Board for shareholders' approval at the forthcoming AGM.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate the NEDs and they are not over-compensated to the extent that their independence and objectivity may be compromised.

CORPORATE GOVERNANCE

Contractual Provisions for Executive Director and KMP

The Company's LTI scheme contains contractual provisions to reclaim vested or cancel unvested amounts from all LTI participants including the Executive Director/Group CEO and other KMP in the event of a breach of obligations, laws or regulations. There are no excessively lengthy or onerous removal clauses in their service contracts.

Disclosure on Remuneration

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

Annual Remuneration Report

For FY2024, there were no termination, retirement or post-employment benefits granted to any Director or KMP. The breakdown of the remuneration of Directors and KMP for FY2024 is reported below.

Disclosure of Directors and Group CEO's Remuneration

Breakdown of Level and Mix of Directors' Fees

Save for Directors' Fees, the Directors do not receive any other form of remuneration or payment from the Company. A breakdown showing the level and mix of the Directors' Fees for FY2024 and FY2025 is appended below:

	Fees Per Approved Framework for FY2024 (S$)	Fees Per Revised Framework Effective FY2025 (S$)
Base Retainer Fee:		
Board Chair	70,000	70,000
ID	40,000	50,000
NI-NED	40,000	50,000
Executive Director	Nil	Nil
Lead ID	17,000	17,000
Board Committees:		
Audit & Risk Committee		
- Chair	38,500	38,500
- Member	19,000	19,000
Remuneration Committee		
- Chair	14,000	17,500
- Member	7,500	9,500
Nominating Committee		
- Chair	14,000	17,500
- Member	7,500	9,500

CORPORATE GOVERNANCE

If a NED is nominated by the Company to the board of a JV company, or a company in which the Group has shareholding interests, the RC will recommend to the Board for approval, additional Director fees, with the quantum dependent on the level of activities and responsibilities.

Breakdown of Directors' Fees received by each Director

A further breakdown of the aggregate Directors' Fees received by each Director for FY2024 is appended below.

Name of Director	Aggregate Director Fee (S$)
Koh Kah Sek	77,500
Ramlee Bin Buang	103,000
Alan Tang Yew Kuen	Nil
Ee Choo Lin Diana[1]	115,182
Shailesh Anand Ganu	56,391
Ku Xian Hong	60,763
Chan Hon Chew	45,856
Samuel Gene Rhee[2]	19,601

Notes:

(1) The Directors' Fees received by Mdm Ee include fees for her directorships on the board of FEHH (S$10,000), Toga Hotel Holdings Pty Limited (director and member of the ARC of the trustee board) (S$25,000), and Homes for Students Limited (S$20,000).

(2) Mr Rhee retired as a Director of the Company at the conclusion of the last AGM held on 25 April 2024.

Disclosure of Remuneration of the Group CEO

The remuneration of the Group CEO for FY2024 is disclosed as follows:

Group CEO	Base Salary[1] (S$)	Short-term Incentives (S$)	Long-term Incentives[2] (S$)	Benefits-in-kind (S$)	Total (S$)
Alan Tang Yew Kuen	626,292 (54.5%)	229,122 (20.0%)	235,232 (20.5%)	57,576 (5.0%)	1,148,222 (100.0%)

Notes

(1) Inclusive of allowances and Central Provident Fund contributions.

(2) LTI amount is the value of contingent award granted in 2024. Payment is not guaranteed, and is subject to achievement of performance conditions over the period from 1 January 2024 to 31 December 2026.

CORPORATE GOVERNANCE

Disclosure of Remuneration of KMP

The compensation of the KMP consists of salary, allowances and bonuses. Bonuses are conditional upon the KMP and the Group meeting certain performance targets. A proportion of the remuneration of the KMP is linked to the Group and individual performances.

The Group has determined that it has five KMP (who are not Directors or the Group CEO) in FY2024. The aggregate of the total remuneration paid to them is S$2,599,348. Their remuneration is also disclosed in percentage terms and in bands of S$250,000 as follows.

KMP	Designation	Base Salary[(1)]	Short-term Incentives	Long-term Incentives[(2)]	Benefits-in-kind
		%	%	%	%
S$750,000 - S$999,999					
Kiong Kim Hock Arthur	CEO, Far East Hospitality				
S$500,000 - S$749,999					
Joanna Gok Yin Yin	CFO				
S$250,000 - S$499,999					
Mark Rohner[7]	Chief Operating Officer, Far East Hospitality				
		78.5%	7.9%	10.7%	2.9%
Audrey Chung Suet Cheng	Deputy Director and Head of Global Sales & Marketing, Far East Hospitality				
Tan Thiam Soon	Head of Human Resources				
S$249,999 and below					
Gill Ishwinder Singh[8]	Chief Operating Officer, Far East Hospitality				

Notes:

(1) Inclusive of allowances and Central Provident Fund contributions.

(2) LTI amount is the value of contingent award granted in 2024. Payment is not guaranteed, and is subject to achievement of performance conditions over the period from 1 January 2024 to 31 December 2026.

No Employees with Relationships with a Director or the Group CEO or Substantial Shareholder of the Company

None of the Company's substantial shareholders are employees. There are no Company employees who are an immediate family member of a Director or the Group CEO or a substantial shareholder of the Company.

Relationships between Remuneration, Performance and Value Creation

The Company considers the achievement of sustainable income and long-term capital growth, and the provision of consistent and sustainable ordinary dividend payments on an annual basis, to be value creation for its shareholders. The Group also views the continuous enhancement of its sustainability practices to be value creation for its stakeholders.

The variable component of the remuneration of the Executive Director/Group CEO and other KMP is tied to certain performance conditions of the Group, including financial targets such as revenue and profit, and non-financial targets such as guest/customer satisfaction levels and sustainability targets. These performance conditions align the Executive Director/ Group CEO and other KMP with the short-term and long-

7 Mr Mark Rohner was appointed Chief Operating Officer of Far East Hospitality on 1 July 2024.

8 Mr Gill Ishwinder Singh was Chief Operating Officer of Far East Hospitality until his departure on 21 June 2024.

CORPORATE GOVERNANCE

term interests of the Group. The variable component of their remuneration was paid in accordance with those performance conditions which were met.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Accountability of the Board and Management

The Board conducts itself in ways that deliver optimal sustainable value to the shareholders based on available information. The Board promotes best practices in providing timely and full disclosure of material information in compliance with the statutory reporting requirements. The Board is accountable to shareholders and is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects through SGXNet announcements on a half-year and full-year basis as well as timely announcements of other matters as prescribed by the relevant rules and regulations.

The half-year unaudited financial results and full-year results of the Group for FY2024 were announced within the deadlines prescribed by the Listing Rules. In addition, the Company also provides voluntary interim business updates.

Compliance with Legislative and Regulatory Requirements

In preparing the financial statements, the Board has selected suitable accounting policies and applied them consistently. The Board has made judgements and estimations that are reasonable and prudent and ensures that all applicable accounting standards have been followed.

The Board has taken adequate steps to ensure the Company's compliance with legislative and regulatory requirements, including requirements under the Companies Act and Listing Rules, for instance, by publishing its annual report, holding its AGM and making announcements of material corporate developments in a timely manner within required deadlines. Announcements are reviewed and approved by the Board before they are published. Relevant policies are also instituted, for example, the Company has a Personal Data Protection Policy and appointed data protection officers to oversee compliance with relevant data protection regulations in Singapore and overseas.

The Group has put in place a procedure to screen relevant identified entities and/or individuals dealing with the Group for compliance with the applicable sanction laws and regulations.

The Company confirms that undertakings under Rule 720(1) of the Listing Rules have been obtained from all its Directors and Executive Officers (as defined in the Listing Rules) in the format set out in Appendix 7.7 of the Listing Rules.

Management Accounts

Management provides the Board with management accounts on a quarterly basis and other information in connection with matters or transactions which require Board approval. In this way, the Board is kept abreast of the operations, financial performance, position and prospects of the Group.

Risk Management and Internal Control Systems

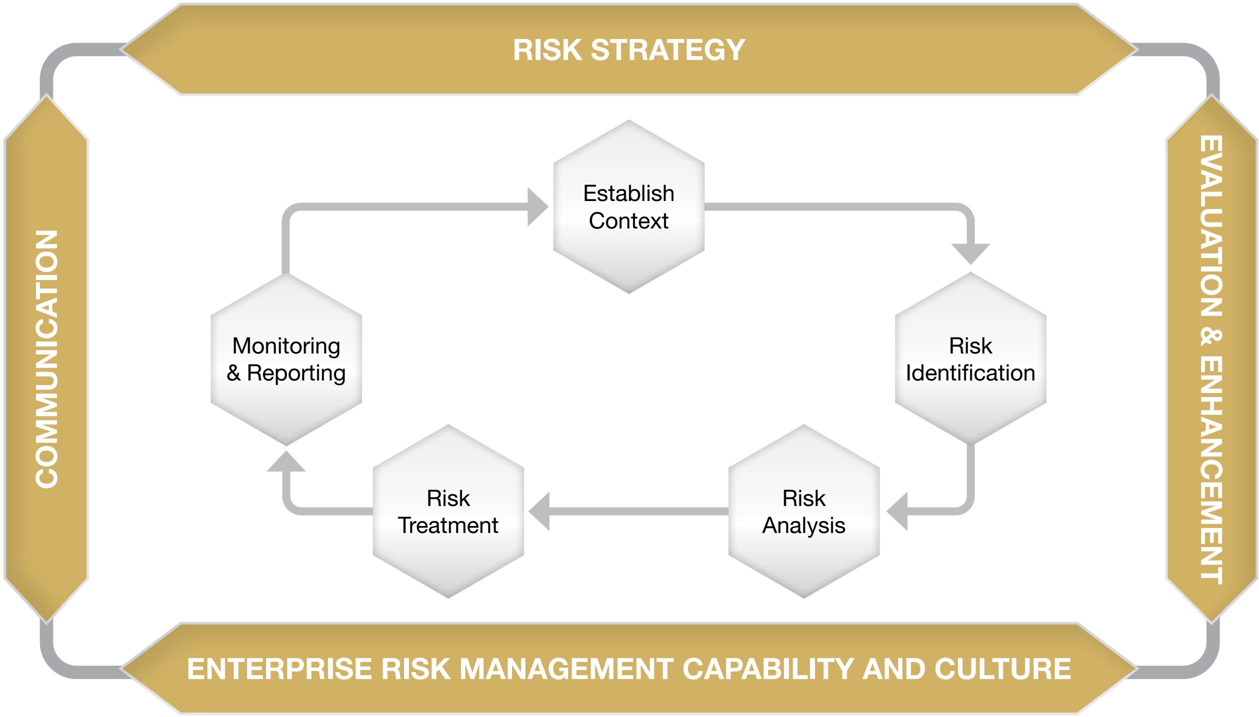
The Company has in place a sound system of risk management and internal controls, addressing material strategic, financial, operational, compliance, technological and sustainability risks to safeguard stakeholders' interests and the Group's assets.

The Board is responsible for risk governance, determines the Company's levels of risk tolerance and risk policies, and oversees the design, implementation and monitoring of the Company's risk management and internal control systems. The Group refers all significant matters to the ARC and the Board.

The Group's ERM framework integrates with ESG (being environmental, social and governance areas) to assure consistent and robust risk management practices across our areas of operations. The ERM framework sets out the appropriate risk mitigation strategy for different aspects of business risks and prescribes a zero tolerance towards non-compliance with laws and regulations, disregard for health and safety requirements, corruption, bribery, graft and fraudulent activities. It provides Management with a formal framework and structure to systematically identify risks and optimise available resources to mitigate any residual risks. The ERM framework encompasses an evaluation process to determine its adequacy and effectiveness; and accords appropriate improvements to the framework and process where relevant. The framework is reviewed annually taking into consideration the changing business landscape, strategy and expansion of the Group's operations. References were drawn from the Corporate Governance Council Risk Governance Guidance for Listed Boards (issued in 2012) and ISO 31000 (Risk Management Principles and Guidelines) when conceptualising this framework.

CORPORATE GOVERNANCE

ERM Process



The Group has established a risk matrix system where the key classes of risk are assessed and ranked, having regard to the likelihood of occurrence and the impact to the Group. The ARC and Board review the key risks of the Group quarterly. The key risks identified by the Group may be broadly categorised into the following:

Strategic Risks

The risks facing the Group are multi-fold which include changes in external market conditions such as oversupply of properties, competitive pricing in the market and drop in visitor arrivals or student numbers due to political instability, terrorism, health warnings and manpower shortage. The Group's approach to strategic risk management is based on taking a proactive approach with regular reviews of markets and other external risk drivers such as macroeconomic trends and geopolitical developments which influence our operating geographies and business segments or asset classes. Any relevant ongoing topical matters are discussed at quarterly MRSC, ARC and Board meetings.

Financial Risks

The Group's activities are affected by various financial risks, including interest rates, foreign exchange, credit ratings and liquidity. We manage our liquidity and access to funds actively. Refer to Notes to the Financial Statements ("**Note**") 34 for details of each risks.

Operational Risks

Operational risks include workplace health and safety matters, operational incidents, increase in operating costs, and the necessity for capital expenditure from time to time. Additionally, our contracts and partnerships expose us to third-party related risks, which we monitor periodically. The Group's key operational risk matters are reviewed quarterly by the Board, ARC and MRSC and specific aspects are summarised in the Sustainability Report.

Compliance Risks

The Group faces compliance risks such as changes to government policies, rules and regulations relating to the hospitality and property businesses within the jurisdictions where the Group operates. The Group monitors such risks closely and any incidents or key matters are discussed at quarterly MRSC meetings and further escalated to both ARC and Board where appropriate.

CORPORATE GOVERNANCE

Technological Risks

Failure of critical IT systems could potentially disrupt the Group's business activities. Confidential information, such as customers' personal data may be at risk of cyber-attacks. The Group continuously reviews its IT systems, security and related policies and processes to enable necessary enhancements to mitigate such risks. Key risk indicators and matters relating to IT and cybersecurity risks are reviewed quarterly by the MRSC and ARC.

Sustainability Risks

Sustainability related risks covering key ESG matters are monitored and discussed at quarterly MRSC meetings and reported to the ARC and Board. The Group recognises the importance of its ESG obligations and associated risks including physical and transition risks related to climate change occurring in our operating geographies. We take many active measures in response to these risks all of which are detailed in the Sustainability Report.

Management undertakes regular reviews of the Group's performances and conducts horizon scanning in order to identify and assess current and future risks related to the aforementioned risk categories. Any risks falling outside of these categories or have yet to fully emerge or materialise are separately identified and tracked as "emergent risks" in our quarterly discussions. Based on these reviews, Management employs reasonable endeavours in ensuring that all these risks are within limits and strategies approved by the Board.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board oversees quarterly the adequacy and effectiveness of the Group's risk management and internal control systems.

The ARC assists the Board in determining the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The ARC considers the nature of the risks facing the Group and the extent to which these risks are acceptable, the likelihood of risks materialising and the Group's ability to reduce their occurrence and/or impact on the business, and the cost versus the benefit of managing the risks. The ARC ensures that the internal auditors conduct reviews of the Group's internal controls, addressing material strategic, financial, operational, compliance, technological, and sustainability risks and their relevant associated controls. The process of risk management and financial management are also assessed.

The ARC is supported by the MRSC, which is headed by the Group CEO and comprises relevant KMP and senior executives across different business divisions within the Group as committee members. The MRSC supports the ARC in driving the risk management and sustainability efforts. The Group CEO and the CFO will also assess the reports from the internal auditors, external auditors and the MRSC before providing relevant assurance to the ARC and Board.

The Group has put in place BCPs across business units. The BCP involves systems of response and recovery to ensure business operations can continue to operate normally and disruptions are minimised when certain events occur. The Group has a Crisis Management ("**CM**") Policy covering areas ranging from response plan to communications framework. The CM Policy was approved by the ARC and the Board after an in-depth review. Both the BCPs and CM framework are part of the Group's ERM, supported by the MRSC and overseen by the ARC and Board.

The following are some of the policies instituted and activities conducted to ensure that the Company's risk management and internal control systems are adequate and effective. They include policies to ensure the health, safety and welfare of the Group's employees. The Group regularly provides training for employees in various areas including but not limited to personal data protection, competition law, operational risk management, and IT risks and prevention. For key trainings, employees are tested to ensure they understand and can apply the training in their daily work.

CORPORATE GOVERNANCE

Strategic Risks	a)	CG Policy Manual
	b)	ERM & Sustainability Manual
	c)	BCPs
	d)	Whistle-blowing Policy
	e)	CM Policy
Financial Risks	a)	Foreign Currencies & Control Procedures, Including Forex Monitoring & Hedging
	b)	Interest Rate Hedging Policy
Operational Risks	a)	HSSE Policy
	b)	Emergency Response Plan and Drills
	c)	Service Quality Audits
	d)	Workplace Safety & Health Risk Assessment Procedures Manual
	e)	Employee Safety Handbook
	f)	Code of Conduct
Compliance Risks	a)	Annual Declaration of Potential Conflicts of Interest
	b)	Anti-Bribery and Corruption Policy
	c)	Company's Code of Conduct and Employee Handbook covering: – Compliance with Competition Act – Usage of Social Media
	d)	External and Internal Audits
	e)	Securities Trading Policy
	f)	Board Diversity Policy
	g)	Dividend Policy
Technological Risks	a)	Information Security Management Policy
	b)	Personal Data Protection Policy
Sustainability Risks	a)	ERM & Sustainability Manual

Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost-effective internal control system will preclude all errors and irregularities. The system of risk management and internal controls is designed to mitigate and reduce rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, but not absolute, assurance against material misstatements or losses and any other potential non-systemic risk event such as human error, accidents or deliberate crime. The Board is satisfied that the system of risk management and internal controls that the Group has in place to identify and manage relevant and material business risks, provides reasonable assurance against material financial misstatements or losses, to ensure the safeguarding of assets, the maintenance of proper accounting records, reliability of financial information, compliance with legislation, regulations and best practices.

Assurance from Group CEO and relevant KMP

The Board has received assurance:

(i) from the Group CEO and the CFO that the financial records have been properly maintained and the audited financial statements give a true and fair view of the Group's operations and finances; and

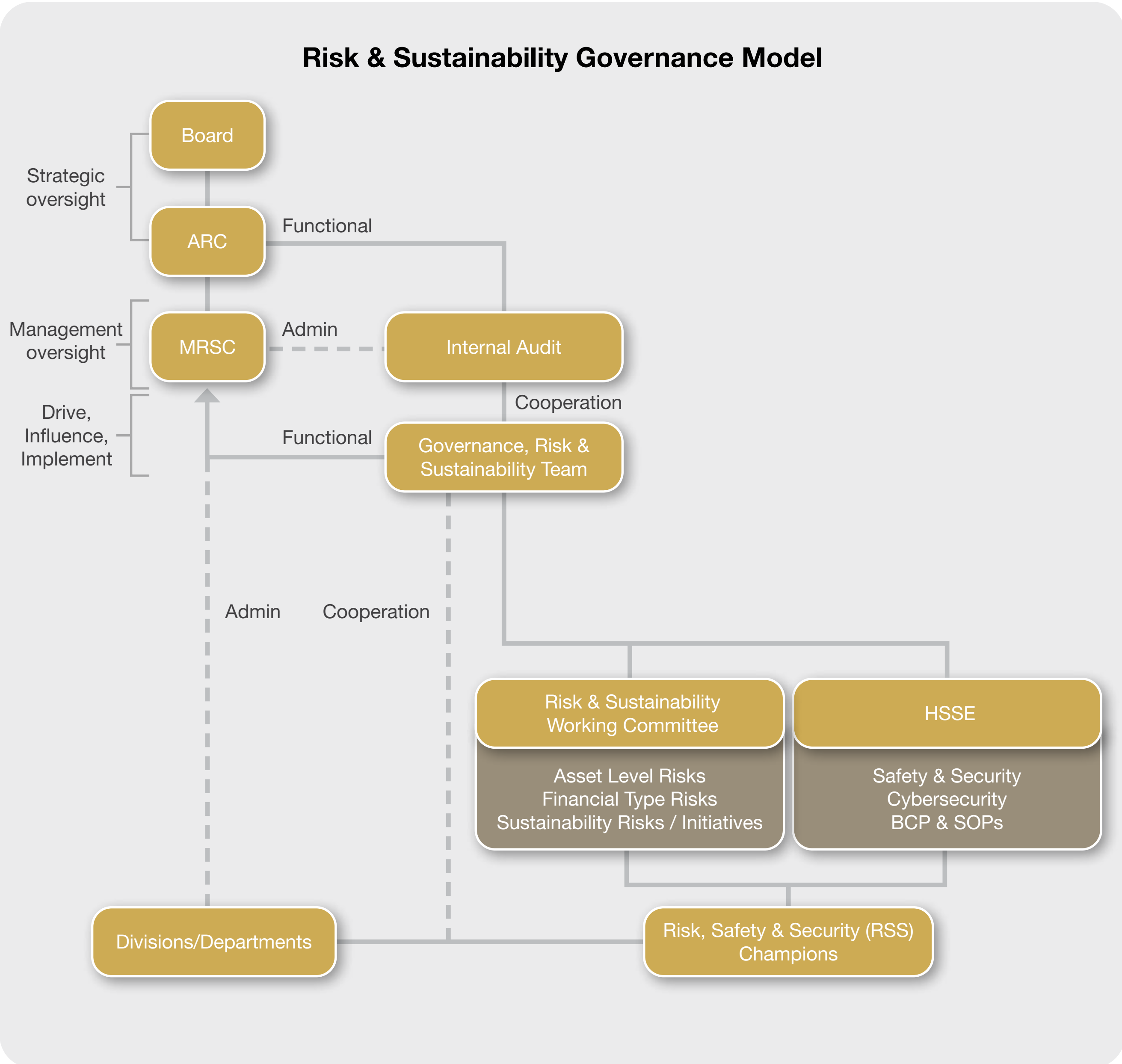
(ii) from the Group CEO and the MRSC (which comprises relevant KMP and other employees) who are responsible for the adequacy and effectiveness for the Group's risk management and internal control systems, that the Group's risk management and internal control systems are adequate and effective in addressing the relevant and material risks of the Group in its current business environment, including material strategic, financial, operational, compliance, technological and sustainability risks.

CORPORATE GOVERNANCE

Having reviewed the periodic reports by Management, internal auditors, external auditors and the procedures in place, as well as the assurances set out above, the Board, with the concurrence of the ARC, is therefore of the view that the Group's system of risk management and internal controls is adequate and effective to address material strategic, financial, operational, compliance, technological and sustainability risks of the Group in its current business environment.

Risk Committee

The Company's structure to facilitate management of risks is set out below:



CORPORATE GOVERNANCE

Audit & Risk Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

ARC Composition and Key Terms of Reference

During FY2024, the ARC comprised three NEDs, the majority of whom, including the ARC Chair, are independent.

FY2024 ARC Composition
Mr Ramlee Bin Buang (Lead ID) as ARC Chair
Mdm Ee Choo Lin Diana (NI-NED)
Mr Chan Hon Chew (ID)

At the conclusion of the last AGM on 25 April 2024, Ms Ku Xian Hong stepped down as an ARC member following her appointment to the NC and the RC, and Mr Chan was appointed as an ARC member.

The ARC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain adequate and effective risk management and internal control systems.

Expertise of ARC Members

The Board is of the view that all members of the ARC have recent and relevant accounting and/or related financial management expertise and experience to discharge their responsibilities as members of the ARC.

Authority of ARC

The ARC has explicit authority to investigate any matter within its terms of reference. The ARC has full access to and the co-operation of Management, internal auditors, external auditors and in addition, has absolute discretion to invite any Director, Executive Officer (as defined in the Listing Rules) or any employees of the Group to attend its meetings, as it deems necessary. External expert advice is available to the ARC as and when the need arises, to enable it to discharge its functions properly, at the Company's expense.

