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		**(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: Interest expenses	Non-cash changes: Additions - net	Non-cash changes: Foreign exchange movement	End of financial year
	$'000	$'000	$'000	$'000	$'000	$'000
2024						
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
2023						
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.

(b) Other intangible assets

Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, joint ventures and associated companies

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 (continued)

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

	Higher/ (lower)
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.

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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.

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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		Valuation technique(s)	Significant unobservable input(s) and range	Relationship of unobservable inputs to fair value
	2024 $'000	2023 $'000			
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:

	Contract notional amount	Carrying amount Assets/ (Liabilities)	Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness 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 (Note (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**

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 (a)							**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**

(a) 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 (Note (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

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 (a)							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

(a) 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.

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