Role and Responsibilities of ARC

The principal roles and responsibilities of the ARC under its terms of reference are to:

a. review the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance;
b. review annually the adequacy and effectiveness of the Group's risk management framework and material internal controls including controls for strategic, financial, operational, compliance, technological and sustainability risks of the Group;
c. review the assurance from the Group CEO and the CFO on the financial records and financial statements;
d. review the audit plans and reports by the internal auditors;
e. review all non-audit services provided by the external auditors to ensure that any provision of such services would not affect the independence and objectivity of the external auditors;
f. make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approve their remuneration and terms of engagement;
g. review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
h. identify and mitigate business risks;
i. review significant sustainability reporting issues and assess whether the annual sustainability information reflects the principles of the selected sustainability reporting framework;
j. review IPTs, if any; and
k. provide oversight and monitoring of whistle-blowing, including review of the policy and ensure arrangements are in place for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

CORPORATE GOVERNANCE

In its review of the financial statements of the Group and the Company for FY2024, the ARC bore in mind voluntary Practice Guidance 10 as it discussed with Management regarding the identification of matters that could significantly affect the integrity of the financial statements ("**significant financial reporting matters**"). The discussion included an assessment of the accounting principles and critical judgements applied by Management and the clarity of the relevant disclosures in the financial statements. The significant financial reporting matters identified, which are consistent with the key audit matters identified by the external auditors, and the ARC's commentaries are set out as follows:

Key Audit Matters	How these issues were addressed by the ARC
Valuation of investment properties, and land and buildings classified under property, plant and equipment ("**PPE**")	The ARC reviewed the outcomes of the annual valuation process and discussed the details of the valuation with Management, focusing on investment properties and land and buildings classified under PPE which registered higher fair value gains/losses during the period under review. The ARC considered the techniques and key assumptions applied by the external valuers in arriving at the valuation of the investment properties and PPE. The ARC also considered the findings of the external auditors, including their assessment of the appropriateness of valuation techniques and the underlying key assumptions applied in the valuation. The ARC was satisfied with the valuation process, the techniques used and the valuation outcomes adopted and disclosed in the financial statements. Refer to Notes 20 and 21 for details of the relevant valuations.
Impairment assessment of goodwill	The ARC reviewed the outcome of the annual goodwill impairment assessment process and discussed the details of the impairment assessment with Management, focusing on the key assumptions and judgements applied on the cash flow projections and key inputs used including discount rates and terminal growth rates. The ARC also considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied. The ARC was satisfied with the valuation methodologies applied, the appropriateness of the key assumptions applied and the conclusion of the impairment assessment of goodwill. Refer to Note 23 for details of the goodwill impairment assessment.

Meetings with External Auditors and Internal Auditors without Management

In FY2024, the ARC met twice with the external auditors, PricewaterhouseCoopers LLP ("**PwC**"), and four times with the internal auditors, an independent firm RSM Risk Advisory Pte Ltd ("**RSM**"), without the presence of Management. These meetings enabled the external auditors and internal auditors to raise issues directly to the ARC, if any, encountered during their audits.

During FY2024, PwC was invited to five ARC meetings while RSM was invited to four ARC meetings.

CORPORATE GOVERNANCE

Independence of External Auditors

The ARC is primarily responsible for proposing the appointment and removal of the external auditors. The ARC conducted its annual review of non-audit services provided by PwC in FY2024, to satisfy itself that the nature and extent of such services will not prejudice PwC's independence and objectivity. The details of fees payable to PwC and its network of member firms for audit and non-audit services provided for the Company and its subsidiaries for FY2024 are set out in the table below:

Fees Payable to PwC for FY2024	S$	Percentage
Total Audit Fees	742,000	73%
Total Non-Audit Fees	280,000	27%
Total Fees	1,022,000	100%

The fees payable/paid to PwC and its network of member firms for non-audit services provided for FY2024 were incurred for the provision of corporate tax compliance, tax advisory, transfer pricing and certification services.

The ARC also evaluated the quality of work carried out by PwC based on the Audit Quality Indicators ("**AQIs**") Disclosure Framework published by the ACRA and was satisfied with the independence, objectivity and performance of PwC. Measures are in place to continuously monitor and ensure the effectiveness of the external audit function to maintain high standards.

All local subsidiaries of the Company that are required to have their accounts audited have appointed PwC as their external auditor. The Company has two local significant associated companies, one appointed PwC while the other appointed another audit firm as its external auditor, after the Board and the ARC had reviewed, and were satisfied, that the appointment of a different auditor for one local significant associated company would not compromise the standard and effectiveness of the audit of the Group.

Each significant foreign-incorporated subsidiary and associated company of the Company (which is required to appoint an auditor) has appointed a suitable audit firm as its external auditor.

The Company is compliant with Rules 712, 715 and 716 of the Listing Rules in relation to its external auditors.

During the year, a request for proposals exercise was conducted for the external audit to ensure the selection of the most suitable audit firm based on rigorous criteria. The evaluation considered factors such as AQIs, the size and complexity of the audit engagement for the Group, the number and experience of the audit team members assigned, the audit firm's track record, approach to audit quality, and technological capabilities, as well as the SGX Guidance Note on Change of Auditor dated 19 June 2024. All shortlisted audit firms were invited to present their proposals to the ARC.

Given that PwC has served as the Group's auditor for over 20 years and considering the growth in the Group's business and operations, the ARC believes it is timely to appoint a new auditor to provide fresh perspectives and leverage on the different approaches that a new audit firm could bring. Having assessed all the proposals received, the ARC recommended to the Board, and the Board accepted the recommendation, to propose to shareholders the appointment of Deloitte & Touche LLP as the external auditor of the Company, in place of PwC, which will not be seeking re-appointment at the forthcoming AGM. Please refer to the Letter to Shareholders dated 8 April 2025 for more details on the proposal to appoint Deloitte & Touche LLP as the external auditor of the Company.

Whistle-blowing Policy

The Company's Whistle-blowing Policy, which was adopted in 2015, provides employees and external parties with an avenue to raise concerns in good faith, on a confidential basis without fear of reprisals, about possible improprieties relating to the Group and its officers, whether collusion, conflict of interest, violation of business ethics, unsafe work practices or otherwise. The policy's objective is to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken, while ensuring the whistle-blower is protected against detrimental or unfair treatment. The Whistle-blowing Policy is made available to all levels of employees during orientation together with the employee handbook, and is also posted on the Group's intranet system in three different languages, namely English, Mandarin and Malay.

The ARC is responsible for the oversight and monitoring of the Company's whistle-blowing arrangements. The communication channels for whistle-blowing reports are published on the

CORPORATE GOVERNANCE

Company's website and are managed by the Company's internal auditors (an independent professional services firm, RSM) who will assist the ARC in the enforcement of the Whistle-blowing Policy. The internal auditors are requested to report quarterly at ARC meetings whether there is any whistle-blowing report. In accordance with the Company's Whistle-blowing Policy, the identity of the whistle-blower is kept confidential, and unless required by law or with the whistle-blower's prior consent, his/her identity will not be revealed by the internal auditors to the Group.

No whistle-blowing incidents were reported during FY2024.

The Company is in compliance with Rule 1207(18A) and (18B) of the Listing Rules in relation to its Whistle-blowing Policy.

Disclosure on the ARC's activities

In FY2024, the ARC held five meetings. In those meetings, the ARC reviewed, *inter alia*, the internal auditors' report on processes relating to IPTs and various reports on other areas of the Group's business, the internal auditors' audit plan and fee for the current financial year, the external auditors' final audit report, key audit matters, the performance and independence of the external auditors, the half-year and full-year announcements on financial statements, the Group's consolidated financial statements, the Group's half-year and full-year performance, the voluntary interim business updates for the first and third quarters of the financial year, and corporate governance matters.

During the year, a request for proposals exercise was conducted for the external audit to ensure the selection of the most suitable audit firm based on rigorous criteria. The ARC invited shortlisted firms to present their proposals, assessed all submissions, and made recommendations to the Board.

The ARC has been kept abreast of any changes to the accounting standards and issues which have direct impact on the Group's consolidated financial statements by the CFO and the external auditors during FY2024.

ARC Member Restriction

None of the ARC members is a former partner or director of or holds any financial interest in, the Company's existing auditing firm or auditing corporation.

Internal Auditors

The ARC approves the appointment, removal, evaluation and fees of the outsourced internal audit function. During FY2024, the Group outsourced its internal audit function to an independent professional firm (RSM) to provide internal audit services.

The internal auditors report directly to the ARC Chair on internal audit matters and to the Group CEO on administrative matters. The internal auditors have unfettered access to the ARC, the Company's documents, records, properties and personnel.

Resource and Standing of Internal Audit Function

The ARC ensures the adequacy of the internal audit function by examining the scope of the internal auditors' work, the quality of their reports, their qualifications and training, their relationship with the external auditors and their independence of the areas reviewed. In FY2024, a digital tool known as Client Interactive Platform Application was deployed to facilitate continuous auditing to enhance the internal controls.

Qualification and Experience of Internal Auditors

RSM is a corporate member of the Singapore chapter of the Institute of Internal Auditors ("**IIA**") and is staffed with professionals with relevant qualifications and experience.

Professional Standards and Competency

RSM is guided by the International Professional Practices Framework (IPPF) issued by the IIA. Having assessed the functions and organisational structure of the internal auditors pursuant to the Standards for the Professional Practice of Internal Auditing of the IIA and its ten core principles, the ARC is satisfied that the internal auditors meet the requisite IIA standards, are adequately resourced, and have appropriate standing within the Group.

Independence, Adequate Resourcing and Effectiveness of Internal Audit Function

The ARC reviews, at least once a year, whether the internal audit function is independent, effective and adequately resourced. The ARC reviews and approves the internal audit plans and the resources required to adequately perform this function annually, to ensure the adequacy of the internal audit function. During the internal audit process, the internal auditors follow up on the identified inherent and operational risks of each business entity (as well as the content of any management letter issued by the external auditors) to ensure that the committed rectification measures have been implemented. In FY2024, RSM audited, *inter alia*, areas such as centralised procurement, front office operations, housekeeping, engineering and workplace safety for selected properties, and at the Group level, IPTs, financial reporting, human resource and payroll, compliance with Personal Data Protection Act, sustainability reporting process

CORPORATE GOVERNANCE

and negative assurance checklists. Reports are provided by RSM with the recommended action steps to be taken, and remediation/rectification actions taken by Management. In addition, RSM conducts an internal Quality Assessment Review ("**QAR**") annually and an external QAR every two years. The most recent internal and external QAR were conducted in November 2024 and October 2024, respectively, and the summary of findings from both QAR were submitted to ARC for review. Following its review and assessment, the ARC was of the view that the internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Effective Shareholder Participation

Shareholders are informed of general meetings at least 14 days in advance through notices, which are delivered to shareholders, published in a local newspaper and on SGXNet. The procedures at general meetings facilitate opportunities for shareholders to participate and communicate with the Directors.

In line with the Company's commitment towards environmental conservation, the Company makes available its annual reports by electronic communication, via publication on the Company's website. Annual reports are also available on SGXNet and shareholders may request for hard copies of annual reports if preferred.

Shareholder Opportunity to Participate in and Vote at General Meetings

Shareholders are entitled to participate effectively in and vote at all general meetings. The Company encourages all shareholders to attend its general meetings to stay informed of the Company's goals and strategies and to ensure a high level of accountability. At the AGM, the Group CEO will present the strategic focus, key financial highlights, business review, sustainability highlights, and outlook to enhance insight and transparency on the Group's activities. The presentation slides will be made available on SGXNet and the Company's website. The Chair also ensures that there is sufficient time for shareholders to ask questions and that comprehensive answers are provided.

Shareholders are informed of general meetings through notices which are sent to all shareholders, advertised in a local newspaper and also made available on SGXNet and the Company's website. General meetings are held at a central location, which is easily accessible by public transportation. All resolutions at general meetings are voted by way of electronic poll for greater transparency in the voting process. A polling agent and independent scrutineer are appointed to handle and brief the e-polling voting procedures, and to count and validate the votes cast at the general meetings, respectively, to ensure that the poll process is properly carried out. Votes cast 'for' or 'against' and the respective percentages on each resolution will be tallied and displayed 'live' on-screen to shareholders immediately after each poll is conducted. The total number of votes cast 'for' or 'against' the resolutions and the respective percentages will also be announced in a timely manner after the general meeting via SGXNet. This process was followed through for the Company's physical AGM on 25 April 2024 (the "**AGM 2024**").

Shareholders were invited to submit to the Company in advance, any questions related to the resolutions tabled for approval at the AGM 2024. Notice of the Company's AGM 2024 was sent to shareholders on 9 April 2024, at least 14 calendar days before the AGM 2024. Shareholders had at least seven calendar days from the publication of notice of AGM 2024, to submit their questions. All substantial and relevant questions received from shareholders were publicly addressed by the Board and/or Management at least 72 hours prior to the closing date and time for lodgement of the proxy forms. The Company's answers to questions received by 16 April 2024 were published at the Company's website and SGXNet on 17 April 2024. Questions received from shareholders after 16 April 2024 and at the AGM 2024 were answered live by the Board and Management at the AGM 2024.

For the upcoming AGM on 25 April 2025, shareholders can likewise submit questions relating to the AGM resolutions in advance and the Company will publish its responses on SGXNet and Company's website before the AGM.

Proxies

The Company's Constitution allows shareholders to vote in person, by proxy or by attorney, at general meetings. Corporate

CORPORATE GOVERNANCE

shareholders can also appoint a representative to vote in their stead. A shareholder may appoint up to two proxies to attend and vote in his/her stead at a general meeting through a proxy form or certificate of corporate representative sent in advance. For shareholders who hold shares through nominees such as Central Provident Fund Board and custodian banks, they are able to attend and vote at general meetings under the multiple proxies regime. This process was followed through for the Company's AGM 2024.

Separate Resolutions at General Meetings

To safeguard shareholder interests and rights, at general meetings, each distinct issue is the subject of a separate resolution. All resolutions put to every general meeting of the Company are voted separately unless the resolutions are inter-dependent and linked so as to form one significant proposal. Detailed information on each item in the agenda of general meeting is provided in the explanatory notes to the notice of general meeting.

Attendees at General Meetings

The Company requests all its Directors, certain KMP, external auditors and external advisers to attend the Company's general meetings to address any questions raised by shareholders. Shareholders are given the opportunity to communicate their views and discuss with the Board and KMP after the general meetings.

All Directors, together with the Company's CFO, Financial Controller, Company Secretary, external auditors, internal auditors and external corporate governance and legal advisers attended the Company's AGM 2024.

Absentia Voting

The Company's Constitution provides that the Board may, at its sole discretion, approve and implement voting methods to allow shareholders an option to vote in absentia, such as online voting or voting by mail, electronic mail or facsimile. Having considered that shareholders who are unable to attend in person may vote by proxy or by attorney, or in the case of a corporation, by a representative, and considered carefully the security and cost concerns related to absentia voting (with careful study needed to ensure that integrity of information and authentication of the identity of shareholders through the web are not compromised), the Company has refrained from implementing absentia voting.

Minutes of General Meetings

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. The minutes of the AGM 2024 was published to SGXNet and the Company's website on 23 May 2024, within a month of the AGM 2024.

Dividend Policy

The Company's principle-based Dividend Policy is published on the Company's website. The Company is committed to achieving sustainable income and long-term capital growth for the benefit of shareholders and will strive to provide consistent and sustainable ordinary dividend payments to its shareholders on an annual basis. In considering any recommendation for dividend payment and any appropriate level of dividend, the Board will take into consideration various factors including but not limited to the Group's level of cash, gearing, retained earnings, actual and projected financial performance, capital requirements, strategic plans, general economic conditions and outlook. The Company has a scrip dividend scheme. If the scrip dividend scheme is applied to any dividend, payment will be made in compliance with the Listing Rules. The scrip dividend scheme provides opportunity for shareholders to make an election of dividends in the forms of new fully paid-up ordinary shares in the Company ("**Shares**") instead of cash, enabling them to acquire additional Shares without having to incur transaction or other related costs. The Company also benefit from issuing shares to shareholders opting for Shares as the cash which would otherwise be payable for such dividend may be retained to fund the continuing growth and expansion of the Group. The Board will review and refresh the Dividend Policy from time to time. The Company is aligned to the voluntary Practice Guidance 11 (Shareholder Rights and Conduct of General Meetings) as updated in December 2023.

Upon approval by shareholders at the general meeting, and application of the Company's scrip dividend scheme, the Company pays the dividend in accordance with the Listing Rules to all shareholders within 35 market days after the record date.

Engagement with Shareholders

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

CORPORATE GOVERNANCE

Shareholder Rights

The Company practises fair and equitable treatment to all shareholders and stakeholders. To facilitate the exercise of ownership rights, the Company provides all material information, which would materially affect the price or value of the Company's shares, in an accurate and timely manner via appropriate media, to enable shareholders to make informed decisions. Such channels include announcements through SGXNet, the Company's website and shareholders' meetings. Materials include annual reports, sustainability reports, shareholder circulars, news releases and presentations to investors and analysts.

Communication with Shareholders and Soliciting and Understanding Views of Shareholders

The Company recognises the importance of regular, effective and timely communication with its shareholders.

The Company's main forum for dialogue with shareholders takes place at its AGM. To solicit and understand shareholders' views, shareholders are given the opportunity at the AGM to express their views and ask questions regarding the Company. For the AGM 2024, shareholders were invited to submit questions relating to the AGM resolutions in advance, and the Company provided its responses both before and during the AGM.

Investor Relations Policy and Contact

The Company has in place an IR Policy outlining the principles and practices adopted in the course of its IR activities, including communication with shareholders and the investment community. The IR Policy outlines the Company's communication channels with shareholders, including shareholders' meetings, the annual and sustainability reports, the corporate website, regulatory announcements, the release of half-year and full-year financial results and business performance updates. In addition, the Company also engages with analysts and media. It also provides guidance on how shareholders can reach the Company with inquiries. The IR Policy allows for an ongoing exchange of views with shareholders, thereby promoting regular, effective and fair communication. The Company has a dedicated IR link on its website and its IR Policy is available at www.fareastorchard.com.sg/ir_policy.html.

The Company has an IR team that facilitates two-way communication with the investment community. Communication with investors has been, and may be made through email correspondences and telephone calls. The Company responds to queries based on publicly available information, upholding the principle of no selective disclosure. Shareholders may email their questions to the IR team at ir@fareastorchard.com.sg, and these contact details are also published on the Company's website. The Group demonstrates email responsiveness to queries posed to its IR team, with replies generally issued within one week. The Board receives updates from the IR team on any shareholder feedback.

Disclosure of Information on a Timely Basis

The Company is committed to making timely, full and accurate disclosures in accordance with the Listing Rules and the Code. The Company is aligned to the voluntary Practice Guidance 12 (Engagement with Shareholders) effective from December 2023, pertaining to engagement of shareholders via interim updates (that are in addition to the mandatory financial statements) that could provide shareholders with a better understanding of a company's performance in the context of the current business environment. The Company keeps its shareholders informed of corporate developments on a timely basis. In addition to mandatory announcements, the Company also makes voluntary announcements on corporate transactions from time to time. In FY2024, the Company voluntarily issued, *inter alia*, two interim updates in May and November on its first and third quarter business performance. In addition, voluntary announcements on any acquisition and disposal could be made when applicable. These were published on SGXNet and the Company's website.

The Group has adopted half-yearly reporting from FY2020. Half-year financial results will be released no later than 45 days after the end of the half-year period. Full-year financial results will be released no later than 60 days from the financial year end. The investor calendar is available on the Company's website at www.fareastorchard.com.sg/investor-calendar.html.

Notices of general meetings are dispatched to shareholders, together with explanatory notes on a timely basis in accordance with the legal requirements.

In addition to shareholder meetings, the Company engages investors, analysts or the media to solicit and understand the views of the investment community, and to provide updates on corporate developments. In 2024, the Company held an analyst engagement session to enhance transparency, provide updates on its performance, and strengthen engagement with the investment community. Presentation materials from this engagement is made available on SGXNet and the Company's website.

CORPORATE GOVERNANCE

For FY2024, a blackout period of one month before the announcement of the Company's half-year and full-year financial results was observed. During this period, the Company has limited interactions with investors and analysts and avoids commenting on financial results, operational performance and market outlook, except where required under the Listing Rules.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

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

Identification and Engagement of Material Stakeholders

The Company's material stakeholders are listed in its Sustainability Report. They are the Company's shareholders, its Board, its employees, customers, and business partners. The Sustainability Report outlines how relationships with these material stakeholders are managed, including the modes of engagement.

The Group's policies including the Stakeholder Engagement Policy, the Board Succession Policy, the Board Diversity Policy, the Dividend Policy and Scrip Dividend Scheme, the IR Policy, the Security Trading Policy and Whistle-blowing Policy facilitate the Group's engagement with its material stakeholders. The Group considers stakeholder feedback in its strategic planning and decision-making processes. This ensures that the interests and concerns of stakeholders are considered and addressed in a meaningful way. Further details of the Group's engagement with its key stakeholders in FY2024 are described in the Sustainability Report 2024 which is available at the Company's corporate website at www.fareastorchard.com.sg/sustainability.html. The Sustainability Report outlines the Group's policies, practices, performance and targets in relation to its ESG material issues. Prepared in accordance with the GRI 2021 standards and consistent with the TCFD's recommendations, the Group endeavours to communicate how sustainability is embedded in its business practices and value chain across its operations in the report.

Corporate Website

The Company maintains a current corporate website to communicate and engage with its stakeholders. There is a dedicated "Investor Relations" section on its corporate website at www.fareastorchard.com.sg which serves as a repository for shareholders and the investment community, ensuring that they can easily access relevant and up-to-date information about the Company. It includes the Company's latest announcements, financial results/voluntary quarterly business performance updates, annual reports, sustainability reports, stock information, and IR contact. Members of the public may also subscribe to RSS feeds of all announcements and press releases issued by the Company through its corporate website. Details of the Group's Code of Conduct are disclosed on the Company's website under the same link. The Company's corporate website also discloses its vision and mission statements and corporate structure.

ADDITIONAL INFORMATION

Business Conduct and Ethics

The Group is guided by its Code of Conduct and Employee Handbook which are published on the intranet, and which new employees receive and are briefed upon joining. The Code of Conduct and Employee Handbook explain the Group's core values, encapsulated in BUILD, which stands for Business with Grace, Unity, Integrity, Love and Diligence. The Group seeks to build and maintain a strong ethical organisational culture through its core values. All employees are required to read and acknowledge the Code of Conduct and Employee Handbook on an annual basis.

The Code of Conduct and Employee Handbook outline the standards of ethics and behaviour in the way the employees are to conduct themselves in relationships with customers, suppliers, business partners and colleagues. They address several aspects including confidentiality, conflict of interest, the offering and receipt of gifts, entertainment, business dealings, intellectual property, workplace conduct, workplace health and safety, discipline, grievance handling and whistle-blowing.

The Group believes in applying ethical and transparent business practices across the value chain to maintain business continuity and market reputation, including the upholding of customer privacy. The Group's Anti-Bribery and Corruption Policy affirms its zero-tolerance approach to bribery and corruption. The Group has a Competition Compliance Manual which forms part of the Employee Handbook. This Manual reminds Directors, employees and representatives of the Group's commitment to compliance with the Competition Act of Singapore and to maintain the highest level of ethics in the conduct of its business. It was developed to help these stakeholders understand the basic principles of the Group's competition law compliance policy.

CORPORATE GOVERNANCE

The Group's policies and work procedures incorporate internal controls to ensure adequate checks and balances are in place, and to help detect and prevent any form of fraud, bribery or dishonesty by employees.

Creditors' Rights

The Group values its suppliers and vendors and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers and vendors when entering into contracts. The Group negotiates with suppliers and vendors on an individual basis and meets its obligations accordingly.

The Group also protects creditors' rights through the presence of debt covenants in some of its loans including maintaining debt to equity and interest coverage ratios and fulfilling them. The Group monitors and maintains a level of cash and cash equivalents and enough standby credit lines to meet its financial obligations.

Health, Safety and Well-Being of Customers and Employees

The health, safety, and well-being of our customers and employees remains the Group's utmost priority. Our health and safety processes are regularly reviewed to ensure the high standards across our operations. In 2024, the Group's HSSE Policy was refreshed and reviewed by management and rolled out across all properties. This policy reinforces our commitment to providing a safe, healthy, and secure environment for employees, contractors, visitors, and guests. By continually keeping up with national safety regulations, enhancing policies and procedures, and engaging employees in proactive risk management and training, we continue to uphold our commitment to workplace safety and health for all our stakeholders.

To enhance our risk management framework, we have established regular workplace inspections, risk assessments, and incident reporting processes to identify and mitigate potential hazards. Additionally, ergonomic training was conducted for all employees promoting safe workplace practices to reduce the risk of musculoskeletal injuries.

As part of our ongoing commitment to health, safety, and hygiene of our guests, the CARE Programme (Clean And Repair Everything) remained in place at our Singapore hospitality properties, ensuring stringent standards for guest assurance. The programme targets 100% completion across all properties, with a dedicated annual cycle of deep cleaning and engineering maintenance for every guest room.

Health, safety and wellbeing of employees, contractors, visitors, and guests to our properties are always foremost on our agenda and the Group remains fully committed to ensure this remains as a pillar of our hospitality operations.

Dealings in Securities

The Securities Trading Policy is an internal compliance code devised and adopted by the Company as a listed issuer, to provide guidance on dealings in its securities. The policy is guided by the Principles of Best Practice – Handling of Confidential Information and Dealings in Securities issued jointly by the SGX-ST with other associations in December 2017, the Corporate Disclosure Policy in the Listing Rules and prevailing provisions of the Securities and Futures Act. The policy reflects the Company's adoption of the best practices on dealings in securities set out in Rule 1207(19) of the Listing Rules.

The policy was reviewed and updated in FY2024. The policy applies to the Company, its principal subsidiaries, their officers, certain management personnel, and any persons who come into possession of material information of the Group before its public release.

On an annual basis, the Company circulates its Securities Trading Policy to its officers (including the Directors of the Company and its principal subsidiaries, persons employed in an executive capacity and the Company Secretary) and any persons who come into possession of material information of the Group before its public release, where they are reminded to refrain from dealing in the securities of the Company:

(i) during one month before and up to the date of announcement of the half-year and full-year results, and for the two-week period before scheduled announcements of key business updates; and

(ii) on short term considerations.

The Company has been complying and will continue to comply with Rule 1207(19) of the Listing Rules, in observing the aforesaid blackout period for any dealing in its securities.

The Company also issues a quarterly circular to the officers of the Company and its principal subsidiaries reminding them of

CORPORATE GOVERNANCE

the prohibited period from dealing in the Company's securities before the release of the results, key business updates and at any time if they are in possession of unpublished material price-sensitive information.

Material Contracts

Save for the transactions set out in the Company's circular to shareholders dated 24 June 2013 and the related parties transactions as disclosed in the Financial Statements and this Annual Report, no material contract involving the interests of any Director or controlling shareholder of the Group has been entered into by the Company or any of its subsidiaries during the financial year and no such material contract is subsisting as at 31 December 2024.

IPTs

The Company has established a policy on how proposed IPTs are to be reviewed and approved, to ensure IPTs are conducted fairly and on an arm's length basis. The IPT Policy is detailed in the IPT general mandate ("**IPT Mandate**") which was approved by shareholders at an Extraordinary General Meeting of the Company held on 9 July 2013. The IPT Mandate is submitted annually to shareholders for approval at each AGM, and for the upcoming AGM, is set out in the Letter to Shareholders. The IPT Policy and processes are reviewed by the internal auditors on a half-yearly basis, and findings with management's remedial actions are reported during ARC meetings.

IPTs carried out during FY2024 which fall under Chapter 9 of the Listing Rules are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
		Full year ended 31 December 2024 S$'000	Full year ended 31 December 2024 S$'000
Agape Services Pte. Ltd.	Associate of controlling shareholder		
Supply of goods and services		(571)	-
Ariake Hospitality Kabushiki Kaisha	Associate of controlling shareholder		
Hospitality management income		246	-
Boo Han Holdings Pte. Ltd.	Associate of controlling shareholder		
Hospitality management income		606	-
China Classic Pte Ltd	Associate of controlling shareholder		
Hospitality management income		1,542	-
Commons SR Trustee Pte. Ltd.	Associate of controlling shareholder		
Hospitality management income		162	-
Dollar Land Singapore Private Limited	Associate of controlling shareholder		
Hospitality management income		261	-
Far East Hospitality Real Estate Investment Trust	Associate of controlling shareholder		
Management income[1]		3,523	-
Rental expense on operating leases			
- offices		(112)	-
- hotels and serviced residences		(17,592)	-

[1] Pursuant to the trust deed constituting Far East Hospitality Real Estate Investment Trust ("Far East H-REIT") (the "Trust Deed") and entered into between FEO Hospitality Asset Management Pte. Ltd. ("FEOHAM") (in its capacity as the manager of Far East H-REIT) and DBS Trustee Limited (in its capacity as the trustee of Far East H-REIT), FEOHAM is entitled to a management fee comprising a base fee of 0.28% per annum of the value of the Deposited Property (as defined in the Trust Deed) and a performance fee of 4.0% per annum of net property income or the annual distributable amount (as defined in the Trust Deed) in the relevant year, whichever is lower. During the financial year ended 31 December 2024, the Company was a 33% shareholder of FEOHAM and this amount represents 33% of the management fees received during the financial period, being the value at risk to the Group.

CORPORATE GOVERNANCE

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
		Full year ended 31 December 2024 S$'000	Full year ended 31 December 2024 S$'000
Far East Management (Private) Limited	Associate of controlling shareholder		
Management service fees		(2,107)	-
Hospitality services		(627)	-
Far East Organization Centre Pte Ltd	Associate of controlling shareholder		
Hospitality management income		1,465	-
Far East Real Estate Agency Pte. Ltd.	Associate of controlling shareholder		
Property management services		(570)	-
Sales and marketing services		(174)	-
Far East Rocks Pty Ltd	Associate of controlling shareholder		
Rental expense on operating leases - hotel		(909)	-
Far East Soho Pte. Ltd.	Associate of controlling shareholder		
Hospitality management income		1,185	-
Far East SR Trustee Pte Ltd	Associate of controlling shareholder		
Hospitality management income		564	-
Fontaine Investment Pte Ltd	Associate of controlling shareholder		
Hospitality management income		1,791	-
Golden Development Private Limited	Associate of controlling shareholder		
Hospitality management income		2,092	-
Golden Landmark Pte. Ltd.	Associate of controlling shareholder		
Hospitality management income		1,070	-
Orchard Mall Pte. Ltd.	Associate of controlling shareholder		
Hospitality management income		595	-
Orchard Parksuites Pte Ltd	Associate of controlling shareholder		
Hospitality management income		1,137	-
Oxley Hill Properties Pte Ltd	Associate of controlling shareholder		
Hospitality management income		463	-
Riverhub Pte Ltd	Associate of controlling shareholder		
Rental expense on operating leases - offices		(875)	-
Riverland Pte Ltd	Associate of controlling shareholder		
Hospitality management income		349	-
Sakuragicho Hospitality Kabushiki Kaisha	Associate of controlling shareholder		
Hospitality management income		280	-
Serene Land Pte Ltd	Associate of controlling shareholder		
Hospitality management income		1,256	-
Transurban Properties Pte. Ltd.	Associate of controlling shareholder		
Hospitality management income		1,119	-

2024 SUSTAINABILITY HIGHLIGHTS

RESPONSIBLE OPERATIONS

Attained GSTC certification
for all 16 Far East Hospitality managed hotels in Singapore, a year ahead of the STB and Singapore Hotel Association's 2025 target

Zero
workplace fatalities for the 8th consecutive year

Achieved an EPC rating of A or B
for 77% of our owned PBSAs in UK, and working to reach 100% by 2028

ENVIRONMENTAL ACCOUNTABILITY

Completed qualitative climate scenario analysis
along two climate pathways and progressing towards quantifying outcomes

Progressing towards our 2030 decarbonisation target[1]
– maintained flat growth in Scope 1 and 2 emissions from owned properties in 2024 from 2023 despite increase in occupancy and usage at several assets

NURTURING A RESILIENT BUSINESS[2]

Revenue S$191.9 million
in FY2024

Profit after Tax S$61.3 million
in FY2024

ETHICAL & TRANSPARENT GOVERNANCE

Top 18% of companies
in the 2024 Singapore Governance and Transparency Index (SGTI)

Bronze (Mid-Cap Category)
for Best Annual Report Award at the 2024 Singapore Corporate Awards, recognising our commitment to transparency and effective communication

Zero violations
of the Competition Act and CCCS guidelines and SGX Listing Rules and zero known incidents of bribery or corruption

WELL-BEING OF PEOPLE AND COMMUNITIES

80.7 hours
of average annual training per team member, including role-specific sustainability training

Zero incidents
of discrimination and no corrective action required

411.5 hours
of team member volunteer hours on local community engagements

1 Target reduction in scope 1 and 2 carbon emissions of 42% by 2030 from baseline year of 2022.
2 For comparison: Revenue in FY2023 S$183.6 million; Profit after Tax in FY2023 S$66.1 million.

SUSTAINABILITY EXECUTIVE SUMMARY

Amidst the challenging and volatile business environment in 2024, the Group continues to uphold its commitment to sustainability, leveraging its core competencies while positioning itself to build and strengthen its core pillars of growth to fortify its business resilience. The Group's Sustainability Report 2024, prepared in accordance with the GRI Standards 2021 and the SGX-ST Listing Manual (Rules 711A and 711B), aligns with the theme of its annual report by reshaping the key pillars that prop up its sustainability strategy and resiliency.

In 2024, the Group continued its progress on its sustainability journey in five ESG pillars: (i) Responsible Operations, (ii) Environmental Accountability, (iii) Nurturing a Resilient Business, (iv) Ethical & Transparent Governance and (v) Well-being of People & Communities. To this end, the Group focused on the following:

- Progressing on its climate-related risk exposure assessments;
- Driving forward the Group's sustainability roadmap and acquiring certification for sustainable tourism for its Singapore hotel operations;
- Supporting team members by enhancing workplace safety policy and practice and encouraging an inclusive workplace culture; and
- Maintaining high standards of corporate governance and ethics.

In response to the impending impact of climate change risks, the Group continues to drive forward with its climate scenario assessment in partnership with an external consultant. In 2024, the qualitative impact analysis of climate-related risks of the Group's core hospitality and PBSA assets was completed. A summary of this report is detailed in the FY2024 Sustainability Report.

The Group regularly reviews its material ESG topics and strengthens its sustainability disclosures by keeping abreast of GRI and TCFD recommendations and considering the recently released SGX and IFRS pronouncements on sustainability. In 2024, the Group has added additional Scope 3 GHG disclosures in the areas of waste from operations and employee commute, recognising the importance of progressively enhancing its ability to measure the impact of its GHG footprint from across its supply chain.

The Group maintains a GHG target set in 2022, which is to reduce Scope 1 and 2 emissions for the Group's owned properties by 42% by 2030 (against the baseline year of 2022). In FY2024, the Group managed to maintain a flat growth in GHG emissions compared to FY2023 despite the increase in occupancy and usage at several hospitality assets.

The Group continues to progress its decarbonisation initiatives by focusing on energy efficiency and renewable energy usage. This is evident in the steady growth of its renewable energy consumption in FY2024. The Group will continue to promote energy efficiency, with an aim to reduce the overall carbon footprint from its operations, contributing to the goals of the UN IPCC and the objectives of the Singapore Green Plan 2030.

As a further testament of its commitment to ESG, the Group also attained GSTC certification for all 16 Singapore-managed hotels, a year ahead of the Singapore Hotel Association and STB'S Hotel Sustainability Roadmap target. The GSTC accreditation is a globally recognised industry benchmark for sustainable hospitality standards.

On safety, the Group furthered its efforts to implement safety measures and conduct training. It maintained its track record of zero workplace fatalities and zero cases of occupational disease for the eighth consecutive year. The Group also remains committed to its commitment to an inclusive and supportive work environment and sharpened its training and development programmes in FY2024, focusing on employee upskilling and mental well-being.

Upholding transparency in governance is a core aspect of the Group's sustainability strategy. In 2024, the Group remained focused on maintaining high standards of corporate governance, supported by robust risk management and internal controls. The Group had zero violations of the Competition Act and CCCS guidelines, zero known incidents of bribery or corruption, zero lapses or breaches of SGX Listing Rules, and zero incidents of substantiated losses of customer data that resulted in fines by the PDPC. The Group was awarded Bronze (mid-cap category) for Best Annual Report at the 2024 Singapore Corporate Awards, in recognition of its commitment to transparency, and effective communication and strong corporate governance. Additionally, the Group was ranked in the top 18% of SGX-listed companies in the Singapore Governance and Transparency Index (SGTI) 2024.

In summary, the Group remains committed to creating long-term value for investors and stakeholders while upholding high standards of corporate governance and contributing positively to the environment and communities in which it operates in. The Group will continue to work with all stakeholders to champion sustainable development and practices across its business areas. It will progressively expand its current pipeline of sustainability-aligned initiatives, policies, and practices in its journey towards a more sustainable future in its operating geographies.

To reduce environmental impact and align with the Group's efforts on environmental conservation, the 2024 Sustainability Report will be available in digital format only. The latest sustainability reports may be viewed or downloaded at www.fareastorchard.com.sg/publications.html.

FINANCIAL REPORT

CONTENTS

FAR EAST ORCHARD LIMITED AND ITS SUBSIDIARIES
Registration number 196700511H
Incorporated in Singapore

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors present their statement to the members together with the audited consolidated financial statements of Far East Orchard Limited (the "Company") and its subsidiaries (together with the Company, the "Group") for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 77 to 155, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Ms Koh Kah Sek (Chair)
Mr Alan Tang Yew Kuen (Group Chief Executive Officer)
Mr Ramlee Bin Buang (Lead Independent Director)
Mdm Ee Choo Lin Diana
Mr Shailesh Anand Ganu
Ms Ku Xian Hong
Mr Chan Hon Chew (appointed on 6 March 2024)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors of the Company holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	No. of ordinary shares			
	Holdings registered in name of director		**Holdings in which a director is deemed to have an interest**	
	At 31.12.2024	At 01.01.2024	**At 31.12.2024**	At 01.01.2024
The Company				
Ms Koh Kah Sek	**110,000**	-	**-**	-

(b) The directors' interests in the shares of the Company as at 21 January 2025 were the same as those as at 31 December 2024.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Share options

The Company and its subsidiaries have no share option scheme at the end of or at any time during the financial year.

Audit & Risk Committee

The members of the Audit & Risk Committee at the end of the financial year were as follows:

Mr Ramlee Bin Buang (Chair)
Mdm Ee Choo Lin Diana
Mr Chan Hon Chew

As at the date of this statement, all members of the Audit & Risk Committee other than Mdm Ee, are independent non-executive directors.

The Audit & Risk Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967 of Singapore. In performing those functions, the Audit & Risk Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan and audit report of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors.

The Audit & Risk Committee recommended to the Board of Directors that Deloitte & Touche LLP be appointed as auditor of the Company for the financial year ending 31 December 2025 in place of the retiring auditor, PricewaterhouseCoopers LLP. The Board of the Directors approved the recommendation and will be proposing the appointment of Deloitte & Touche LLP as auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The retiring auditor, PricewaterhouseCoopers LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP has expressed its willingness to accept appointment as the auditor, and their appointment will be subject to shareholders' approval at the forthcoming Annual General Meeting.

On behalf of the directors

Mr Ramlee Bin Buang Director	Mr Alan Tang Yew Kuen Director

18 March 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Orchard Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Far East Orchard Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2024;
- the consolidated balance sheet of the Group as at 31 December 2024;
- the balance sheet of the Company as at 31 December 2024;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Orchard Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties and land and buildings classified under property, plant and equipment	
As at 31 December 2024, the Group's investment properties of $1,011,382,000 and land and buildings classified under property, plant and equipment of $466,604,000, representing 56% of total assets, are carried at fair value based on independent external valuations. In addition, the investment properties and land and buildings classified under property, plant and equipment held by the Group's joint venture companies affect the carrying value of the Group's investments in joint ventures (Note 18). The valuation of the investment properties and land and buildings classified under property, plant and equipment is a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. The key inputs include: • comparable sales price for the sales comparison method; • discount rate and terminal yield for the discounted cash flow method; and • capitalisation rate for the income capitalisation method. The key inputs and sensitivities are disclosed in Note 3.1, Note 18, Note 20 and Note 21 to the accompanying financial statements respectively.	Our audit procedures focused on the valuation process and included the following: • assessed the competency, independence and objectivity of the external valuers engaged by the Group; • discussed with the external valuers the significant judgemental areas and understood the respective valuation methodologies used in determining each valuation; • assessed the appropriateness of the underlying comparable transactions used to derive the comparable sales price, taking into account the nature, location and tenure of the property; • tested, on a sample basis, the accuracy of underlying lease and financial information provided to the external valuers; • assessed the reasonableness of the discount rates, terminal yields and capitalisation rates by benchmarking these against those of comparable properties and prior year inputs; and • assessed the consideration of the macroeconomic conditions, including the impact of environmental, sustainability and governance rules and legislations. Based on the procedures performed, we found that the valuers are competent and are members of recognised professional bodies for external valuers, the valuation methodologies used were in line with generally accepted market practices and the key inputs used were within the range of market data. We have also assessed the adequacy of the disclosures relating to the key inputs and sensitivities, as we consider them as likely to be significant to the users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Orchard Limited

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
As at 31 December 2024, the Group's goodwill balance of $37,257,000 relates to the 'Management services' cash generating units ("CGU"). In addition, the goodwill balance held by the Group's joint venture company affect the carrying value of the Group's investment in joint venture (Note 18). Based on the goodwill impairment assessment performed by the Group, no impairment was identified for the goodwill held by the Group and the joint venture company. The recoverable amount of 'Management services' CGU was determined based on Fair Value Less Cost To Sell using a combination of the Discounted Cash Flow method and Guideline Public Company method, while the recoverable amount of the goodwill held by the joint venture company was determined using the Fair Value Less Cost To Sell using the Discounted Cash Flow method. The impairment assessment is a key audit matter due to the significant assumptions and judgements involved in computing the recoverable amount of the CGU. The assumptions and judgements were used to estimate cash flows from the CGU, the terminal growth rate and the discount rate applied in the discounted cash flow method and the comparability of underlying companies applied in the Guideline Public Company method. The key assumptions and sensitivities are disclosed in Note 3.2, Note 18 and Note 23(a) to the accompanying financial statements respectively.	Our audit procedures focused on the reasonableness of the assumptions and judgements applied in the respective methods. The audit procedures were performed with the support of our valuation specialists. In respect of the Discounted Cash Flow method, we performed the following audit procedures: • assessed the reasonableness of the estimated cash flows by taking into account the relevant CGU's expected future operating performance (including revenue growth rates and profit margins), as well as historical actual performance, accuracy of management forecast in prior years, any impact that environmental, sustainability and governance rules may have on the cash flows, and the general industry outlook; and • assessed the reasonableness of the terminal growth rates and discount rates applied using commonly accepted methodologies and benchmarks. In respect of the Guideline Public Company method, we performed the following audit procedures: • compared the normalised earnings used to historical actual performance and obtained explanations from management regarding the nature and appropriateness of adjustments identified for one-off or exceptional items; and • assessed the appropriateness of the underlying comparable companies used to derive the earnings multiples, taking into account factors such as their principal business activity, size and financial performance. Based on the procedures performed, we found the underlying estimates and assumptions applied to be reasonable. We have also assessed the adequacy of the disclosures relating to the key assumptions and sensitivities and found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Orchard Limited

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Orchard Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 18 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	**2024 $'000**	2023 $'000
Revenue	4	**191,873**	183,620
Cost of sales	5	**(93,605)**	(92,529)
Gross profit		**98,268**	91,091
Other income			
– Interest income	7	**6,339**	6,796
– Others	7	**2,216**	1,161
Other gains and impairment losses – net	8	**26,796**	54,815
Expenses			
– Distribution and marketing	5	**(10,925)**	(10,544)
– Administrative	5	**(46,155)**	(40,269)
– Finance	9	**(34,249)**	(33,897)
Share of profit of			
– Associated companies	17	**4,770**	2,937
– Joint ventures	18	**25,749**	8,283
Profit before income tax		**72,809**	80,373
Income tax expense	10(a)	**(11,520)**	(14,312)
Profit after income tax		**61,289**	66,061
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges – Fair value losses	26	**(3,583)**	(9,879)
Share of other comprehensive loss of joint ventures		**(939)**	(1,180)
Currency translation differences arising from consolidation			
– Losses		**(7,324)**	(971)
– Reclassification		**152**	(4,862)
		(11,694)	(16,892)
Items that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive (loss)/income of:			
– Associated companies	17	**(2,199)**	1,695
– Joint ventures	18	**6,991**	6,036
Revaluation (losses)/gains on property, plant and equipment – net		**(1,300)**	11,925
Financial asset, at FVOCI – Fair value gains – equity investment		**369**	224
Currency translation differences arising from consolidation		**(5,000)**	(1,055)
Other comprehensive (loss)/income, net of tax	10(c)	**(12,833)**	1,933
Total comprehensive income		**48,456**	67,994
Profit attributable to:			
Equity holders of the Company		**58,968**	65,946
Non-controlling interest		**2,321**	115
		61,289	66,061
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**50,231**	66,655
Non-controlling interest		**(1,775)**	1,339
		48,456	67,994
Basic and diluted earnings per share for profit attributable to equity holders of the Company (cents per share)	11	**12.07**	13.70

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET – GROUP

As at 31 December 2024

	Note	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and bank balances	12	**200,888**	225,632
Derivative financial instruments	26	**793**	-
Trade and other receivables	13	**50,079**	45,705
Inventories		**302**	389
Properties held for sale	15	**168,461**	170,666
Non-current asset classified as held-for-sale	21(a)	**-**	10,569
		420,523	452,961
Non-current assets			
Derivative financial instruments	26	**262**	7,544
Financial asset, at FVOCI	16	**3,047**	2,063
Other non-current assets	14	**4,674**	5,418
Investments in associated companies	17	**64,521**	31,865
Investments in joint ventures	18	**484,252**	472,694
Investment properties	20	**1,011,382**	967,750
Property, plant and equipment	21	**549,705**	569,189
Intangible assets	23	**98,838**	101,059
Deferred income tax assets	28	**4,259**	4,605
		2,220,940	2,162,187
Total assets		**2,641,463**	2,615,148
LIABILITIES			
Current liabilities			
Trade and other payables	24	**113,344**	102,222
Current income tax liabilities	10(b)	**5,093**	5,632
Lease liabilities	22	**9,566**	8,987
Borrowings	25	**326,496**	245,082
Deferred income	27	**18,289**	18,423
		472,788	380,346
Non-current liabilities			
Other payables	24	**102,949**	102,853
Derivative financial instruments	26	**1,171**	4,160
Lease liabilities	22	**77,976**	87,542
Borrowings	25	**277,640**	357,265
Deferred income	27	**249,124**	255,920
Deferred income tax liabilities	28	**63,656**	61,192
		772,516	868,932
Total liabilities		**1,245,304**	1,249,278
NET ASSETS		**1,396,159**	1,365,870
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	29	**550,723**	549,380
Revaluation and other reserves	30	**341,516**	351,535
Retained profits		**495,441**	454,701
		1,387,680	1,355,616
Non-controlling interest	19	**8,479**	10,254
TOTAL EQUITY		**1,396,159**	1,365,870

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET – COMPANY

As at 31 December 2024

	Note	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and bank balances	12	**82,737**	128,992
Derivative financial instruments	26	**12**	-
Trade and other receivables	13	**181,871**	181,186
Inventories		**13**	14
		264,633	310,192
Non-current assets			
Derivative financial instruments	26	**262**	3,793
Financial asset, at FVOCI	16	**3,047**	2,063
Other non-current assets	14	**516,594**	425,662
Investments in associated companies	17	**696**	696
Investment in a joint venture	18	**300**	300
Investments in subsidiaries	19	**856,520**	856,343
Investment properties	20	**147,200**	142,800
Property, plant and equipment	21	**369,413**	375,353
Deferred income tax assets	28	**3,229**	3,536
		1,897,261	1,810,546
Total assets		**2,161,894**	2,120,738
LIABILITIES			
Current liabilities			
Trade and other payables	24	**40,038**	38,901
Current income tax liabilities	10(b)	**592**	624
Lease liabilities	22	**7,200**	6,757
Borrowings	25	**201,157**	148,660
Deferred income	27	**6,797**	6,797
		255,784	201,739
Non-current liabilities			
Other payables	24	**203,654**	197,703
Derivative financial instruments	26	**1,171**	4,160
Lease liabilities	22	**58,759**	65,960
Borrowings	25	**242,961**	238,989
Deferred income	27	**249,124**	255,920
Deferred income tax liabilities	28	**754**	889
		756,423	763,621
Total liabilities		**1,012,207**	965,360
NET ASSETS		**1,149,687**	1,155,378
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	29	**550,723**	549,380
Revaluation and other reserves	30	**302,520**	301,458
Retained profits	31	**296,444**	304,540
TOTAL EQUITY		**1,149,687**	1,155,378

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Note	Attributable to equity holders of the Company									
		Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total	Non-controlling interest	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024											
Balance at 1 January 2024		**549,380**	**13,977**	**404,854**	**(73,713)**	**339**	**6,078**	**454,701**	**1,355,616**	**10,254**	**1,365,870**
Profit for the year		-	-	-	-	-	-	58,968	58,968	2,321	61,289
Other comprehensive income/(loss) for the year		-	-	4,559	(7,357)	(1,830)	(4,109)	-	(8,737)	(4,096)	(12,833)
Total comprehensive income/ (loss) for the year		-	-	4,559	(7,357)	(1,830)	(4,109)	58,968	50,231	(1,775)	48,456
Dividend paid in cash relating to 2023	32	-	-	-	-	-	-	(18,167)	(18,167)	-	(18,167)
Shares issued in-lieu of cash for dividend relating to 2023	29	1,343	-	-	-	-	-	(1,343)	-	-	-
Total transactions with owners, recognised directly in equity		1,343	-	-	-	-	-	(19,510)	(18,167)	-	(18,167)
Transfer of share of associated company's fair value reserve upon disposal	30(iii)	-	-	-	-	11	-	(11)	-	-	-
Transfer of revaluation gains to retained profits	30(i)	-	-	(1,293)	-	-	-	1,293	-	-	-
Balance at 31 December 2024		**550,723**	**13,977**	**408,120**	**(81,070)**	**(1,480)**	**1,969**	**495,441**	**1,387,680**	**8,479**	**1,396,159**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Note	Attributable to equity holders of the Company									
		Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total	Non-controlling interest	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2023											
Balance at 1 January 2023		535,958	13,977	389,804	(67,846)	(1,595)	16,759	407,471	1,294,528	8,915	1,303,443
Profit for the year		-	-	-	-	-	-	65,946	65,946	115	66,061
Other comprehensive income/(loss) for the year		-	-	15,338	(5,867)	1,919	(10,681)	-	709	1,224	1,933
Total comprehensive income/(loss) for the year		-	-	15,338	(5,867)	1,919	(10,681)	65,946	66,655	1,339	67,994
Dividend paid in cash relating to 2022	32	-	-	-	-	-	-	(5,567)	(5,567)	-	(5,567)
Shares issued in-lieu of cash for dividend relating to 2022	29	13,422	-	-	-	-	-	(13,422)	-	-	-
Total transactions with owners, recognised directly in equity		13,422	-	-	-	-	-	(18,989)	(5,567)	-	(5,567)
Transfer of share of associated company's fair value reserve upon disposal	30(iii)	-	-	-	-	15	-	(15)	-	-	-
Transfer of revaluation gains to retained profits	30(i)	-	-	(288)	-	-	-	288	-	-	-
Balance at 31 December 2023		549,380	13,977	404,854	(73,713)	339	6,078	454,701	1,355,616	10,254	1,365,870

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	**2024** **$'000**	2023 $'000
Cash flows from operating activities			
Profit after income tax		**61,289**	66,061
Adjustments for:			
– Income tax expense	10(a)	**11,520**	14,312
– Depreciation of property, plant and equipment	5	**16,734**	17,149
– Amortisation of intangible assets	5	**2,221**	2,284
– Impairment of properties held for sale	8	**3,102**	7,615
– Impairment of property, plant and equipment	8	**97**	105
– Reversal of impairment of advances to a joint venture	8	**-**	(28)
– Fair value gains on investment properties – net	8	**(32,288)**	(58,295)
– Revaluation gains on property, plant and equipment	8	**(76)**	(477)
– Gain on re-measurement of lease liability	8	**-**	(3)
– (Gain)/Loss on disposal of non-current asset classified as held-for-sale	8	**(5,867)**	27
– Loss on disposal of property, plant and equipment	8	**2**	30
– Reclassification of exchange differences from currency translation reserve	8	**152**	(4,862)
– Interest income	7	**(6,339)**	(6,796)
– Finance expenses	9	**34,249**	33,897
– Share of profit of associated companies	17	**(4,770)**	(2,937)
– Share of profit of joint ventures	18	**(25,749)**	(8,283)
– Unrealised currency translation losses		**7,930**	954
		62,207	60,753
Changes in working capital:			
– Trade and other receivables		**3,940**	1,459
– Inventories		**88**	(33)
– Trade and other payables		**(4,394)**	(668)
Cash generated from operations		**61,841**	61,511
Interest paid		**(225)**	(135)
Income tax paid - net		**(6,119)**	(1,000)
Net cash provided by operating activities		**55,497**	60,376

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	**2024 $'000**	2023 $'000
Cash flows from investing activities			
Additions to property, plant and equipment	21	**(5,930)**	(4,168)
Additions to investment properties	20	**(2,222)**	(22,180)
Proceeds from disposal of non-current asset classified as held-for-sale		**15,757**	350
Investment in a financial asset, at FVOCI	16	**(773)**	(846)
Investment in an associated company	17	**(30,755)**	-
Investment in joint ventures	18	**(6,152)**	-
Advances to joint ventures		**(8,107)**	(3,160)
Advances from joint ventures		**9,193**	1,966
Dividends received from an associated company	17	**832**	-
Dividends received from joint ventures	18	**11,891**	16,134
Interest received		**6,865**	6,970
Income tax paid - net		**(1,038)**	-
Net cash used in investing activities		**(10,439)**	(4,934)
Cash flows from financing activities			
Decrease in bank deposits pledged		**1,667**	2,162
Proceeds from borrowings		**64,824**	108,750
Repayment of borrowings		**(69,380)**	(124,209)
Principal payment of lease liabilities		**(8,987)**	(8,569)
Interest paid on lease liabilities		**(5,483)**	(5,864)
Interest paid on borrowings		**(28,367)**	(27,444)
Dividends paid to equity holders of the Company	32	**(18,167)**	(5,567)
Net cash used in financing activities		**(63,893)**	(60,741)
Net decrease in cash and cash equivalents		**(18,835)**	(5,299)
Cash and cash equivalents			
Beginning of financial year		**202,271**	207,672
Effects of currency translation on cash and cash equivalents		**(4,242)**	(102)
End of financial year	12	**179,194**	202,271

Reconciliation of liabilities arising from financing activities

	Beginning of financial year	Principal and interest receipts/ (payments)	Non-cash changes			End of financial year
			Interest expenses	Additions - net	Foreign exchange movement	
	$'000	$'000	$'000	$'000	$'000	$'000
<u>2024</u>						
Bank borrowings	602,347	(4,556)	438	-	5,907	604,136
Lease liabilities	96,529	(14,470)	5,483	-	-	87,542
Interest payable	280	(27,216)	26,997	-	-	61
Advances from non-controlling interest	138,462	(1,376)	1,331	-	-	138,417
<u>2023</u>						
Bank borrowings	602,210	(15,459)	430	-	15,166	602,347
Lease liabilities	99,671	(14,433)	5,864	5,427	-	96,529
Interest payable	256	(26,252)	26,276	-	-	280
Advances from non-controlling interest	138,462	(1,327)	1,327	-	-	138,462

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Far East Orchard Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 6 Eu Tong Sen Street, #04-28, The Central, Singapore 059817.

The principal activities of the Company are investment holding, hotel operations and property investment. The principal activities of its significant subsidiaries, joint ventures and associated companies are included in Note 39.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

As at 31 December 2024, the Group was in a net current liabilities position of $52,265,000 mainly due to a portion of loans maturing in the next twelve months. These loans were due to be refinanced. As of 31 December 2024, the Group has successfully secured the credit approval from the bank for the refinancing of loans amounting to $77,124,000 which will mature in the first half of 2025. Upon completion of the related loan documentation, the loans will be reclassified to non-current borrowings. Details of the Group's borrowings are disclosed in Note 25. Management has concluded that it remains appropriate to prepare the financial statements for the financial year ended 31 December 2024 on a going concern basis.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement, the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and the specific criteria for each of the Group's activities are met as follows:

(a) Hospitality ownership and operations

Revenue from ownership and operation of hotels and serviced residences is recognised over time as the accommodation and related services are provided and based on the daily room rates over the duration of the stay stated in the contract.

No element of financing is deemed present as the sales are made with a credit term of Nil to 30 days.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Revenue (continued)

(b) Hospitality management and other related fees

(i) Hospitality management fees

Management fees earned from hospitality properties managed by the Group are recognised over time in the accounting period when services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of the hospitality property's revenue, and/or an incentive fee, which is generally based on the hospitality property's profitability. No element of financing is deemed present as the sales are made with a credit term of Nil to 30 days.

(ii) Other related fees

Other related fees include centralised services fees, technical services fees and other incidental fees.

The Group assesses whether the Group transfers the services over time or at a point in time by determining if:

i) the customer simultaneously receives and consumes the benefits provided by the Group as the Group performs the services;
ii) its performance does not create an asset with an alternative use to the Group; and
iii) the Group has an enforceable right to payment for performance completed to date.

The fees are recognised when the control of the service has been transferred to the customer or performance obligations have been satisfied under the terms of the contract.

For centralised service fees, revenue is recognised based on agreed rate over the number of hotel keys or a percentage of the hospitality property's revenue. For other fees, revenue is recognised based on agreed rate and completion of service milestone stated in the contract.

No element of financing is deemed present as the sales are made with a credit term of Nil to 30 days.

(c) Sale of properties held for sale

Revenue from sale of properties held for sale is recognised at a point in time when the control of the properties is transferred to the customer and the customer has accepted it in accordance with the sales contract.

Payment of the contract price is due immediately when the customer enters into the contract.

(d) Rental income

Rental income from operating leases (net of any lease incentives) is recognised on a straight-line basis over the lease term.

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants that compensate the Group for expenses incurred are shown separately as "Other income".

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest comprises the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interest having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Refer to Note 2.7(a) "*Intangible assets – Goodwill on acquisitions*" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Refer to Note 2.10 "*Investments in subsidiaries, joint ventures and associated companies*" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated companies or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated companies or joint ventures and is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is re-measured at fair value. The difference between the carrying amount of the retained equity interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Refer to Note 2.10 "*Investments in subsidiaries, joint ventures and associated companies*" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent external valuers on an annual basis or whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Property, plant and equipment (continued)

(a) Measurement (continued)

(i) Land and buildings (continued)

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

Construction-in-progress are initially carried at cost and subsequently transferred to the respective classes of property, plant and equipment upon completion.

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs. Refer to Note 2.8 "*Borrowing costs*" for the accounting policy on borrowing costs.

(b) Depreciation

Freehold land and construction-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings and offices	50 years or remaining lease term
Plant, equipment, furniture and fittings	3 – 10 years
Motor vehicles	5 – 10 years
Leasehold improvements and other assets	5 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other gains and impairment losses – net”. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Properties held for sale

Properties held for sale refer to completed properties that are held for sale. They are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on acquisitions of subsidiaries and businesses is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group’s share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(b) Acquired hospitality management agreements

Hospitality management agreements acquired in a business combination are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised to profit or loss using the straight-line method over the term of the agreements of 10 to 40 years.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period of time that is required to complete the asset for its intended use less any investment income on temporary investment of these borrowings, are capitalised in the cost of the asset under construction or property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Investment properties

Investment properties include those portions of land and buildings that are held for long-term rental yields and/or for capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent external valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations or improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Impairment of non-financial assets

(a) Goodwill and intangible assets (including brands) with indefinite lives

Goodwill and intangible assets (including brands) with indefinite lives are tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and the value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

The Group, through its joint venture, holds brands with indefinite lives.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Impairment of non-financial assets (continued)

(b) Other intangible assets
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, joint ventures and associated companies

Other intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, joint ventures and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Refer to Note 2.5(a)(i) "*Property, plant and equipment*" for the treatment of a revaluation decrease.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.12 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, and other non-current assets (except prepayments).

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented in "Other gains and impairment losses – net". Interest income from these financial assets is recognised using the effective interest method and presented in "Other income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movements in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains and impairment losses – net".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains and impairment losses – net", except where the Group has elected to classify the investments as FVOCI. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains and losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sales proceed is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.13 Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.14 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) cash flow hedge; or (b) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 26. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 Derivative financial instruments and hedging activities (continued)

The following hedges in place qualified respectively as cash flow and net investment hedges under SFRS(I) 9.

(a) Cash flow hedge – Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "Finance expenses". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(b) Net investment hedge

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

2.15 Financial guarantees

The Company has issued letters of undertaking to banks for bank borrowings of certain subsidiaries. These undertakings are financial guarantees as they require the Company to reimburse the banks if these subsidiaries fail to meet financial covenants in accordance with the terms of borrowings. Intra-group transactions are eliminated on consolidation.

2.16 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.19 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within “Property, plant and equipment”.

There are no right-of-use assets which meet the definition of an investment property.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

– Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
– Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
– Amounts expected to be payable under residual value guarantees;
– The exercise price of a purchase option if it is reasonably certain to exercise the option;
– Lease payments to be made under an extension option if the Group is reasonably certain to exercise the option; and
– Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and accounts these as one single lease component.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities (continued)

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be re-measured when:

  – There is a change in future lease payments arising from changes in an index or rate;
  – There is a change in the Group's assessment of whether it will exercise an extension option; or
  – There is a modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are re-measured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 22.

(b) When the Group is the lessor:

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the consolidated statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.22 Employee compensation

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.23 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars (“SGD” or “$”), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income, and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings and all other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “Other gains and impairment losses – net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.23 Currency translation (continued)

(c) Translation of Group entities' financial statements (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.27 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.28 Dividends to equity holders of the Company

Dividends to equity holders of the Company are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Valuation of investment properties and land and buildings classified under property, plant and equipment

As at 31 December 2024, the Group's investment properties of $1,011,382,000 (2023: $967,750,000) (Note 20) and land and buildings of $466,604,000 (2023: $479,717,000) (Note 21) classified under property, plant and equipment, are stated at their estimated fair values determined by independent external valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates set forth in these financial statements.

If the actual fair values of investment properties increase or decrease by 1% (2023: 1%) from the estimates, the profit after tax and net assets will increase or decrease by $8,354,000 (2023: $8,002,000).

If the actual fair values of land and buildings classified under property, plant and equipment increase or decrease by 1% (2023: 1%) from the estimates, the total comprehensive income and the net assets of the Group will increase or decrease by $4,321,000 (2023: $4,402,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

3.2 Impairment assessment of goodwill

Based on the Group's impairment assessment, no impairment charge is required to be recorded for goodwill allocated to CGU within the hospitality business for 'Management services' CGU of $37,257,000 (2023: $37,257,000). The recoverable amount of the 'Management services' CGU was determined based on fair value less cost to sell ("FVLCTS").

Judgements are used to estimate the key assumptions applied (Note 23(a)) in computing the recoverable amounts of the CGU.

A reasonably possible change of the following magnitude on the key assumptions will not result in a reduction of the carrying amount of the goodwill as at 31 December 2024:

	Higher/(lower)
Discounted Cash Flow method	
EBITDA* margin	(5.0%)
Terminal growth rate	(1.0%)
Post-tax discount rate	0.5%

* EBITDA is defined as earnings before interest, taxes, depreciation and amortisation

Guideline Public Company method	
Multiples	(10.0%)
Normalised earnings	(10.0%)

4. REVENUE

	Group	
	2024	2023
	$'000	$'000
Revenue from contracts with customers	**123,308**	123,792
Rental income	**68,565**	59,828
	191,873	183,620

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. REVENUE (continued)

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time in the following major revenue streams and geographical regions. Revenue is attributed to countries by location of customers.

	Group	
	2024	2023
	$'000	$'000
Hospitality ownership and operations		
– Singapore	**37,551**	40,650
– Australia	**50,436**	52,935
– Japan	**6,256**	3,720
– Other countries	**5,234**	4,046
	99,477	101,351
Hospitality management and other related fees received/receivable		
Singapore		
– Other related parties*	**22,997**	22,134
Japan		
– Other related parties*	**461**	307
– Joint venture*	**373**	-
Total revenue from contracts with customers	**123,308**	123,792

* Other related parties and the joint venture comprise mainly companies which are controlled by the Company's ultimate holding company.

(b) Contract liabilities

	Group		
	31 December		1 January
	2024	2023	2023
	$'000	$'000	$'000
Hospitality ownership and operations	**65**	105	89
Hospitality management and other related fees	**347**	304	243
Total contract liabilities (Note 24)	**412**	409	332

Revenue recognised in relation to contract liabilities

	Group	
	2024	2023
	$'000	$'000
Revenue recognised in current year that was included in the contract liability balance at the beginning of the year		
Hospitality ownership and operations	**105**	89
Hospitality management and other related fees	**304**	243
	409	332

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. REVENUE (continued)

(c) Trade receivables from contracts with customers

	Group			Company		
	31 December		1 January	31 December		1 January
	2024	2023	2023	**2024**	2023	2023
	$'000	$'000	$'000	**$'000**	$'000	$'000
Current assets						
Trade receivables from contracts with customers	**5,329**	9,659	11,900	**383**	1,219	1,463
Less: Allowance for impairment of receivables	**(2)**	(9)	(51)	**-**	-	-
	5,327	9,650	11,849	**383**	1,219	1,463

5. EXPENSES BY NATURE

	Group	
	2024	2023
	$'000	$'000
Depreciation of property, plant and equipment (Note 21)	**16,734**	17,149
Amortisation of intangible assets (Note 23(b))	**2,221**	2,284
Advertising, promotion and marketing	**6,768**	6,340
Hospitality supplies and services	**25,294**	22,561
Hospitality management fees – joint venture	**1,675**	1,956
Directors' fees	**480**	459
Employee compensation (Note 6)	**43,608**	43,142
Property tax and upkeep of properties	**26,318**	23,802
Rental expense on operating leases (Note 22(d))		
– other related parties	**5,389**	8,555
– non-related parties	**2,745**	1,492
Support services paid/payable to:		
– joint venture	**3,528**	3,696
– other related parties	**2,993**	2,661
Fees on audit services paid/payable to:		
– auditor of the Company	**517**	497
– other auditors*	**416**	440
Fees on non-audit services paid/payable to:		
– auditor of the Company	**171**	69
– other auditors*	**109**	144
Professional fees	**4,473**	4,311
Insurance	**1,709**	1,242
Allowance for impairment losses on trade receivables – net (Note 34(b))	**2,292**	380
Other expenses	**3,245**	2,162
Total cost of sales, distribution and marketing, and administrative expenses	**150,685**	143,342

* Includes the network of member firms of PricewaterhouseCoopers ("PwC") International Limited and auditors not within the network of member firms of PwC.

Included in the Group's other expenses is amortisation of deferred income (Note 27) amounting to $5,166,000 (2023: $5,166,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6. EMPLOYEE COMPENSATION

	Group	
	2024	2023
	$'000	$'000
Wages, salaries and benefits	**40,015**	39,646
Employer's contribution to defined contribution plans, including Central Provident Fund	**3,593**	3,496
	43,608	43,142

7. OTHER INCOME

	Group	
	2024	2023
	$'000	$'000
Interest income from:		
– bank deposits	**6,247**	6,703
– advances to joint ventures	**92**	93
	6,339	6,796
Government grant income (a)	**1,637**	813
Other miscellaneous income	**579**	348
	2,216	1,161
	8,555	7,957

(a) Government grant income for the financial years ended 31 December 2024 and 2023 included various grants received from the Singapore government.

8. OTHER GAINS AND IMPAIRMENT LOSSES – NET

	Group	
	2024	2023
	$'000	$'000
Impairment of:		
– properties held for sale (Note 15)	**(3,102)**	(7,615)
– property, plant and equipment (Note 21)	**(97)**	(105)
Reversal of impairment of advances to a joint venture	**-**	28
Fair value gains on investment properties – net (Note 20)	**32,288**	58,295
Revaluation gains on property, plant and equipment (Note 21)	**76**	477
Gain on re-measurement of lease liability	**-**	3
Gain/(Loss) on disposal of:		
– non-current asset classified as held-for-sale (a)	**5,867**	(27)
– property, plant and equipment	**(2)**	(30)
Currency exchange losses – net	**(8,082)**	(1,073)
Reclassification of exchange differences from currency translation reserve (b), (Note 30(ii))	**(152)**	4,862
	26,796	54,815

(a) A gain on disposal of a hotel property in Perth, Australia of $5,867,000 was recognised in 2024 subsequent to the completion of the sale in December 2024.

(b) During the financial year ended 31 December 2023, currency exchange difference of $4,862,000 attributable to the equity holders of the Company was reclassified from the currency translation reserve to profit or loss primarily due to the liquidation of certain subsidiaries with overseas operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. FINANCE EXPENSES

	Group	
	2024	2023
	$'000	$'000
Interest expense for:		
– bank borrowings	**37,068**	33,976
– advances from non-controlling interests	**1,331**	1,327
– lease liabilities (Note 22(c))	**5,483**	5,864
	43,882	41,167
Cash flow hedges, reclassified from hedging reserves (Note 30(iv))	**(9,633)**	(7,270)
Finance expenses recognised in profit or loss	**34,249**	33,897

10. INCOME TAXES

(a) Income tax expense

	Group	
	2024	2023
	$'000	$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Singapore	**2,859**	3,243
Foreign	**5,018**	3,347
Current income tax	**7,877**	6,590
Deferred income tax (Note 28)	**4,811**	9,146
	12,688	15,736
Over-provision in prior financial years:		
Singapore	**(396)**	(595)
Foreign	**(772)**	(829)
Current income tax	**(1,168)**	(1,424)
	11,520	14,312

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10. INCOME TAXES (continued)

(a) Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024	2023
	$'000	$'000
Profit before income tax	**72,809**	80,373
Share of profit of:		
– associated companies, net of tax	**(4,770)**	(2,937)
– joint ventures, net of tax	**(25,749)**	(8,283)
	(30,519)	(11,220)
Profit before income tax and share of profit of associated companies and joint ventures	**42,290**	69,153
Tax calculated at tax rate of 17% (2023: 17%)	**7,189**	11,756
Effects of:		
– different tax rates in other countries	**1,658**	3,862
– expenses not deductible for tax purposes	**9,128**	8,011
– income not subject to tax	**(2,263)**	(6,262)
– tax incentives	**(254)**	(101)
– deferred tax asset not recognised	**565**	158
– utilisation of previously unrecognised tax losses and capital allowances	**(3,335)**	(1,792)
– unremitted profit of a joint venture	**-**	104
– over-provision of tax in prior financial years	**(1,168)**	(1,424)
Tax charge	**11,520**	14,312

(b) Movement in current income tax liabilities

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**5,632**	1,523	**624**	-
Currency translation differences	**(91)**	(57)	**-**	-
Income tax paid – net	**(7,157)**	(1,000)	**(389)**	-
Tax expense	**7,877**	6,590	**565**	624
Over-provision in prior financial years	**(1,168)**	(1,424)	**(208)**	-
End of financial year	**5,093**	5,632	**592**	624

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10. INCOME TAXES (continued)

(c) Tax effects – other comprehensive income/(loss)

	2024			2023		
	Before tax $'000	**Tax (charge)/ credit $'000**	**After tax $'000**	Before tax $'000	Tax charge $'000	After tax $'000
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges – Fair value losses	**(3,583)**	**-**	**(3,583)**	(9,879)	-	(9,879)
Share of other comprehensive loss of joint ventures	**(939)**	**-**	**(939)**	(1,180)	-	(1,180)
Currency translation differences arising from consolidation						
– Losses	**(7,324)**	**-**	**(7,324)**	(971)	-	(971)
– Reclassification	**152**	**-**	**152**	(4,862)	-	(4,862)
Items that will not be reclassified subsequently to profit or loss:						
Share of other comprehensive (losses)/income of:						
– associated companies	**(2,199)**	**-**	**(2,199)**	1,695	-	1,695
– joint ventures	**7,531**	**(540)**	**6,991**	6,846	(810)	6,036
Revaluation (losses)/gains on property, plant and equipment – net	**(2,629)**	**1,329**	**(1,300)**	12,419	(494)	11,925
Financial asset, at FVOCI – Fair value gains – equity investment	**369**	**-**	**369**	224	-	224
Currency translation differences arising from consolidation	**(5,000)**	**-**	**(5,000)**	(1,055)	-	(1,055)
	(13,622)	**789**	**(12,833)**	3,237	(1,304)	1,933

11. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024	2023
Net profit attributable to equity holders of the Company ($'000)	**58,968**	65,946
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**488,417**	481,402
Basic EPS (cents per share)	**12.07**	13.70

Diluted EPS was the same as basic EPS as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. CASH AND BANK BALANCES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**87,913**	65,978	**4,876**	6,105
Short-term bank deposits	**112,975**	159,654	**77,861**	122,887
	200,888	225,632	**82,737**	128,992

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2024	2023
	$'000	$'000
Cash and bank balances (as above)	**200,888**	225,632
Less: Bank deposits pledged	**(21,694)**	(23,361)
Cash and cash equivalents per consolidated statement of cash flows	**179,194**	202,271

Bank deposits are pledged in relation to the security granted for certain borrowings (Note 25).

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables:				
– other related parties	**5,001**	3,374	**14**	10
– non-related parties	**8,882**	13,113	**387**	1,219
– joint ventures	**120**	-	**5**	-
	14,003	16,487	**406**	1,229
Less: Allowance for impairment of receivables (Note 34(b))				
– non-related parties	**(3,853)**	(1,771)	**-**	-
	10,150	14,716	**406**	1,229
Advances to:				
– subsidiaries	**-**	-	**175,559**	173,513
– joint ventures	**28,316**	19,371	**-**	-
Deposits:				
– other related parties	**5,010**	5,190	**5,010**	5,159
– non-related parties	**38**	38	**10**	10
Prepayments	**3,238**	2,845	**391**	207
Other receivables:				
– other related parties	**1,673**	1,439	**47**	26
– non-related parties	**1,654**	2,106	**448**	1,042
	39,929	30,989	**181,465**	179,957
	50,079	45,705	**181,871**	181,186

The advances to subsidiaries by the Company and the other receivables from other related parties of the Group and the Company, if any, are unsecured, repayable on demand and interest-free, except that the advances to a subsidiary by the Company of $154,812,000 (2023: $154,812,000) is interest-bearing at a weighted average effective rate of 2.0% (2023: 2.0%) per annum. The advances to joint ventures by the Group are unsecured, repayable on demand and interest-free except that the advances to a joint venture of $4,652,000 is interest-bearing at an effective rate of 2.0% (2023: 2.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. OTHER NON-CURRENT ASSETS

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Prepayments	**508**	506	**105**	121
Advances to:				
– subsidiaries	**-**	-	**516,489**	425,541
– associated company	**870**	867	**-**	-
– joint ventures	**4,166**	4,912	**-**	-
	5,544	6,285	**516,594**	425,662
Less: Allowance for impairment of advances to an associated company	**(870)**	(867)	**-**	-
	4,674	5,418	**516,594**	425,662

The non-current advances to subsidiaries and an associated company by the Company and the Group, if any, are unsecured, not expected to be repayable in the next twelve months and interest-free except for advances to subsidiaries by the Company of $516,489,000 (2023: $425,541,000), which is interest-bearing at a weighted average effective rate of 5.5% (2023: 4.9%) per annum. As of 31 December 2023, the advances to a joint venture were unsecured and interest-bearing at an effective rate of 2.0% per annum and were repayable on 30 April 2025.

15. PROPERTIES HELD FOR SALE

	Group	
	2024	2023
	$'000	$'000
Medical suites	**118,162**	118,162
Mixed development	**50,299**	52,504
	168,461	170,666

Details of the Group's properties held for sale as at 31 December 2024 are as follows:

Location	Description/existing use	Net floor area (sm)	Group's effective interest
Novena Medical Center, 10 Sinaran Drive Singapore	7 units of medical suites	515	100%
Novena Specialist Center, 8 Sinaran Drive Singapore	29 units of medical suites	2,115	100%
Westminster Fire Station, London, United Kingdom	17 residential units and 1 restaurant unit ("Mixed development")	2,154	100%

During the financial year ended 31 December 2024 and 31 December 2023, an impairment charge of $3,102,000 and $7,615,000, respectively, was recognised on the mixed development held for sale based on its net realisable value respectively. The net realisable value was derived with reference to an independent external valuation performed as at 31 December.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. FINANCIAL ASSET, AT FVOCI

	Group and Company	
	2024	2023
	$'000	$'000
Unlisted equity security:		
Beginning of financial year	**2,063**	1,140
Additions	**773**	846
Fair value gains (Note 30(iii))	**369**	224
Foreign exchange differences	**(158)**	(147)
End of financial year	**3,047**	2,063

17. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Equity investment at cost			**696**	696
Beginning of financial year	**31,865**	27,233		
Additions	**30,755**	-		
Share of:				
– profit	**4,770**	2,937		
– movement in fair value reserve (Note 30(iii))	**(2,199)**	1,695		
Dividends received	**(832)**	-		
Foreign exchange differences	**162**	-		
End of financial year	**64,521**	31,865		

Additions relate to the acquisition of a 49% stake in Homes for Students Limited ("HFS"), a UK-based operator of purpose-built student accommodation, for £17,600,000 ($29,920,000) on 25 April 2024, along with costs capitalised in relation to the acquisition.

The details of the Group's associated company, FEO Hospitality Asset Management Pte. Ltd. ("FEOHAM") and HFS, which, in the opinion of the directors, are material to the Group are set out in Note 39.

Set out below are the summarised financial information for FEOHAM and HFS.

Summarised balance sheet

	FEOHAM		HFS	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current assets	**12,136**	9,532	**35,779**	-
Current liabilities	**(5,007)**	(4,824)	**(24,707)**	-
Non-current assets	**91,725**	90,916	**4,532**	-
Non-current liabilities	**(20)**	(102)	**(655)**	-
Net assets	**98,834**	95,522	**14,949**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Set out below are the summarised financial information for FEOHAM and HFS. (continued)

Summarised statement of comprehensive income

	FEOHAM		HFS
	For the financial year ended		For the financial period from 25 April to 31 December 2024
	2024	2023	
	$'000	$'000	**$'000**
Revenue	**10,581**	10,604	**111,597**
Profit before income tax	**11,733**	10,712	**4,147**
Profit after income tax	**9,976**	8,900	**3,016**
Other comprehensive (loss)/income, net of tax	**(6,664)**	5,136	**-**
Total comprehensive income	**3,312**	14,036	**3,016**
Dividends received from the associated company	**-**	-	**832**

The information above reflects the amounts presented in the financial statements of the associated companies, and not the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the associated companies.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associated companies is as follows:

	FEOHAM		HFS	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Net assets	**98,834**	95,522	**14,949**	-
Group's equity interest in FEOHAM	**33%**	33%	**49%**	-
Group's share of net assets	**32,615**	31,522	**7,325**	-
Intangible assets	**343**	343	**24,238**	-
Carrying value	**32,958**	31,865	**31,563**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Equity investment at cost			**300**	300
Beginning of financial year	**472,694**	480,468		
Additions (a)	**6,152**	-		
Share of profit	**25,749**	8,283		
Share of movements in:				
– asset revaluation reserve (Note 30(i))	**6,991**	6,036		
– currency translation reserve (Note 30(ii))	**(268)**	(50)		
– hedging reserve (Note 30(iv))	**(751)**	(1,146)		
Dividends received	**(11,891)**	(16,134)		
Foreign exchange differences	**(14,424)**	(4,763)		
End of financial year	**484,252**	472,694		

(a) The Group established a private fund ("Fund") in August 2024, with an aggregated committed capital of £70,000,000, to invest in PBSA development opportunities within the UK. The Group has committed £35,000,000 to the Fund. As at 31 December 2024, the interest held by the Group in the Fund was 50% and the investment in the Fund has been accounted for as a joint venture. The Group has injected capital of £3,585,000 (approximately $6,152,000) into the Fund and extended advances of £2,438,000 (approximately $4,166,000). As of 31 December 2024, the remaining committed capital based on the Group's proportionate interest amounted to £28,977,000 (approximately $49,513,000).

The Fund has been seeded with a plot of land in Glasgow previously acquired on 23 May 2024 ("PBSA Land"). The PBSA Land was classified as development property as at 30 June 2024 prior to the establishment of the Fund. With the establishment of the Fund and the revision in the interest held in the Fund, the PBSA Land would no longer be classified as development property and has been included in the additions to the investment in joint ventures based on the Group's proportionate interest.

(b) On 21 June 2024, the Group announced that Far East Opus Pte. Ltd. ("FEOpus"), a joint venture entity in which the Group holds a 20% interest in, was served with legal claims in the High Court of Singapore on 31 May 2024 by some unit owners ("claimants") of SBF Center, a commercial development completed in 2016. FEOpus disputes these claims and believes they are without merit. Even if the claimants are successful in their claims, the maximum potential financial exposure estimated is not expected to have a material impact on the Group's financial position and ability to continue its existing business operations. As at 31 December 2024, no provision has therefore been made on the claims.

In March 2022, a claim was lodged against a subsidiary of a joint venture, Toga Hotel Holdings Unit Trust ("Toga Trust"), alleging underpayment of rent for a lease, wrongful termination of the lease and repudiation of the lease. As at 31 December 2024, no provision has been made as the legal advice obtained by the joint venture entity indicates that it is not probable that a material liability will arise.

(c) During the year ended 31 December 2023 and 31 December 2024, the Group extended advances of £1,859,000 ($3,140,000) and £2,320,000 ($3,941,000), respectively, to a joint venture developing a purpose-built student accommodation project in Bristol, UK. The Group will provide additional funding of £758,000 (approximately $1,295,000), if called.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information for material joint ventures

The details of the Group's joint ventures, Toga Trust and Woodlands Square Pte. Ltd. ("WSPL"), which, in the opinion of the directors, are material to the Group are set out in Note 39.

Set out below are the summarised financial information for Toga Trust and WSPL.

Summarised consolidated balance sheet

	Toga Trust		WSPL	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current assets	**127,702**	102,697	**356,311**	390,317
Includes:				
– Cash and bank balances	**67,236**	64,281	**2,414**	12,249
– Trade and other receivables	**41,629**	38,416	**2,757**	3,088
– Properties held for sale	**-**	-	**351,140**	374,980
– Non-current asset classified as held-for-sale	**18,837**	-	**-**	-
Current liabilities	**(127,191)**	(218,720)	**(11,777)**	(200,166)
Includes:				
– Financial liabilities (excluding trade payables)	**(38,300)**	(127,597)	**-**	(178,812)
– Other current liabilities (including trade payables)	**(88,891)**	(91,123)	**(11,777)**	(21,354)
Non-current assets	**1,260,076**	1,374,113	**308,350**	306,226
Includes:				
– Trade and other receivables	**-**	-	**-**	-
– Property, plant and equipment	**874,544**	964,000	**1,550**	1,726
– Investment property	**-**	-	**306,800**	304,500
– Intangible assets	**198,012**	207,312	**-**	-
Non-current liabilities	**(931,707)**	(918,275)	**(140,612)**	-
Includes:				
– Financial liabilities	**(748,044)**	(716,900)	**(135,893)**	-
– Other liabilities	**(183,663)**	(201,375)	**(4,719)**	-
Net assets	**328,880**	339,815	**512,272**	496,377

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information for material joint ventures (continued)

Summarised consolidated statement of comprehensive income

	Toga Trust		WSPL	
	For the financial year ended		For the financial year ended	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Revenue	**435,722**	408,764	**54,995**	45,959
Interest income	**1,693**	1,660	**43**	94
Expenses				
Includes:				
– Depreciation and amortisation	**(59,558)**	(59,454)	**(430)**	(218)
– Interest expense	**(32,915)**	(31,530)	**(6,755)**	(8,881)
Profit before income tax	**15,986**	5,048	**16,626**	14,355
Income tax expense	**(2,806)**	(2,054)	**(731)**	-
Profit after income tax	**13,180**	2,994	**15,895**	14,355
Other comprehensive income, net of tax	**5,786**	5,084	**-**	-
Total comprehensive income	**18,966**	8,078	**15,895**	14,355
Dividends received from the joint venture	**4,502**	16,134	**-**	-

The Group's share of Toga Trust's and WSPL's results recognised in the profit or loss and other comprehensive income are affected by the significant estimates and assumptions applied by the joint ventures in the:

– Determination of the fair value of Toga Trust's land and buildings classified under property, plant and equipment with a carrying amount of $313,392,000 (2023: $350,557,000), and WSPL's investment properties with a carrying amount of $306,800,000 (2023: $304,500,000); and

– Impairment assessment of Toga Trust's goodwill and brands with indefinite lives with a carrying amount of $161,977,000 (2023: $172,290,000).

If the actual fair values of these land and buildings and investment properties increase or decrease by 1% (2023: 1%), the net assets of the Group will increase or decrease by $1,949,000 (2023: $2,265,000).

If the recoverable amount of the CGU (which the goodwill and brands with indefinite lives are allocated to) decreases by 5% (2023: 5%), there will be no impact (2023: no impact) to the carrying value of the Group's investment in the joint ventures.

The information above reflects the amounts presented in the financial statements of the joint ventures, and not the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. INVESTMENTS IN JOINT VENTURES (continued)

Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint ventures are as follows:

	Toga Trust		WSPL	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Net assets at beginning of financial year	**339,815**	370,382	**496,377**	482,022
Profit for the year	**13,180**	2,994	**15,895**	14,355
Other comprehensive income	**5,786**	5,084	**-**	-
Dividends paid	**(9,003)**	(32,268)	**-**	-
Foreign exchange differences	**(20,898)**	(6,377)	**-**	-
Net assets at end of financial year	**328,880**	339,815	**512,272**	496,377
Group's equity interest in Toga Trust and WSPL	**50%**	50%	**33%**	33%
Group's share of net assets	**164,440**	169,908	**170,757**	165,459
Goodwill	**5,814**	5,814	**-**	-
Carrying value	**170,254**	175,722	**170,757**	165,459

Information about immaterial joint ventures

The following table summarises, in aggregate, the Group's carrying amount, share of net profit and other comprehensive income of the individually immaterial joint ventures accounted for using the equity method:

	2024	2023
	$'000	$'000
Carrying value		
Total carrying amount of investments in joint ventures	**484,252**	472,694
Less: carrying amount of investments in material joint ventures disclosed separately	**(341,011)**	(341,181)
Carrying amount of investments in individually immaterial joint ventures	**143,241**	131,513
Share of net profit and other comprehensive income		
Net profit	**13,861**	2,001
Other comprehensive income	**3,079**	2,298
Total comprehensive income	**16,940**	4,299

The immaterial joint ventures individually account for less than 10% of the Group's total assets.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	$'000	$'000
Equity investments at cost	**521,354**	521,354
Advances to subsidiaries	**347,366**	347,189
Less: Allowance for impairment of equity investments	**(12,200)**	(12,200)
	856,520	856,343

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. INVESTMENTS IN SUBSIDIARIES (continued)

There were no changes during the financial year in the Group's ownership interest in its significant subsidiaries as set out in Note 39.

The details of the subsidiary with material non-controlling interest, Far East Hospitality Holdings Pte. Ltd., are set out in Note 39.

Set out below are the summarised consolidated financial information for Far East Hospitality Holdings Pte. Ltd. and its subsidiaries, before inter-company eliminations with other subsidiaries within the Group.

Summarised consolidated balance sheet

	2024	2023
	$'000	$'000
Current		
Assets	**90,511**	78,116
Liabilities	**(305,371)**	(310,028)
Total current net liabilities	**(214,860)**	(231,912)
Non-current		
Assets	**513,199**	540,733
Liabilities	**(270,077)**	(274,642)
Total non-current net assets	**243,122**	266,091
Net assets	**28,262**	34,179
Carrying value of non-controlling interest at 30% (2023: 30%)	**8,479**	10,254

Summarised consolidated statement of comprehensive income

	For the financial year ended	
	2024	2023
	$'000	$'000
Revenue	**86,243**	85,028
Profit before income tax	**9,639**	9,536
Income tax expense	**(2,121)**	(1,424)
Profit after income tax	**7,518**	8,112
Other comprehensive loss, net of tax	**(13,435)**	(3,649)
Total comprehensive (loss)/gain	**(5,917)**	4,463
Total comprehensive (loss)/gain allocated to non-controlling interest	**(1,775)**	1,339

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised consolidated statement of cash flows

	For the financial year ended	
	2024	2023
	$'000	$'000
Net cash provided by operating activities	**11,644**	15,966
Net cash provided by investing activities	**30,678**	18,179
Net cash used in financing activities	**(14,803)**	(42,782)
Total cash inflows/(outflows) – net	**27,519**	(8,637)

20. INVESTMENT PROPERTIES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**967,750**	853,207	**142,800**	124,335
Additions (a)	**2,222**	23,302	**-**	-
Reclassified from property, plant and equipment (b), (Note 21)	**-**	13,765	**-**	13,765
Net fair value gains recognised in profit or loss (Note 8)	**32,288**	58,295	**4,400**	4,700
Foreign exchange differences	**9,122**	19,181	**-**	-
End of financial year	**1,011,382**	967,750	**147,200**	142,800
Comprising:				
– Completed properties	**1,011,382**	967,750	**147,200**	142,800

(a) Additions for the financial year ended 31 December 2023 included the acquisition of a freehold student accommodation property located in Southampton, United Kingdom ("the PBSA Acquisition"), of which an advanced payment of £697,000 (approximately $1,122,000) was disbursed during the financial year ended 31 December 2022.

(b) Following the relocation of headquarter office, the Group reclassified their formerly owner-occupied portion of an office property from property, plant and equipment to investment property as at 31 December 2023.

(c) Bank borrowings are secured on investment properties of the Group with carrying amounts of $416,126,000 (2023: $401,550,000) (Note 25).

(d) Completed properties are leased to non-related parties under operating leases. The following amounts are recognised in profit or loss:

	Group	
	2024	2023
	$'000	$'000
Rental income	**62,963**	55,433
Direct operating expenses arising from investment properties that generate rental income	**(24,563)**	(21,764)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. INVESTMENT PROPERTIES (continued)

(e) At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description/ existing use	No. of units/beds	Tenure
Singapore			
Orchard Rendezvous Hotel, Singapore, 1 Tanglin Road	Shops and offices (land only)	-	Freehold and leasehold with 99 years lease expiring on 31 March 2064
Novena Medical Center, 10 Sinaran Drive	Medical suites	37	Leasehold with 99 years lease expiring on 27 August 2101
Novena Specialist Center, 8 Sinaran Drive	Medical suites	10	Leasehold with 99 years lease expiring on 22 April 2106
Australia			
Rendezvous Hotel Perth Scarborough	Shops	13	Freehold
United Kingdom			
Turner Court, Newcastle upon Tyne	PBSA	274	Freehold
Rosedale Court, Newcastle upon Tyne	PBSA	338	Freehold
Marshall Court, Newcastle upon Tyne	PBSA	196	Freehold
Bryson Court, Newcastle upon Tyne	PBSA	366	Freehold
Newton Court, Newcastle upon Tyne	PBSA	295	Freehold
Land sites at Newcastle upon Tyne	PBSA	-	Freehold
Hollingbury House, Brighton	PBSA	195	Freehold
Harbour Court, Bristol	PBSA	133	Freehold
St Lawrence House, Bristol	PBSA	166	Freehold
The Glassworks, Liverpool	PBSA	323	Freehold
The Foundry, Leeds	PBSA	239	Freehold
The Elements, Sheffield	PBSA	735	Freehold
King Square Studios, Bristol	PBSA	301	Freehold
Emily Davies, Southampton	PBSA	126	Freehold

During the financial year ended 31 December 2023, the Group has completed fire risk assessments on its properties in the United Kingdom to assess the fire safety works required as a result of the changes to the fire safety regulations in the United Kingdom. Where fire safety works are required, the estimated costs have been reflected in the valuations as at 31 December 2023. As at 31 December 2024, the estimated costs have been updated to reflect costs tendered by contractor and included as deductions to the valuations by the valuer for the impacted properties. Where feasible, the Group will seek to recover costs of defects from developers under existing construction warranties.

(f) Valuation processes, techniques and inputs used in Level 3 fair value measurements

The Group engages external, independent and qualified valuers to determine the fair value of the investment properties on an annual basis or whenever their carrying amounts are likely to differ materially from their fair values based on the properties' highest and best use during the interim financial reporting period. At each financial year, the management verifies all major inputs to the independent valuation reports, assesses property valuation movements compared to the prior year valuations and holds discussions with the independent valuers.

The Group's investment properties are measured and carried at fair value using observable inputs (e.g. operating income projections) and unobservable inputs (e.g. capitalisation rate and discount rate), i.e. Level 3 fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. INVESTMENT PROPERTIES (continued)

(f) Valuation processes, techniques and inputs used in Level 3 fair value measurements (continued)

Level 3 fair values of the Group's investment properties and land and buildings classified under property, plant and equipment (Note 21) have generally been derived using one or more of the following valuation techniques:

– sales comparison method, where the properties are valued using transacted prices for comparable properties with necessary adjustments made for the differences in location, tenure and condition of the property as well as prevailing market conditions relative to the date of the comparable transaction. The most significant unobservable input to the valuation is the pre-adjusted comparable sales price.

– discounted cash flow method, where the future net cash flows over a period are discounted to arrive at a present value. The most significant unobservable inputs to the valuation are the estimated net profit margin (for land and buildings classified under property, plant and equipment only), discount rate and terminal yield applied.

– income capitalisation method, where the net income is capitalised at a rate which reflects the yield expected from the property. The most significant unobservable input to the valuation is the capitalisation rate applied.

The following table presents the valuation techniques and key unobservable inputs that were used to determine the fair value which is categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at		Valuation technique(s)	Significant unobservable input(s) and range	Relationship of unobservable inputs to fair value
	2024	2023			
	$'000	$'000			
Freehold and leasehold land – Singapore	**147,200**	142,800	Income capitalisation	Capitalisation rate – 3.4% to 4.3% (2023: 3.4% to 4.3%)	The lower the capitalisation rate, the higher the fair value
Medical suites – Singapore	**166,202**	160,709	Sales comparison	Adjusted comparable sale price – $4,283 to $4,663 psf (2023: $4,163 to $4,452 psf)	The higher the comparable sales price, the higher the fair value
Shops and restaurant – Australia [(1)]	**28,545**	29,848	Discounted cash flow	Discount rate – 7.8% (2023: 7.8%) Terminal yield – 7.0% (2023: 7.0%)	The lower the discount rate or terminal yield, the higher the fair value
			Income capitalisation	Capitalisation rate – 6.8% (2023: 6.8%)	The lower the capitalisation rate, the higher the fair value
PBSA – United Kingdom	**669,435**	634,393	Discounted cash flow	Discount rate – 8.0% to 8.5% (2023: 7.6% to 8.5%) Terminal yield – 5.4% to 6.0% (2023: 4.8% to 5.9%)	The lower the discount rate or terminal yield, the higher the fair value
	1,011,382	967,750			

(1) Valuation determined using the average of discounted cash flow and income capitalisation

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. INVESTMENT PROPERTIES (continued)

(g) Reconciliation of fair value measurement to valuation report

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Fair value of investment properties based on valuation reports	**1,012,410**	968,908	**147,200**	142,800
Less: Carrying amount of accrued receivables	**(1,028)**	(1,158)	**-**	-
Carrying amount of investment properties	**1,011,382**	967,750	**147,200**	142,800

21. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2024, the Group's and Company's carrying value of property, plant and equipment included right-of-use assets amounting to $64,412,000 (2023: $73,113,000) and $48,766,000 (2023: $55,354,000) respectively (Note 22(a)).

	Freehold and leasehold land	Buildings and offices	Plant, equipment, furniture and fittings	Construction-in-progress	Motor vehicles	Leasehold improvements and other assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group – 2024							
Cost or valuation							
Beginning of financial year							
Cost	-	162,191	58,771	725	865	15,082	237,634
Valuation	373,870	105,847	-	-	-	-	479,717
	373,870	268,038	58,771	725	865	15,082	717,351
Currency translation differences	(2,259)	(3,260)	(759)	(50)	-	(609)	(6,937)
Additions	-	-	4,081	1,796	-	53	5,930
Disposals	-	-	(50)	-	-	-	(50)
Transfers	-	-	-	(860)	-	860	-
Revaluation adjustments:							
- profit or loss (Note 8)	-	(467)	-	-	-	-	(467)
- other comprehensive income (Note 30(i))	2,259	(9,386)	-	-	-	-	(7,127)
End of financial year	373,870	254,925	62,043	1,611	865	15,386	708,700
Representing:							
Cost	-	162,191	62,043	1,611	865	15,386	242,096
Valuation	373,870	92,734	-	-	-	-	466,604
	373,870	254,925	62,043	1,611	865	15,386	708,700
Accumulated depreciation and impairment losses							
Beginning of financial year	-	89,081	52,993	-	730	5,358	148,162
Currency translation differences	-	(41)	(686)	-	-	(182)	(909)
Depreciation charge (Note 5)	-	13,782	1,966	-	88	898	16,734
Disposals	-	-	(48)	-	-	-	(48)
Impairment charge (Note 8)	-	-	97	-	-	-	97
Revaluation adjustments:							
- profit or loss (Note 8)	-	(543)	-	-	-	-	(543)
- other comprehensive income (Note 30(i))	-	(4,498)	-	-	-	-	(4,498)
End of financial year	-	97,781	54,322	-	818	6,074	158,995
Net book value							
End of financial year	**373,870**	**157,144**	**7,721**	**1,611**	**47**	**9,312**	**549,705**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold and leasehold land	Buildings and offices	Plant, equipment, furniture and fittings	Construction-in-progress	Motor vehicles	Leasehold improvements and other assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group – 2023							
Cost or valuation							
Beginning of financial year							
Cost	-	160,309	61,387	516	865	12,557	235,634
Valuation	383,245	117,300	-	-	-	-	500,545
	383,245	277,609	61,387	516	865	12,557	736,179
Currency translation differences	(1,351)	(2,905)	(457)	(7)	-	(181)	(4,901)
Additions	-	5,831	741	3,142	-	285	9,999
Disposals	-	(3,494)	(541)	-	-	(313)	(4,348)
Transfers	-	-	117	(2,926)	-	2,809	-
Reclassified to:							
- asset held-for-sale (Note (a))	(6,228)	(4,056)	(2,476)	-	-	(75)	(12,835)
- investment properties (Note 20(b))	(13,765)	-	-	-	-	-	(13,765)
De-recognition of right-of-use asset	-	(455)	-	-	-	-	(455)
Revaluation adjustments:							
- profit or loss (Note 8)	-	(423)	-	-	-	-	(423)
- other comprehensive income (Note 30(i))	11,969	(4,069)	-	-	-	-	7,900
End of financial year	373,870	268,038	58,771	725	865	15,082	717,351
Representing:							
Cost	-	162,191	58,771	725	865	15,082	237,634
Valuation	373,870	105,847	-	-	-	-	479,717
	373,870	268,038	58,771	725	865	15,082	717,351
Accumulated depreciation and impairment losses							
Beginning of financial year	-	83,949	54,207	-	564	4,776	143,496
Currency translation differences	-	(117)	(357)	-	-	(57)	(531)
Depreciation charge (Note 5)	-	14,216	1,778	-	166	989	17,149
Disposals	-	(3,494)	(530)	-	-	(294)	(4,318)
Reclassified to asset held-for-sale	-	-	(2,210)	-	-	(56)	(2,266)
Impairment charge (Note 8)	-	-	105	-	-	-	105
De-recognition of right-of-use asset	-	(54)	-	-	-	-	(54)
Revaluation adjustments:							
- profit or loss (Note 8)	-	(900)	-	-	-	-	(900)
- other comprehensive income (Note 30(i))	-	(4,519)	-	-	-	-	(4,519)
End of financial year	-	89,081	52,993	-	730	5,358	148,162
Net book value							
End of financial year	373,870	178,957	5,778	725	135	9,724	569,189

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold and leasehold land	Buildings and offices	Plant, equipment, furniture and fittings	Motor vehicle	Leasehold improvements and other assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company – 2024						
Cost or valuation						
Beginning of financial year						
Cost	-	121,393	33,807	442	3,631	159,273
Valuation	315,499	-	-	-	-	315,499
	315,499	121,393	33,807	442	3,631	474,772
Additions	-	-	151	-	-	151
Disposals	-	-	(15)	-	-	(15)
Revaluation adjustments – other comprehensive income (Note 30(i))	1,400	-	-	-	-	1,400
End of financial year	316,899	121,393	33,943	442	3,631	476,308
Representing:						
Cost	-	121,393	33,943	442	3,631	159,409
Valuation	316,899	-	-	-	-	316,899
	316,899	121,393	33,943	442	3,631	476,308
Accumulated depreciation						
Beginning of financial year	-	66,042	31,298	308	1,771	99,419
Depreciation charge	-	6,587	634	88	182	7,491
Disposals	-	-	(15)	-	-	(15)
End of financial year	-	72,629	31,917	396	1,953	106,895
Net book value						
End of financial year	**316,899**	**48,764**	**2,026**	**46**	**1,678**	**369,413**
Company – 2023						
Cost or valuation						
Beginning of financial year						
Cost	-	119,318	34,052	442	1,789	155,601
Valuation	320,064	-	-	-	-	320,064
	320,064	119,318	34,052	442	1,789	475,665
Additions	-	5,569	78	-	1,863	7,510
Disposals	-	(3,494)	(323)	-	(21)	(3,838)
Reclassified to investment properties (Note 20(b))	(13,765)	-	-	-	-	(13,765)
Revaluation adjustments – other comprehensive income (Note 30(i))	9,200	-	-	-	-	9,200
End of financial year	315,499	121,393	33,807	442	3,631	474,772
Representing:						
Cost	-	121,393	33,807	442	3,631	159,273
Valuation	315,499	-	-	-	-	315,499
	315,499	121,393	33,807	442	3,631	474,772
Accumulated depreciation						
Beginning of financial year	-	62,992	30,960	220	1,789	95,961
Depreciation charge	-	6,544	653	88	3	7,288
Disposals	-	(3,494)	(315)	-	(21)	(3,830)
End of financial year	-	66,042	31,298	308	1,771	99,419
Net book value						
End of financial year	315,499	55,351	2,509	134	1,860	375,353

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) During the financial year ended 31 December 2023, the Board approved the sale of a hotel property in Perth, Australia and reclassified the hotel from property, plant and equipment to non-current asset classified as held-for-sale. On 6 May 2024, the Group, through its subsidiary, had entered into an option agreement for the sale of the hotel property. The sale was completed on 17 December 2024 and accordingly, a gain on disposal of the asset was recognised (Note 8) during the financial year ended 31 December 2024.

(b) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22.

(c) Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of $128,939,000 (2023: $142,452,000) (Note 25).

(d) The freehold and leasehold land and buildings of the Group and the Company with carrying values of $466,604,000 (2023: $479,717,000) and $316,899,000 (2023: $315,499,000) respectively are carried at the revalued amounts in accordance with the Group's accounting policy as described in Note 2.5. If these land and buildings of the Group and Company were included in the financial statements at cost less accumulated depreciation and impairment losses, their net book values would have been $104,926,000 (2023: $115,001,000) and $2,183,000 (2023: $2,183,000) respectively.

(e) Valuation processes, techniques and inputs for Level 3 fair value measurements

The Group engages external, independent and qualified valuers to determine the fair value of the Group's property, plant and equipment, on an annual basis and whenever their carrying amounts are likely to differ materially from their revalued amounts, based on the properties' highest and best use. The valuers used observable inputs (e.g. operating income projections) and unobservable inputs (e.g. capitalisation rate and discount rate) for the purpose of the valuations. The following table presents the valuation techniques and key inputs (as described in Note 20) that were used to determine the fair value which is categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 2024 $'000	Fair value as at 2023 $'000	Valuation technique(s)	Significant unobservable input(s) and range	Relationship of unobservable inputs to fair value
Freehold and leasehold land – Singapore	**316,899**	315,499	Income capitalisation	Capitalisation rate – 4.3% (2023: 4.3%)	The lower the capitalisation rate, the higher the fair value
Freehold land and building – Malaysia	**34,745**	32,623	Discounted cash flow	Discount rate – 9.0% (2023: 8.5%) Terminal yield – 6.0% (2023: 6.0%)	The lower the discount rate or terminal yield, the higher the fair value
Freehold land and buildings – Australia [(1)]	**114,960**	131,595	Discounted cash flow	Discount rate – 8.3% to 8.8% (2023: 8.3% to 8.8%) Terminal yield – 6.3% to 6.5% (2023: 6.3% to 6.5%)	The lower the discount rate or terminal yield, the higher the fair value
			Income capitalisation	Capitalisation rate – 6.0% to 6.5% (2023: 6.0% to 6.5%)	The lower the capitalisation rate, the higher the fair value
	466,604	479,717			

(1) Valuation determined using the average of discounted cash flow and income capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. LEASES

Leases – The Group as a lessee

Nature of the Group's leasing activities – Group as a lessee

The Group leases hospitality properties which are used in the Group's hospitality operations, and offices for the purpose of back-office operations and as head office from related parties. These are recognised within Property, plant and equipment (Note 21).

As at balance sheet date, the Group and the Company's lease liabilities amounted to $87,542,000 and $65,959,000 respectively (2023: $96,529,000 and $72,717,000).

There are no externally imposed covenants on these lease arrangements.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Buildings and offices	**64,411**	73,110	**48,765**	55,351
Equipment	**1**	3	**1**	3
	64,412	73,113	**48,766**	55,354

(b) Depreciation expense for the financial year was $8,701,000 (2023: $8,681,000).

(c) Interest expense on lease liabilities recognised in profit or loss for the financial year was $5,483,000 (2023: $5,864,000) (Note 9).

(d) Lease expense not capitalised in lease liabilities

	Group
	$'000
2024	
Short-term leases	71
Variable lease payments which do not depend on an index or rate	8,063
Total (Note 5)	**8,134**
2023	
Short-term leases	332
Variable lease payments which do not depend on an index or rate	9,715
Total (Note 5)	10,047

(e) Total cash outflow for all the leases was $22,604,000 (2023: $24,480,000), of which $19,859,000 (2023: $22,988,000) was paid to other related parties.

(f) Additions of right-of-use assets during the financial year were $Nil (2023: $5,831,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. LEASES (continued)

Leases – The Group as a lessee (continued)

(g) Future cash outflow which are not capitalised in lease liabilities

(i) Variable lease payments

The leases for certain hotels contain variable lease payments that are based on a percentage of gross operating revenue and/or gross operating profit of these properties. Such variable lease payments are recognised to profit or loss when incurred and amounted to $8,063,000 (2023: $9,715,000) (Note 22(d)).

(ii) Extension options

The leases for certain hotels contain extension options, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

Leases – The Group as a lessor

Nature of the Group's leasing activities

The Group leases out investment properties to non-related parties for monthly lease payments. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 20.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Less than one year	**45,696**	45,900	**-**	-
One to two years	**7,349**	10,389	**-**	-
Two to three years	**5,519**	5,448	**-**	-
Three to four years	**3,352**	4,679	**-**	-
Four to five years	**2,222**	3,316	**-**	-
More than five years	**7,168**	17,984	**-**	-
Total undiscounted lease payments	**71,306**	87,716	**-**	-

23. INTANGIBLE ASSETS

	Group	
	2024	2023
	$'000	$'000
Goodwill arising from acquisition of hospitality businesses (a)	**37,257**	37,257
Hospitality management agreements (b)	**61,581**	63,802
	98,838	101,059

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. INTANGIBLE ASSETS (continued)

(a) Goodwill arising from acquisition of hospitality businesses

	Group	
	2024	2023
	$'000	$'000
Cost		
Beginning and end of financial year	**55,706**	55,706
Accumulated impairment		
Beginning and end of financial year	**18,449**	18,449
Net book value	**37,257**	37,257

Impairment assessment of goodwill

Goodwill is allocated to the Management services CGU within the Group's hospitality business. The recoverable amount of the Management services CGU was determined based on fair value less cost to sell ("FVLCTS").

The FVLCTS adopted by the Group was computed using the average of the values derived from the following two Level 3 valuation techniques based on management's estimates:

- Discounted Cash Flow ("DCF") method
- Guideline Public Company ("GPC") method

DCF method

The assumptions used in the future net cash flows take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Cash flow projections used in the DCF were based on financial projections approved by management covering a five-year period. Key assumptions used for the analysis of the CGU included cash flows returning to stabilised state of operations post COVID-19 recovery in 2025. Inflationary costs have also been factored in for the cash flow projections. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the historical long-term average growth rate for the hospitality management services business in which the CGU operates. A discount rate which reflects a market participant's required return on the CGU was used for the impairment analysis of the CGU.

	2024	2023
Terminal growth rate	**1.9%**	1.9%
Post-tax discount rate	**9.4%**	9.4%

GPC method

The GPC method entails applying multiples to the normalised earnings of the CGU and adjusted for the risk and size of the CGU. The key assumptions are the GPC multiples and normalised earnings. Normalised earnings are based on 2025 projections, which represent the stabilised state of operations post COVID-19 recovery, aligned to the cash flows used under the DCF method.

The GPC multiples are determined based on published data regarding traded price and earnings of public companies that are engaged in the same or similar line of business as the CGU. The CGU's normalised earnings is determined by management based on past performance and its expectations of market developments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. INTANGIBLE ASSETS (continued)

(a) Goodwill arising from acquisition of hospitality businesses (continued)

Impairment assessment of goodwill (continued)

GPC method (continued)

Based on the FVLCTS adopted by the Group, the recoverable amount of the CGU exceeds the carrying value and the goodwill is not impaired.

(b) Hospitality management agreements

	Group	
	2024	2023
	$'000	$'000
Cost		
Beginning and end of financial year	**98,692**	98,692
Accumulated amortisation and impairment		
Beginning of financial year	**34,890**	32,606
Amortisation charge included within "Cost of sales" in profit or loss (Note 5)	**2,221**	2,284
End of financial year	**37,111**	34,890
Net book value	**61,581**	63,802

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Trade payables to:				
– other related parties	**1,142**	463	**459**	330
– non-related parties	**6,910**	5,410	**897**	704
– joint ventures	**1,616**	1,130	**-**	-
	9,668	7,003	**1,356**	1,034
Other payables to:				
– other related parties	**-**	109	**-**	-
– non-related parties	**5,004**	5,076	**-**	-
Advances from:				
– a subsidiary	**-**	-	**32,466**	32,660
– non-controlling interest	**66,507**	66,552	**-**	-
– joint ventures	**10,939**	1,938	**1,380**	-
Accrual for operating expenses	**18,595**	19,127	**4,315**	4,752
Deposits	**2,158**	1,728	**442**	255
Interest payable	**61**	280	**51**	160
Contract liabilities (Note 4(b))	**412**	409	**28**	40
	103,676	95,219	**38,682**	37,867
	113,344	102,222	**40,038**	38,901

Advances from a joint venture of the Group and a subsidiary of the Company are unsecured, repayable on demand and interest-free. Advances from a non-controlling interest of $66,507,000 (2023: $66,552,000) are unsecured, repayable on demand and bear interest at a weighted average effective interest rate of 2.0% (2023: 2.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. TRADE AND OTHER PAYABLES (continued)

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Non-current				
Other payables – non-related party	**434**	468	**-**	-
Deposits	**2,898**	2,776	**-**	-
Advances from:				
– subsidiaries	**-**	-	**203,654**	197,703
– joint ventures	**27,707**	27,699	**-**	-
– non-controlling interest	**71,910**	71,910	**-**	-
	102,949	102,853	**203,654**	197,703

The non-current advances from subsidiaries to the Company and the advances from joint ventures and non-controlling interest of the Group are unsecured, interest-free and not repayable in the next 12 months.

Advances from a non-controlling interest of $71,910,000 (2023: $71,910,000) are repayable at its nominal value, or convertible to shares of the subsidiary in whole or in part and in the same proportion as a similar loan from the Company to the same subsidiary, such that the Company's share of equity interest in the subsidiary does not change, at the rate of one share per $1 nominal value of the loan, upon the unanimous approval of the Company and the non-controlling interest. The advances have no fixed term of repayment, and the non-controlling interest has no intention to demand repayment in the next 12 months.

The fair values of non-current trade and other payables of the Group and the Company approximate their carrying amounts.

25. BORROWINGS

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Bank borrowings				
– Current (secured)	**125,339**	89,422	**-**	-
– Current (unsecured)	**201,157**	155,660	**201,157**	148,660
	326,496	245,082	**201,157**	148,660
Bank borrowings				
– Non-current (secured)	**34,679**	118,276	**-**	-
– Non-current (unsecured)	**242,961**	238,989	**242,961**	238,989
	277,640	357,265	**242,961**	238,989
	604,136	602,347	**444,118**	387,649

The Group and the Company's bank borrowings are:

- at variable interest rates referenced to overnight risk-free rates and interbank offered rates with contractual repricing dates less than 6 months from balance sheet date (2023: less than 6 months); and
- secured over certain bank deposits (Note 12), investment properties (Note 20) and property, plant and equipment (Note 21).

The fair values of non-current borrowings of the Group are within Level 2 of fair value hierarchy and approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. BORROWINGS (continued)

As at 31 December 2024, the Group's current borrowings included loans amounting to $77,124,000 that are due to be refinanced by first half of 2025. The Group has successfully secured the credit approval for the re-financing by the bank as at 31 December 2024. Upon completion of the related loan documentation, the loans will be reclassified to non-current borrowings. These loans are secured over certain subsidiaries' investment properties.

Loan covenants

Under the terms of a portion of non-current bank borrowings, which has a carrying amount totalling $277,640,000 (2023: $357,265,000), the Group and the Company are required to comply with certain financial covenants annually.

For the borrowings entered into by the Company amounting to $242,961,000 (2023: $238,989,000), the Group is required to maintain a certain level of consolidated tangible net worth, certain ratio of consolidated net debt to consolidated tangible net worth and meet an unencumbered gearing ratio.

For the Group's borrowings secured against properties amounting to $34,679,000 (2023: $118,347,000), the loan to value ratio and interest coverage ratio are required to be met.

The Group has complied with these covenants.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	Contract notional amount $'000	Fair value $'000	Contract notional amount $'000	Fair value $'000
31 December 2024				
Current assets				
Derivatives held for hedging: Cash-flow hedges				
– Interest rate swaps	**162,559**	**793**	**85,435**	**12**
Non-current assets				
Derivatives held for hedging: Cash-flow hedges				
– Interest rate swaps	**72,620**	**262**	**72,620**	**262**
Non-current liabilities				
Derivatives held for hedging: Cash-flow hedges				
– Interest rate swaps	**64,076**	**1,171**	**64,076**	**1,171**
31 December 2023				
Non-current assets				
Derivatives held for hedging: Cash-flow hedges				
– Interest rate swaps	159,824	7,544	83,998	3,793
Non-current liabilities				
Derivatives held for hedging: Cash-flow hedges				
– Interest rate swaps	104,997	4,160	104,997	4,160

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Hedging instruments used in the Group's hedging strategy in 2024:

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount	Assets/ (Liabilities)	Financial statement line item	Hedging instrument	Hedged item	Hedge ineffective-ness recognised in P&L*	Weighted average hedged rate	Maturity date
	$'000	$'000		$'000	$'000	$'000		
Group								
Cash flow hedge								
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	235,179	1,055	Derivative financial instruments	(5,767)	5,767	-	4.1%	November 2024 (b) – December 2027
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	(64,076)	(1,171)	Derivative financial instruments	2,184	(2,184)	-	5.8%	October 2028
Net investment hedge								
Foreign exchange risk – Borrowings to hedge net investments in foreign operations	-	(7,094)	Borrowings	545	(545)	-	JPY76.0: $1	-
Company								
Cash flow hedge								
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	158,055	274	Derivative financial instruments	1,113	(1,113)	-	5.2%	December 2025 – December 2027
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	(64,076)	(1,171)	Derivative financial instruments	2,184	(2,184)	-	5.8%	October 2028

(a) The contractual notional amount of interest rate swaps held for hedging is based on Sterling Overnight Index Average ("SONIA").

(b) The changes in fair value used for calculating hedge ineffectiveness include an interest rate swap with a hedged rate of 1.2%, which matured in November 2024.

* All hedge ineffectiveness, if any, is recognised in profit or loss within "Other gains and impairment losses – net" (Note 8). The hedges were fully effective during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Hedging instruments used in the Group's hedging strategy in 2023:

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount	Assets/ (Liabilities)	Financial statement line item	Hedging instrument	Hedged item	Hedge ineffectiveness recognised in P&L*	Weighted average hedged rate	Maturity date
	$'000	$'000		$'000	$'000	$'000		
Group								
Cash flow hedge								
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	159,824	7,544	Derivative financial instruments	(5,729)	5,729	-	1.5%	December 2024 – March 2025
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	(104,997)	(4,160)	Derivative financial instruments	(4,150)	4,150	-	5.5%	December 2027 – October 2028
Net investment hedge								
Foreign exchange risk – Borrowings to hedge net investments in foreign operations	-	(7,640)	Borrowings	707	(707)	-	JPY76.0: $1	-
Company								
Cash flow hedge								
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	83,998	3,793	Derivative financial instruments	(3,060)	3,060	-	1.2%	December 2024
Interest rate risk - Interest rate swap to hedge floating rate borrowings (a)	(104,997)	(4,160)	Derivative financial instruments	(4,150)	4,150	-	5.5%	December 2027 – October 2028

(a) The contractual notional amount of interest rate swaps held for hedging was based on SONIA.

* All hedge ineffectiveness, if any, is recognised in profit or loss within "Other gains and impairment losses – net" (Note 8). The hedges were fully effective during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. DEFERRED INCOME

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
– Other related parties	**6,797**	6,797	**6,797**	6,797
– Non-related parties	**11,492**	11,626	**-**	-
	18,289	18,423	**6,797**	6,797
Non-current				
– Other related parties	**249,124**	255,920	**249,124**	255,920
	267,413	274,343	**255,921**	262,717

Deferred income from other related parties refers to the unamortised portion of the proceeds from Far East Hospitality Trust for the Company's grant of a 50-year leasehold interest (from August 2012) in the freehold and leasehold land of Orchard Rendezvous Hotel to Far East Hospitality Trust.

28. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Deferred income tax assets	**4,259**	4,605	**3,229**	3,536
Deferred income tax liabilities	**(63,656)**	(61,192)	**(754)**	(889)
Net deferred tax (liabilities)/assets	**(59,397)**	(56,587)	**2,475**	2,647

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of approximately $105,984,000 (2023: $117,237,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. These tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. DEFERRED INCOME TAXES (continued)

The movements in deferred income tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) are as follows:

Deferred income tax liabilities – Group

	Accelerated tax depreciation	Revaluation gains – net	Right-of-use assets/ Others	Total
	$'000	$'000	$'000	$'000
Group – 2024				
Beginning of financial year	11,238	51,348	1,372	63,958
(Credited)/Charged to:				
– profit or loss (Note 10(a))	(63)	6,538	(589)	5,886
– other comprehensive income (Note 30(i))	-	(1,329)	-	(1,329)
Currency translation differences	(12)	(850)	(8)	(870)
End of financial year	**11,163**	**55,707**	**775**	**67,645**
Group – 2023				
Beginning of financial year	11,648	40,095	1,158	52,901
(Credited)/Charged to:				
– profit or loss (Note 10(a))	(408)	10,471	258	10,321
– other comprehensive income (Note 30(i))	-	494	-	494
Currency translation differences	(2)	288	(44)	242
End of financial year	11,238	51,348	1,372	63,958

Deferred income tax assets – Group

	Tax losses	Lease liabilities	Total
	$'000	$'000	$'000
Group – 2024			
Beginning of financial year	(2,466)	(4,905)	(7,371)
(Credited)/Charged to profit or loss (Note 10(a))	(1,273)	198	(1,075)
Currency translation differences	198	-	198
End of financial year	**(3,541)**	**(4,707)**	**(8,248)**
Group – 2023			
Beginning of financial year	(2,294)	(3,962)	(6,256)
Credited to profit or loss (Note 10(a))	(232)	(943)	(1,175)
Currency translation differences	60	-	60
End of financial year	(2,466)	(4,905)	(7,371)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. DEFERRED INCOME TAXES (continued)

The movements in deferred income tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) are as follows: (continued)

Deferred income tax liabilities – Company

	Accelerated tax depreciation	Right-of-use assets	Total
	$'000	$'000	$'000
Company – 2024			
Beginning of financial year	305	889	1,194
Charged/(Credited) to profit or loss	143	(135)	8
End of financial year	**448**	**754**	**1,202**
Company – 2023			
Beginning of financial year	305	-	305
Charged to profit or loss	-	889	889
End of financial year	305	889	1,194

Deferred income tax assets – Company

	2024	2023
	$'000	$'000
Lease liabilities		
Beginning of financial year	**(3,841)**	(2,935)
Charged/(Credited) to profit or loss	**164**	(906)
End of financial year	**(3,677)**	(3,841)

29. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024	2023	**2024**	2023
	'000	'000	**$'000**	$'000
Beginning of financial year	**487,757**	474,726	**549,380**	535,958
Shares issued in-lieu of cash dividend	**1,342**	13,031	**1,343**	13,422
End of financial year	**489,099**	487,757	**550,723**	549,380

All issued ordinary shares are fully paid and there is no par value for these ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. REVALUATION AND OTHER RESERVES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Capital reserve	**13,977**	13,977	**-**	-
Asset revaluation reserve (Note (i))	**408,120**	404,854	**303,087**	301,687
Currency translation reserve (Note (ii))	**(81,070)**	(73,713)	**(480)**	(322)
Fair value reserve (Note (iii))	**(1,480)**	339	**549**	174
Hedging reserve (Note (iv))	**1,969**	6,078	**(636)**	(81)
	341,516	351,535	**302,520**	301,458

The movements for the other categories of reserves are as follows:

(i) Asset revaluation reserve

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**404,854**	389,804	**301,687**	292,487
Revaluation (losses)/gains – net (Note 21)	**(2,629)**	12,419	**1,400**	9,200
Share of joint ventures' asset revaluation reserve movement (Note 18)	**6,991**	6,036	**-**	-
Tax expense relating to:				
– revaluation gains – net	**2,419**	550	**-**	-
– share of joint venture's asset revaluation reserve movement	**(1,090)**	(1,044)	**-**	-
Transfer to retained earnings	**(1,293)**	(288)	**-**	-
Less: Non-controlling interest	**(1,132)**	(2,623)	**-**	-
End of financial year	**408,120**	404,854	**303,087**	301,687

(ii) Currency translation reserve

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(73,713)**	(67,846)	**(322)**	(175)
Net currency translation differences of financial statements of foreign subsidiaries and joint ventures	**(419)**	5,830	**(158)**	(147)
Net currency translation differences of advances designated as net investments in subsidiaries	**(12,370)**	(8,547)	**-**	-
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	**545**	707	**-**	-
Reclassification to profit or loss (Note 8)	**152**	(4,862)	**-**	-
Share of joint ventures' currency translation reserve movement (Note 18)	**(268)**	(50)	**-**	-
Less: Non-controlling interest	**5,003**	1,055	**-**	-
End of financial year	**(81,070)**	(73,713)	**(480)**	(322)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. REVALUATION AND OTHER RESERVES (continued)

The movements for the other categories of reserves are as follows: (continued)

(iii) Fair value reserve

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**339**	(1,595)	**174**	(50)
Financial assets, at FVOCI – Fair value gains (Note 16)	**369**	224	**375**	224
Share of associated company's fair value reserve movement (Note 17)	**(2,199)**	1,695	**-**	-
Transfer of share of associated company's fair value reserve upon disposal	**11**	15	**-**	-
End of financial year	**(1,480)**	339	**549**	174

(iv) Hedging reserve

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**6,078**	16,759	**(81)**	7,129
Fair value gains/(losses)	**6,050**	(2,609)	**5,402**	(3,143)
Reclassification to profit or loss, as hedged item has affected profit or loss – Finance expenses (Note 9)	**(9,633)**	(7,270)	**(5,957)**	(4,067)
	(3,583)	(9,879)	**(555)**	(7,210)
Share of joint ventures' hedging reserve movement (Note 18)	**(751)**	(1,146)	**-**	-
Less: Non-controlling interest	**225**	344	**-**	-
End of financial year	**1,969**	6,078	**(636)**	(81)

Revaluation and other reserves are non-distributable.

31. RETAINED PROFITS

Retained profits of the Group are distributable except for the accumulated retained profits from the share of results of joint ventures and associated companies amounting to $46,795,000 (2023: $25,591,000).

Movement in retained profits of the Company is as follows:

	Company	
	2024	2023
	$'000	$'000
Beginning of financial year	**304,540**	157,094
Shares issued in-lieu of cash dividend (Note 29)	**(1,343)**	(13,422)
Dividend paid to equity holders of the Company in cash (Note 32)	**(18,167)**	(5,567)
Net profit	**11,414**	166,435
End of financial year	**296,444**	304,540

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. DIVIDEND

	Company	
	2024	2023
	$'000	$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 4 cents (2023: 4 cents) using		
– new shares issued	**1,343**	13,422
– cash	**18,167**	5,567
	19,510	18,989

At the upcoming Annual General Meeting, a first and final dividend of 4 cents per share and a special dividend of 1 cent per share amounting to a total of $24,455,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in equity attributable to equity holders of the Company as an appropriation of retained profits in the financial year ending 31 December 2025.

33. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Investment properties	**1,105**	160	**-**	-
Property, plant and equipment	**9,652** [(a)]	2,207	**-**	-
	10,757	2,367	**-**	-

(a) Capital commitments as at 31 December 2024 relate mainly to the refurbishment works for a hotel in Perth.

34. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and minimise potential adverse effects on the Group's financial performance. Financial risk management is carried out by a team within the management of the Group.

(a) Market risk

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings (Note 25). The Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings and advances from/to subsidiaries at variable rates. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure and manages cash flow interest rate risks using floating-to-fixed interest rate swaps when opportunities arise.

The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. See Note 26 for further details on the notional amounts and fair value of the interest rate swaps of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms, such as reference rate, reset dates, payment dates, maturities and notional amount of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The hedges were 100% effective during the financial year.

The borrowings of the Group at variable rates on which effective hedges have not been entered into are denominated mainly in SGD, British Pound ("GBP"), Australian Dollar ("AUD") and Japanese Yen ("JPY").

The profit after tax of the Group and Company would have been lower/(higher) as a result of higher/(lower) interest expense on these borrowings if the interest rates had increased/(decreased) by 1% (2023: 1%) with all other variables including tax rate being held constant. Similarly, other comprehensive income would have increased/(decreased) as a result of higher/(lower) fair value of interest rate swaps designated as cash flow hedges of variable-rate borrowings. The analysis is as follows:

	Increase/Decrease by 1%			
	31 December 2024		31 December 2023	
	Profit after tax $'000	**Other comprehensive income $'000**	Profit after tax $'000	Other comprehensive income $'000
Group				
Denomination of borrowings				
– SGD	**-**	**-**	-/+ 70	-
– GBP	**-/+ 2,094**	**+/- 5,243**	-/+ 2,225	+/- 6,021
– AUD	**-/+ 197**	**-**	-/+ 232	-
– JPY	**-/+ 122**	**-**	-/+ 149	-
Company				
Denomination of borrowings				
– GBP	**-/+ 1,834**	**+/- 5,063**	-/+ 1,645	+/- 5,110

(ii) Currency risk

The Group operates in Singapore, Australia, Japan, the United Kingdom ("UK") and Malaysia. The entities within the Group transact in currencies other than their respective functional currencies ("foreign currencies"). Significant currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the SGD, AUD, and GBP. Where such currency risk becomes significant, the Group considers the use of currency swaps and forwards to manage the risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	AUD $'000	GBP $'000
At 31 December 2024			
Financial assets			
Cash and cash equivalents	65,027	88,899	36,062
Trade and other receivables	12,576	3,423	29,485
Intra-group receivables	93,609	30,719	515,780
Derivatives financial instruments	-	-	1,055
	171,212	123,041	582,382
Financial liabilities			
Borrowings	-	(28,175)	(554,890)
Lease liabilities	(87,542)	-	-
Trade and other payables	(180,769)	(12,944)	(12,768)
Intra-group payables	(93,609)	(30,719)	(515,780)
Derivatives financial instruments	-	-	(1,171)
	(361,920)	(71,838)	(1,084,609)
Net financial (liabilities)/assets	(190,708)	51,203	(502,227)
Add: Net financial assets denominated in the respective entities' functional currencies	97,808	8,261	574,101
Net currency exposure	**(92,900)**	**59,464**	**71,874**
At 31 December 2023			
Financial assets			
Cash and cash equivalents	113,919	71,084	37,968
Trade and other receivables	13,711	5,450	22,696
Intra-group receivables	88,620	39,858	425,165
Derivatives financial instruments	-	-	7,544
	216,250	116,392	493,373
Financial liabilities			
Borrowings	(7,000)	(33,115)	(539,523)
Lease liabilities	(96,529)	-	-
Trade and other payables	(181,209)	(9,324)	(12,313)
Intra-group payables	(88,620)	(39,858)	(425,165)
Derivatives financial instruments	-	-	(4,160)
	(373,358)	(82,297)	(981,161)
Net financial (liabilities)/assets	(157,108)	34,095	(487,788)
Add: Net financial assets denominated in the respective entities' functional currencies	69,086	31,766	525,493
Net currency exposure	(88,022)	65,861	37,705

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	AUD $'000	GBP $'000
At 31 December 2024			
Financial assets			
Cash and cash equivalents	52,650	30,087	-
Trade and other receivables	182,293	257	515,780
Derivatives financial instruments	-	-	274
	234,943	30,344	516,054
Financial liabilities			
Borrowings	-	-	(444,118)
Lease liabilities	(65,959)	-	-
Trade and other payables	(243,613)	-	(51)
Derivatives financial instruments	-	-	(1,171)
	(309,572)	-	(445,340)
Net financial (liabilities)/assets	(74,629)	30,344	70,714
Add: Net financial assets denominated in the Company's functional currency	74,629	-	-
Net currency exposure	**-**	**30,344**	**70,714**
At 31 December 2023			
Financial assets			
Cash and cash equivalents	98,608	30,384	-
Trade and other receivables	181,077	200	425,221
Derivatives financial instruments	-	-	3,793
	279,685	30,584	429,014
Financial liabilities			
Borrowings	-	-	(386,571)
Lease liabilities	(72,717)	-	-
Trade and other payables	(236,395)	-	(162)
Derivatives financial instruments	-	-	(4,160)
	(309,112)	-	(390,893)
Net financial (liabilities)/assets	(29,427)	30,584	38,121
Add: Net financial assets denominated in the Company's functional currency	29,427	-	-
Net currency exposure	-	30,584	38,121

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

If the foreign currencies strengthened/(weakened) against their respective functional currencies by 5% (2023: 5%) with all other variables including tax rate being held constant, the Group and Company's profit after tax and other comprehensive income for the financial year would increase/(decrease) as follows:

	Increase/(Decrease)			
	31 December 2024		31 December 2023	
	Profit after tax $'000	**Other comprehensive income $'000**	Profit after tax $'000	Other comprehensive income $'000
Group				
AUD against SGD				
– Strengthened	**6,744**	**11,451**	7,021	11,319
– Weakened	**(6,744)**	**(11,451)**	(7,021)	(11,319)
GBP against SGD				
– Strengthened	**4,241**	**6,756**	2,423	5,969
– Weakened	**(4,241)**	**(6,756)**	(2,423)	(5,969)
Company				
AUD against SGD				
– Strengthened	**1,517**	**-**	1,529	-
– Weakened	**(1,517)**	**-**	(1,529)	-
GBP against SGD				
– Strengthened	**3,536**	**-**	1,906	-
– Weakened	**(3,536)**	**-**	(1,906)	-

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Australia and the UK are managed through borrowings and/or advances denominated in the relevant foreign currencies. Currency exposure to the net assets of the Group's foreign operations in Japan are managed through borrowings denominated in JPY, partially designated as a net investment hedge in foreign operations. The Group establishes the hedge ratio of 1:1 by matching the net assets exposure to borrowings designated as hedging instrument.

There was no ineffectiveness during 2024 in relation to the net investment hedge.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets carried at amortised cost of the Group and of the Company are bank deposits, trade receivables, advances to or amounts due from subsidiaries, joint ventures and other related parties, deposits and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and/or requiring deposits to be placed with the Group prior to provision of certain of its services. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group and the Company have no significant concentrations of credit risk and have in place credit policies and procedures to ensure on-going credit evaluation and active account monitoring.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. In addition, the Company does not have off-balance sheet exposure to credit risk and has not provided any corporate guarantees to banks on banking facilities of subsidiaries and/or joint ventures.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group's and Company's financial assets at amortised cost have low risk of default. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportive forward-looking information, where applicable, which include the following indicators:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation;
- Default or delinquency in payments; and
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

The Group and the Company determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, based on the Group's and Company's historical information.

Financial assets are fully impaired when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group and the Company. Where loans and receivables have been fully impaired, the Group and the Company continue to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Bank deposits

Bank deposits are considered to have low credit risk as they are mainly deposits with reputable banks.

Trade receivables

The Group and the Company apply the simplified approach to providing for expected credit losses prescribed by SFRS(I) 9, which permits the use of the lifetime credit loss provision for all trade and lease receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data. The Group's and the Company's credit risk exposure in relation to trade receivables are set out in the provision matrix as follows:

	Group				
	Current to 30 days past due	> 30 days past due	> 60 days past due	> 90 days past due	Total
	$'000	$'000	$'000	$'000	$'000
31 December 2024					
Expected loss rate	12.8%	18.9%	0.0%	81.5%	27.5%
Gross carrying amount	10,043	874	142	2,944	14,003
Allowance for impairment	1,288	165	-	2,400	3,853
31 December 2023					
Expected loss rate	0.0%	0.0%	0.0%	81.1%	10.7%
Gross carrying amount	13,247	840	217	2,183	16,487
Allowance for impairment	-	-	-	1,771	1,771

	Company				
	Current to 30 days past due	> 30 days past due	> 60 days past due	> 90 days past due	Total
	$'000	$'000	$'000	$'000	$'000
31 December 2024					
Expected loss rate	0.0%	0.0%	0.0%	0.0%	0.0%
Gross carrying amount	261	138	7	-	406
Allowance for impairment	-	-	-	-	-
31 December 2023					
Expected loss rate	0.0%	0.0%	0.0%	0.0%	0.0%
Gross carrying amount	906	246	61	16	1,229
Allowance for impairment	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The movement of the allowance for impairment is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**1,771**	1,358	**-**	-
Allowance made	**2,578**	1,012	**-**	-
Allowance written back	**(286)**	(632)	**-**	-
Allowance written off	**(253)**	(12)	**-**	-
Currency translation differences	**43**	45	**-**	-
End of financial year	**3,853**	1,771	**-**	-

During the year, the Group and the Company have written off $253,000 (2023: $12,000) and $Nil (2023: $Nil) of trade receivables, respectively, as there was no reasonable expectation of recovery.

Other financial assets at amortised cost

The Group's advances to or amounts due from subsidiaries, joint ventures and other related parties, deposits and other receivables carried at amortised cost have low risk of default and a strong capacity to meet contractual cash flows. Hence the loss allowance is determined at an amount equal to 12-month expected credit loss. The Group and the Company categorise such loan or receivable as a financial asset with low risk of impairment.

Where the interest and/or principal repayments are 30 days past due and there is no reasonable expectation of recovery, or the counterparty is going into administration or bankruptcy or financial reorganisation, the Group and Company categorise such loan or receivable for impairment.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, as well as the availability of funding through an adequate amount of committed credit facilities. The Group also maintains working capital lines to provide flexibility of funding at any one time. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

The Group and the Company manage the liquidity risk by maintaining sufficient cash to meet the normal operating commitments and having an adequate amount of committed credit facilities. As at 31 December 2024, the Group was in a net current liabilities position of $52,265,000, mainly due to a portion of loans maturing in the next twelve months. The Group has successfully secured the credit approval for re-financing by the bank for certain current borrowings (Note 2.1 and Note 25).

As at 31 December 2024 and 31 December 2023, the Company has provided interest or loan-to-value shortfall undertakings in connection with borrowings amounting to $111,828,000 (2023: $153,122,000) granted to certain subsidiaries. The Company does not consider it probable that a claim will be made against the Company under the financial undertakings. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Group				
At 31 December 2024				
Trade and other payables	112,932	31,039	-	71,910
Borrowings	355,056	49,878	185,628	95,352
Lease liabilities	14,503	14,474	43,460	36,437
	482,491	**95,391**	**229,088**	**203,699**
At 31 December 2023				
Trade and other payables	101,813	30,943	-	71,910
Borrowings	321,450	173,839	164,101	-
Lease liabilities	14,472	14,503	43,440	50,931
	437,735	219,285	207,541	122,841
Company				
At 31 December 2024				
Trade and other payables	40,010	203,654	-	-
Borrowings	225,482	13,632	185,628	95,352
Lease liabilities	10,909	10,941	32,960	27,116
	276,401	**228,227**	**218,588**	**122,468**
At 31 December 2023				
Trade and other payables	38,854	197,703	-	-
Borrowings	218,235	94,708	119,539	-
Lease liabilities	10,878	10,909	32,907	38,110
	267,967	303,320	152,446	38,110

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise the value for the equity holders of the Company. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to equity holders of the Company, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Externally imposed capital requirements are mainly debt covenants included in certain loans of the Group or certain subsidiaries of the Company to maintain stipulated interest coverage, loan-to-value and consolidated net debt to consolidated net worth ratios.

Management monitors capital based on a gearing ratio. Consistent with how management monitors capital, the gearing ratio is calculated as total borrowings, excluding lease liabilities divided by total equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk (continued)

	Group		Company	
	2024	2023	**2024**	2023
Total borrowings ($'000)	**604,136**	602,347	**444,118**	387,649
Total equity ($'000)	**1,396,159**	1,365,870	**1,149,687**	1,155,378
Gearing ratio	**43%**	44%	**39%**	34%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**251,843**	273,383	**780,706**	735,512
Financial liabilities at amortised cost	**905,746**	902,174	**757,278**	696,550

Reconciliation of financial assets at amortised cost is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Total trade and other receivables (current and non-current)	**54,753**	51,123	**698,465**	606,848
Add/(Less):				
– Cash and cash equivalents	**200,888**	225,632	**82,737**	128,992
– Prepayments (current and non-current)	**(3,746)**	(3,351)	**(496)**	(328)
– Goods and services tax receivable	**(52)**	(21)	**-**	-
Total financial assets at amortised cost	**251,843**	273,383	**780,706**	735,512

Reconciliation of financial liabilities at amortised cost is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Total trade and other payables (current and non-current)	**216,293**	205,075	**243,692**	236,604
Add/(Less):				
– Borrowings	**604,136**	602,347	**444,118**	387,649
– Lease liabilities (current and non-current)	**87,542**	96,529	**69,959**	72,717
– Contract liabilities	**(412)**	(409)	**(28)**	(40)
– Goods and services tax payable	**(1,813)**	(1,368)	**(463)**	(380)
Total financial liabilities at amortised cost	**905,746**	902,174	**757,278**	696,550

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

– quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
– inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
– inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found at Note 20 and Note 21.

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Assets				
Derivative financial instruments – Level 2	**1,055**	7,544	**274**	3,793
Financial asset, at FVOCI – Level 3	**3,047**	2,063	**3,047**	2,063
Liabilities				
Derivative financial instruments – Level 2	**1,171**	4,160	**1,171**	4,160

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting year. There were no transfers between Levels 1 and 2 during the year.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In unlikely circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

For the investment classified as FVOCI, it is an unlisted equity security measured at fair value at each reporting period. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant.

The Group estimates the fair value of its unlisted equity security classified as FVOCI based on its share of the investee company's net asset value ("NAV"), which is a significant unobservable input. NAV is determined by reference to the attributable net assets of the investee company based on the latest available financial statements, adjusted, where applicable, for valuations of the underlying investment properties held by the investee determined primarily by independent and professional valuers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

Management reviews the appropriateness of the methodologies used to determine NAV, and also evaluates the appropriateness and reliability of inputs (including those developed internally by management) used in the determination of NAV.

As at 31 December 2023 and 31 December 2024, the Group has committed equity of $1,856,000 and $962,000, respectively, and to provide funding if called, to the unlisted equity security.

35. RELATED PARTY TRANSACTIONS

(a) Immediate and ultimate holding company

The Company's immediate and ultimate holding company is Far East Organization Pte. Ltd., incorporated in Singapore.

(b) Sales and purchases of goods and services from other related parties

Other related parties comprise mainly companies which are controlled by the equity holders of the Company's ultimate holding company.

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	2024	2023
	$'000	$'000
Amounts billed to/(by) other related parties:		
Administrative service fees	**435**	379
Purchase of goods and services	**(1,637)**	(1,641)
Amounts billed by other related parties to joint ventures:		
Support services	**(528)**	(318)
Purchase of goods and services	**(67)**	(90)
Payments made on behalf for other related parties	**9,359**	7,172

Outstanding balances at 31 December 2024, arising from deposits, sale and purchase of goods and services are set out in Notes 13 and 24 respectively.

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2024	2023
	$'000	$'000
Wages, salaries and benefits	**3,663**	3,774
Employer's contribution to defined contribution plans, including Central Provident Fund	**85**	73
	3,748	3,847

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Group's Group Chief Executive Officer for performance measurement and resource allocation.

The Group operates its hospitality business across three segments.

(i) Management services

The management services segment includes all of the hospitality properties that the Group manages directly in Singapore, Japan, and Malaysia.

(ii) Operations

The operations segment includes leased properties in Singapore, Australia and the Group's investment in Toga Trust and the REIT Manager of Far East Hospitality Trust.

(iii) Property ownership

The property ownership segment includes hospitality properties located in Australia, Germany, Denmark, Malaysia and Japan that are owned directly by the Group or through the Group's investments in joint ventures.

The Group manages its property business across three segments.

(i) Student accommodation

Student accommodation segment includes properties located in United Kingdom that are owned directly or held through a joint venture by the Group and includes those under development, that are held for rentals or/and long-term capital appreciation. The segment also includes the Group's investment in a student accommodation operator business.

(ii) Development

The development segment includes all unsold completed properties that are held through either joint ventures or joint operations, medical suites that are held for sale and residential units that are held for sale in United Kingdom. Rental income from the leasing of properties held for sale, if any, is included under the investment segment on the reports reviewed by the Group Chief Executive Officer.

(iii) Investment

The investment segment includes medical suites, and some offices that are held for rentals or/and long-term capital appreciation.

There was no revenue from transactions with a single external customer that accounts for 10% or more of the Group's revenue for the financial years ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION (continued)

The segment information provided to the Group Chief Executive Officer for the reportable segments are as follows:

	Hospitality			Property			Total
	Management services	Operations	Property ownership	Student accommodation	Development	Investment	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024							
Total segment revenue	33,532	42,551	53,849	53,840	-	11,546	**195,318**
Inter-segment revenue	(3,445)	-	-	-	-	-	**(3,445)**
Revenue from external parties	**30,087**	**42,551**	**53,849**	**53,840**	**-**	**11,546**	**191,873**
Expenses include (a):							
– Depreciation of property, plant and equipment	(116)	(8,424)	(7,079)	-	-	-	**(15,619)**
– Amortisation of intangible assets	(2,221)	-	-	-	-	-	**(2,221)**
– Hospitality supplies and services	(1,831)	(10,022)	(13,441)	-	-	-	**(25,294)**
– Employee compensation	(10,395)	(8,229)	(18,203)	-	-	-	**(36,827)**
– Property tax and upkeep of properties	(179)	(925)	(5,559)	(17,495)	-	(2,160)	**(26,318)**
Operating profit/(loss)	6,759	9,023	(720)	26,004	(13)	6,926	**47,979**
Share of profit/(loss) of:							
– associated companies	-	3,293	-	1,477	-	-	**4,770**
– joint ventures	-	6,590	4,139	9,571	5,449	-	**25,749**
Total operating profit	**6,759**	**18,906**	**3,419**	**37,052**	**5,436**	**6,926**	**78,498**
Corporate expenses							**(4,575)**
Interest income							**6,339**
Finance expenses							**(34,249)**
Others (Note 8)							**26,796**
Profit before income tax							**72,809**
Income tax expense							**(11,520)**
Profit after income tax							**61,289**

(a) These expenses exclude those under the Corporate assets segment

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION (continued)

	Hospitality			Property			Total
	Management services	Operations	Property ownership	Student accommodation	Development	Investment	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2024							
Segment assets	112,712	391,662	234,875	733,146	173,162	317,378	**1,962,935**
Investments in associated companies	-	32,958	-	31,563	-	-	**64,521**
Investments in joint ventures	-	170,254	89,389	18,311	206,298	-	**484,252**
	112,712	**594,874**	**324,264**	**783,020**	**379,460**	**317,378**	**2,511,708**
Corporate assets (b)							**129,755**
Total assets							**2,641,463**
Segment assets include:							
Additions to:							
– Investments in associated companies	-	-	-	30,755	-	-	**30,755**
– Investments in joint ventures	-	-	-	6,152	-	-	**6,152**
– Investment properties	-	-	208	2,014			**2,222**
– Property, plant and equipment	40	198	5,643	-	-	-	**5,881**

(b) During the year ended 31 December 2024, the Group acquired property, plant and equipment amounting to $49,000 under Corporate assets segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION (continued)

	Hospitality			Property			Total
	Management services	Operations	Property ownership	Student accommodation	Development	Investment	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2023							
Total segment revenue	29,583	45,678	55,079	46,390	-	10,312	187,042
Inter-segment revenue	(3,422)	-	-	-	-	-	(3,422)
Revenue from external parties	26,161	45,678	55,079	46,390	-	10,312	183,620
Expenses include (a):							
– Depreciation of property, plant and equipment	(152)	(8,455)	(7,583)	-	-	-	(16,190)
– Amortisation of intangible assets	(2,284)	-	-	-	-	-	(2,284)
– Hospitality supplies and services	(977)	(8,907)	(12,677)	-	-	-	(22,561)
– Employee compensation	(10,472)	(8,415)	(17,898)	-	-	-	(36,785)
– Property tax and upkeep of properties	(85)	(1,003)	(4,645)	(16,047)	-	(2,022)	(23,802)
Operating profit/(loss)	6,349	9,226	2,359	21,668	(738)	7,804	46,668
Share of profit/(loss) of:							
– associated companies	-	2,937	-	-	-	-	2,937
– joint ventures	-	1,495	1,797	(182)	5,173	-	8,283
Total operating profit	6,349	13,658	4,156	21,486	4,435	7,804	57,888
Corporate expenses							(5,229)
Interest income							6,796
Finance expenses							(33,897)
Others (Note 8)							54,815
Profit before income tax							80,373
Income tax expense							(14,312)
Profit after income tax							66,061

(a) These expenses exclude those under the Corporate assets segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION (continued)

	Hospitality			Property			Total
	Management services	Operations	Property ownership	Student accommodation	Development	Investment	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2023							
Segment assets	115,396	401,200	233,012	700,130	174,979	308,182	1,932,899
Investments in associated companies	-	31,865	-	-	-	-	31,865
Investments in joint ventures	-	175,722	93,542	2,582	200,848	-	472,694
	115,396	608,787	326,554	702,712	375,827	308,182	2,437,458
Corporate assets (b)							177,690
Total assets							2,615,148
Segment assets include:							
Additions to:							
– Investment properties	-	-	-	23,302	-	-	23,302
– Property, plant and equipment	262	159	2,122	-	-	-	2,543

(b) During the year ended 31 December 2023, the Group acquired property, plant and equipment amounting to $7,456,000 under Corporate assets segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION (continued)

Geographical information

The Group's six business segments operate in five main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the hotel operations, property development, property investment and investment holding.
- Australia – the operations in this area are principally the management of hospitality properties, hotel operations and property ownership.
- United Kingdom – the operations in this area are principally student accommodation and property development.
- Japan – the operations include management of hospitality properties, hotel operations and property ownership in Japan.
- Other countries – the operations include hotel operations and property ownership in Malaysia, Germany and Denmark.

	Revenue	
	2024	2023
	$'000	$'000
Singapore	**69,968**	71,954
Australia	**53,619**	56,060
United Kingdom	**55,962**	47,532
Japan	**7,090**	4,027
Other countries	**5,234**	4,047
	191,873	183,620

	Non-current assets	
	2024	2023
	$'000	$'000
Singapore	**1,040,973**	1,035,186
Australia	**327,819**	348,125
United Kingdom	**724,091**	644,850
Japan	**35,570**	37,924
Other countries	**92,487**	96,102
	2,220,940	2,162,187

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

As a result of the adoption of the amendments to SFRS(I) 1-1, the Group changed its accounting policy for the classification of borrowings as disclosed in note 2.16.

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to SFRS(I) 1-1.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

38. EVENT OCCURRING AFTER BALANCE SHEET DATE

On 24 January 2025, the Group through its wholly owned subsidiary, acquired additional interest ("Acquisition") of 6.7% in Woodlands Square Pte. Ltd. ("WSPL") for $25,000,000 ("Consideration") from one of its joint venture partners ("Seller"). 26.6% interest in WSPL held by the Seller was sold to the other existing joint venture partner ("Partner"). Subsequent to the Acquisition, the Group's interest in WSPL has increased from 33.3% to 40.0% while the Partner holds the remaining 60.0% interest. With the loss of joint control following the Acquisition, WSPL will be re-classified from a joint venture to an associate and the share of profit or loss will continue to be recognised in profit or loss. As the Consideration is lower than 6.7% of the net asset value of WSPL acquired, the Group will be recognising a one-off gain of approximately $9,000,000 in the financial year ending 31 December 2025.

39. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of companies	Principal activities	Country of business/ incorporation	Group effective ownership interest held	
			2024 %	2023 %
Significant subsidiaries				
Far East Hospitality Holdings Pte. Ltd.	Investment holding	Singapore	**70**	70
Jelco Properties Pte Ltd	Property development and property investment	Singapore	**100**	100
Far East Hospitality Properties (Australia) Pte. Ltd.	Ownership of hospitality properties	Australia/ Singapore	**70**	70
Far East Hospitality Investments (Australia) Pte. Ltd.	Investment holding	Australia/ Singapore	**70**	70
Far East Orchard Holdings (Jersey) Limited	Investment of properties through its subsidiaries	United Kingdom/ Jersey	**100**	100
Significant joint ventures				
Toga Hotel Holdings Unit Trust	Ownership and management of hospitality properties	Australia	**35**	35
Woodlands Square Pte. Ltd.	Property development and property investment	Singapore	**33**	33
Significant associated companies				
FEO Hospitality Asset Management Pte. Ltd.	REIT Manager of Far East Hospitality Trust	Singapore	**33**	33
Homes for Students Limited	Purpose-built student accommodation operator	United Kingdom	**49**	-

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Far East Orchard Limited on 18 March 2025.

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2025

Issued and fully paid-up capital	:	S$550,722,865.85
Number of shares issued	:	489,098,749
Class of shares	:	Ordinary Shares fully paid
Voting rights	:	One vote per share
Treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	354	6.89	11,058	0.00
100 - 1,000	543	10.56	327,120	0.07
1,001 - 10,000	2,799	54.44	13,752,279	2.81
10,001 - 1,000,000	1,425	27.72	64,873,671	13.26
1,000,001 AND ABOVE	20	0.39	410,134,621	83.86
TOTAL	**5,141**	**100.00**	**489,098,749**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	FAR EAST ORGANIZATION PTE. LTD.	312,307,870	63.85
2	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	20,961,800	4.29
3	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,305,239	2.72
4	PHILLIP SECURITIES PTE LTD	12,657,620	2.59
5	CITIBANK NOMINEES SINGAPORE PTE LTD	10,458,792	2.14
6	DBS NOMINEES (PRIVATE) LIMITED	8,553,691	1.75
7	THE BANK OF EAST ASIA (NOMINEES) PRIVATE LIMITED	5,555,802	1.14
8	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,274,318	0.87
9	MORPH INVESTMENTS LTD	3,480,008	0.71
10	MAYBANK SECURITIES PTE. LTD.	2,749,042	0.56
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,471,360	0.51
12	TAN SU KIOK OR SIA LI WEI JOLIE (SHE LIWEI JOLIE)	2,402,330	0.49
13	KHOO POH KOON	1,846,740	0.38
14	UOB KAY HIAN PRIVATE LIMITED	1,612,950	0.33
15	RAFFLES NOMINEES (PTE.) LIMITED	1,477,038	0.30
16	OCBC SECURITIES PRIVATE LIMITED	1,357,897	0.28
17	HOE SENG CO PTE LTD	1,257,647	0.26
18	HEXACON CONSTRUCTION PTE LTD	1,250,005	0.26
19	NG POH CHENG	1,089,679	0.22
20	WAN FOOK WENG	1,064,793	0.21
	TOTAL	**410,134,621**	**83.86**

STATISTICS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Far East Organization Pte. Ltd.	312,307,870	63.85	-	-
Tan Kim Choo(1)	224,659	0.05	312,307,870	63.85
The Estate of Ng Teng Fong, deceased(2)	-	-	312,307,870	63.85
Ng Chee Siong(3)	-	-	312,307,870	63.85
Ng Chee Tat, Philip(4)	-	-	312,307,870	63.85

Notes:

(1) Mdm Tan Kim Choo is deemed to be interested in the Shares held by Far East Organization Pte. Ltd. ("**FEOPL**") through her 50% shareholding in the issued share capital of FEOPL.

(2) The Estate of Ng Teng Fong, deceased ("**Estate**"), is deemed to be interested in the Shares held by FEOPL through the Estate's 50% shareholding in the issued share capital of FEOPL.

(3) FEOPL has a direct interest in 312,307,870 shares. The Estate has more than 20% interest in FEOPL. Ng Chee Siong is a beneficiary of the Estate and is therefore deemed to be interested in the 312,307,870 shares in which FEOPL has an interest.

(4) FEOPL has a direct interest in 312,307,870 shares. The Estate has more than 20% interest in FEOPL. Ng Chee Tat, Philip is a beneficiary of the Estate and is therefore deemed to be interested in the 312,307,870 shares in which FEOPL has an interest.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the information provided to the Company as at 10 March 2025, approximately 36.07% of the issued share capital of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

FAR EAST ORCHARD LIMITED
(Incorporated in the Republic of Singapore)
(Registration No: 196700511H)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Seventh Annual General Meeting ("**AGM**") of Far East Orchard Limited (the "**Company**") will be held at Antica Ballroom, Level 2, Orchard Rendezvous Hotel, Singapore, 1 Tanglin Road, Singapore 247905 on Friday, 25 April 2025 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' Statement and the Report of the Independent Auditor thereon. **(Resolution 1)**

2. To approve a first and final one-tier tax exempt dividend of S$0.04 per ordinary share and a special one-tier tax exempt dividend of S$0.01 per ordinary share, for the financial year ended 31 December 2024. (See Explanatory Note (1)) **(Resolution 2)**

3. To approve the sum of up to S$560,000 as Directors' Fees for the financial year ending 31 December 2025, to be paid quarterly in arrears. (2024: S$520,000) (See Explanatory Note (2)) **(Resolution 3)**

4. To re-elect Mr Shailesh Anand Ganu, a Director retiring pursuant to Regulation 98 of the Company's Constitution, and who being eligible, has offered himself for re-election. (See Explanatory Note (4)) **(Resolution 4)**

5. To re-elect Ms Ku Xian Hong, a Director retiring pursuant to Regulation 98 of the Company's Constitution, and who being eligible, has offered herself for re-election. (See Explanatory Note (5)) **(Resolution 5)**

6. To appoint Deloitte & Touche LLP as Independent Auditor of the Company in place of the retiring Independent Auditor, PricewaterhouseCoopers LLP, and to authorise the Directors to fix their remuneration. (See Explanatory Note (6)) **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

7. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Act**") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company (the "**Directors**") to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or exercise of share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act and the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier." (See Explanatory Note (7)) **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

8. Proposed renewal of the Shareholders' Mandate for Interested Person Transactions

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies which are entities at risk as defined under Chapter 9 of the Listing Manual of the SGX-ST, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Letter to Shareholders, with any person who is of the class of Interested Persons described in the Letter to Shareholders, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders;

(b) the approval given in sub-paragraph (a) above (the "**Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors be and are hereby authorised, jointly or severally, to take such steps and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary or in the interest of the Company to give effect to the Mandate and/or this Resolution." (See Explanatory Note (8)) **(Resolution 8)**

BY ORDER OF THE BOARD

PHUA SIYU, AUDREY
Company Secretary

Singapore,
8 April 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

(i) A member of the Company entitled to attend and vote at the AGM and who is not a relevant intermediary, is entitled to appoint not more than two proxies to attend and vote in his/her stead at the AGM. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (and the number and class of Shares must be specified).

"relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Act.

(ii) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. If the member is a corporation, the instrument appointing the proxy must be executed in a manner as may be permitted by the Act.

(iii) A proxy need not be a member of the Company.

(iv) The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be submitted via email to the Company's Share Registrar at FEOR@boardroomlimited.com,

in either case **not less than 72 hours** before the time appointed for holding the AGM. In case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

(v) Members may submit questions related to the resolutions to be tabled for approval at the AGM by 10.00 a.m. on 15 April 2025:

(a) by email to FEOR@boardroomlimited.com; or

(b) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

When submitting their questions, members are to provide their full names, last 3 digits and checksum of NRIC/passport number. The Company will publish its answers to all substantial and relevant questions at its website https://www.fareastorchard.com.sg/agm.html and at SGXNet at https://www.sgx.com/securities/company-announcements by 17 April 2025. Questions received after 15 April 2025 will be answered at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(1) If Ordinary Resolution 2 is approved, the dividends will be paid on or about 4 July 2025.

(2) Ordinary Resolution 3 is to approve the payment of an aggregate sum of up to S$560,000 as Directors' fees to the Company's Non-Executive Directors for the current financial year ending 31 December 2025 ("**FY2025**"). If approved, the Directors' fees for FY2025 will be paid quarterly in arrears. Further details regarding the Directors' Fees can be found under the section titled "**Remuneration of NEDs**" in the Company's Annual Report 2024.

(3) For Ordinary Resolutions 4 and 5, detailed information on the Directors who are proposed to be re-elected can be found under the sections titled "**Board of Directors and Management**" and "**Additional Information on Directors Seeking Re-Election**" in the Company's Annual Report 2024.

(4) Ordinary Resolution 4 is to re-elect Mr Shailesh Anand Ganu (who was appointed on 12 February 2019) pursuant to Regulation 98 of the Company's Constitution and if he is re-elected, he will remain as an Independent Director and Chair of the Remuneration Committee.

(5) Ordinary Resolution 5 is to re-elect Ms Ku Xian Hong (who was appointed on 1 January 2022) pursuant to Regulation 98 of the Company's Constitution and if she is re-elected, she will remain as an Independent Director, Chair of the Nominating Committee, and a member of the Remuneration Committee.

(6) Ordinary Resolution 6 is to approve the appointment of Deloitte & Touche LLP ("**Deloitte**") as Independent Auditor of the Company in place of the retiring Independent Auditor, PricewaterhouseCoopers LLP ("**PwC**"), and to authorise the Directors to fix their remuneration.

PwC has served as the Group's Auditor for over 20 years. The Directors are of the view that it would be timely to effect a change of Auditor with effect from FY2025. Considering the growth in the Group's business and operations, appointing a new Auditor would also provide fresh perspectives and leverage on the different approaches that a new audit firm could bring. PwC, the retiring Independent Auditor, will accordingly not be seeking re-appointment at the forthcoming AGM. Deloitte was selected for the proposed appointment after the Audit & Risk Committee invited and evaluated competitive proposals from various audit firms. Please refer to Annexure I of the Company's Letter to Shareholders dated 8 April 2025 for more details, including information pursuant to Rule 1203(5) of the Listing Manual of the SGX-ST.

(7) Ordinary Resolution 7, if passed, will empower the Directors, from the date of the passing of this Resolution until the next AGM, to allot and issue Shares and to make or grant Instruments convertible into Shares and to issue Shares in pursuance of such Instruments, for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of Shares which may be issued (including Shares to be issued pursuant to convertibles) under this Resolution shall not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings, if any), of which not more than 20% may be issued other than on a pro-rata basis. The total number of Shares which may be issued will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed after adjusting for (a) new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of Shares. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

(8) Ordinary Resolution 8, if passed, will renew the Mandate and empower the Company, its subsidiaries and associated companies, to enter into the Interested Person Transactions as described in the Letter to Shareholders. The authority under the renewed Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company, or the date by which the next AGM is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, and by submitting any questions related to the resolutions to be tabled for approval at the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM and the member's participation in the AGM (including any adjournment thereof) and of the questions submitted and the preparation and compilation of the attendance lists, minutes (which will be recorded and posted on the Company's website) and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service provider), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the warranty in (ii).

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Shailesh Anand Ganu	Ku Xian Hong
Date of First Appointment	12 February 2019	1 January 2022
Date of Last Re-Appointment	18 April 2022	18 April 2022
Age	43	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Guided by the Board Succession Planning Policy, Board Skills Matrix, Board Diversity Policy, service tenure chart of the Board, the Board considered Mr Ganu's performance, contribution, experience and competencies and recommended his re-election.	Guided by the Board Succession Planning Policy, Board Skills Matrix, Board Diversity Policy, service tenure chart of the Board, the Board considered Ms Ku's performance, contribution, experience, and competencies and recommended her re-election.
Whether appointment is executive, and if so, the area of responsibility	Independent and Non-Executive	Independent and Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent and Non-Executive Director and Chair of RC	Independent and Non-Executive Director, NC Chair and RC member
Working experience and occupation(s) during the past 10 years	2017 to present – WTW, Managing Director; Global Practice Leader – Executive Compensation and Board Advisory 2012 to 2017 – Mercer, Asia, Partner; Market Leader for Talent Business	Ms Ku has retired from full time work. Before her retirement, she held multiple Asia Pacific leadership roles during her 27-year career at Accenture. Presently, she serves as a director for various companies.
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for last 5 years)	Nil	• AnyHealth Company Limited (China) (Board Member) • Singapore Cancer Society (Council Member)
Present	• Telechoice International Limited (Non-Executive ID & Chair of Risk and Sustainability Committee) • SATA Commhealth (ID, Chair of Human Resource Committee, and member of Governance and NC) • Singapore Institute of Directors (Governing Council member, Chair of ESG Committee) • Vanguard Healthcare Pte Ltd (ID) • NUS High School of Mathematics and Science (Board of Governors)	• Netlink NBN Management Pte. Ltd. (trustee manager of Netlink NBN Trust, a business trust listed on the SGX-ST) (Non-Executive ID, Chair of Risk and Sustainability Committee, and member of RC) • Surbana Jurong Private Limited (Non-Executive ID, and member of ARC)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Shailesh Anand Ganu	Ku Xian Hong
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Shailesh Anand Ganu	Ku Xian Hong
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Shailesh Anand Ganu	Ku Xian Hong
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	Yes, I am a director of Netlink NBN Trust, which is subject to licensing requirements and had been investigated in the ordinary course of business for failing to comply with licence conditions and quality of service standards under these licensing requirements, as well as laws and regulations governing its operational activities. These investigations have resulted in warnings or penalties (as applicable) imposed on the trustee-manager(s) which were neither material nor relate to the directors in their personal capacities.
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

This page is intentionally left blank.

This page is intentionally left blank.

This page is intentionally left blank.

FAR EAST ORCHARD LIMITED

(Incorporated in the Republic of Singapore)
(Registration No: 196700511H) (the "Company")

Important
1. For investors who have used their CPF monies to buy ordinary shares in the capital of Far East Orchard Limited ("Shares"), this Report is forwarded to them at the request of the CPF Agent Banks and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2025.

PROXY FORM
ANNUAL GENERAL MEETING

I/We ________________________ (Name) ________________ (NRIC/Passport/Company's Registration No.)

of ____ (Address)

being a member/members of the Company hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares (Ordinary Shares)	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares (Ordinary Shares)	%
Address			

or failing whom, the Chair of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us/ on my/our behalf at the Fifty-Seventh Annual General Meeting ("**AGM**") of the Company to be held on Friday, 25 April 2025 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to	For*	Against*	Abstain*
ORDINARY BUSINESS				
1.	Adoption of Audited Financial Statements together with the Directors' Statement and the Report of the Independent Auditor for the financial year ended 31 December 2024			
2.	Approval of a first and final one-tier tax-exempt dividend and a special one-tier tax exempt dividend			
3.	Approval of Directors' fees for the sum of up to S$560,000 for the financial year ending 31 December 2025 (2024: S$520,000)			
4.	Re-election of Mr Shailesh Anand Ganu as a Director			
5.	Re-election of Ms Ku Xian Hong as a Director			
6.	Appointment of Deloitte & Touche LLP as Independent Auditor of the Company in place of the retiring Independent Auditor, PricewaterhouseCoopers LLP			
SPECIAL BUSINESS				
7.	Authority to allot and issue shares			
8.	Proposed renewal of the shareholders' mandate for Interested Person Transactions			

* Voting will be conducted by poll. Please indicate your vote "For", "Against" or "Abstain" in respect of all your shares for each resolution with a tick (√) within the box provided. Alternatively, you may indicate the number of shares that you wish to vote "For" or "Against" and/or "Abstain" for each resolution in the relevant box.

Dated this ______________ day of ______________ 2025

TOTAL NUMBER OF SHARES HELD

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT No. 08812

Company Secretary
FAR EAST ORCHARD LIMITED
c/o The Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Please fold here

Please fold here

Notes:

1. (a) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint not more than two proxies to attend and vote in his/her stead at the AGM. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies, to attend and vote in his/her stead at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/ Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.

   (c) "Relevant Intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore (the "**Companies Act**").

2. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

3. A proxy need not be a member of the Company.

4. This proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at FEOR@boardroomlimited.com,

   in either case not less than 72 hours before the time appointed for holding the AGM.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed in a manner as may be permitted by the Companies Act.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged or emailed with the instrument of proxy or proxies, failing which the instrument may be treated as invalid.

7. A corporation who is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.

8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Far East Orchard LIMITED

Registration No. 196700511H
6 Eu Tong Sen Street
#04-28 The Central
Singapore 059817

Tel: +65 6830 6599

www.fareastorchard.com.sg

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC™ C004791