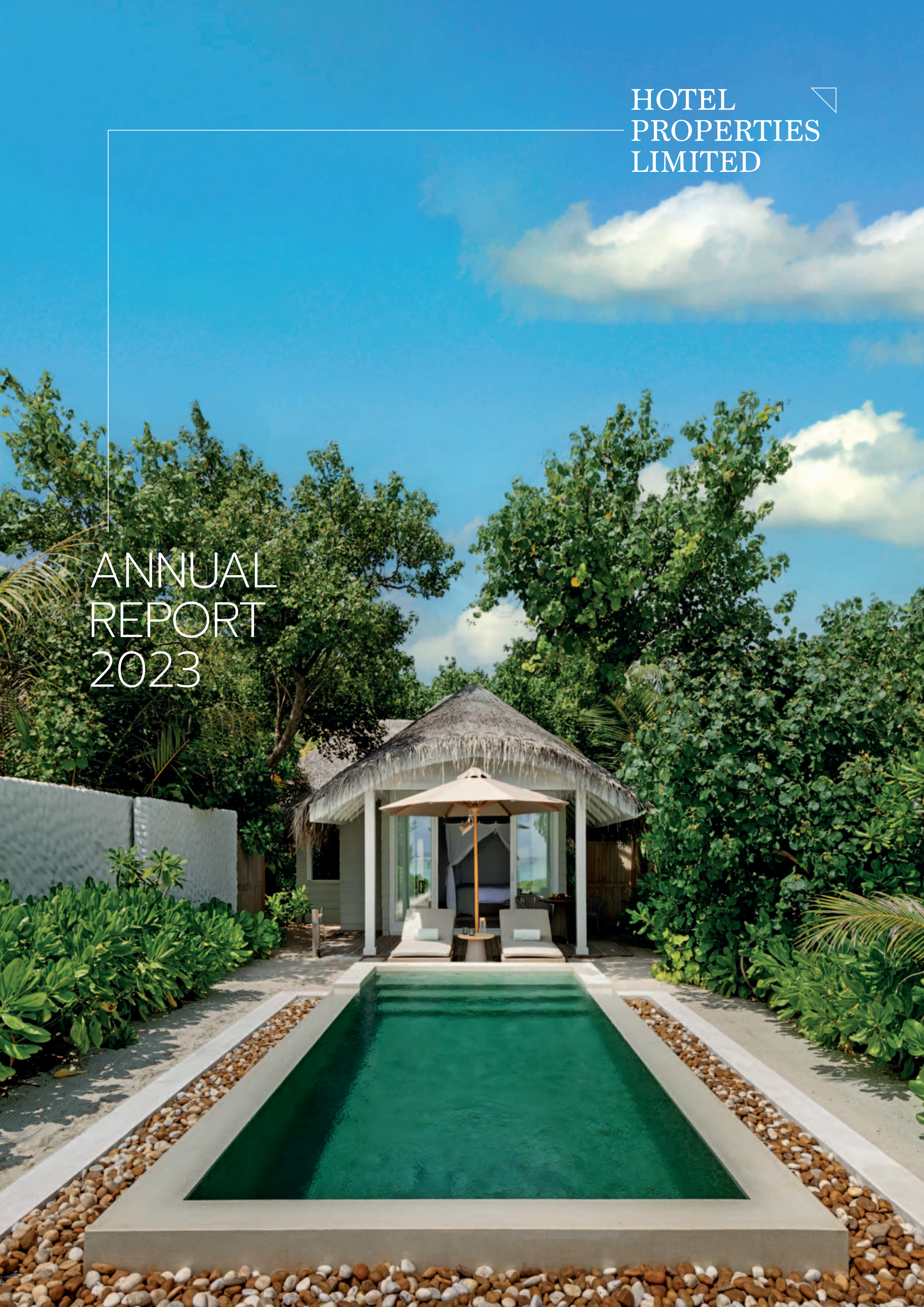
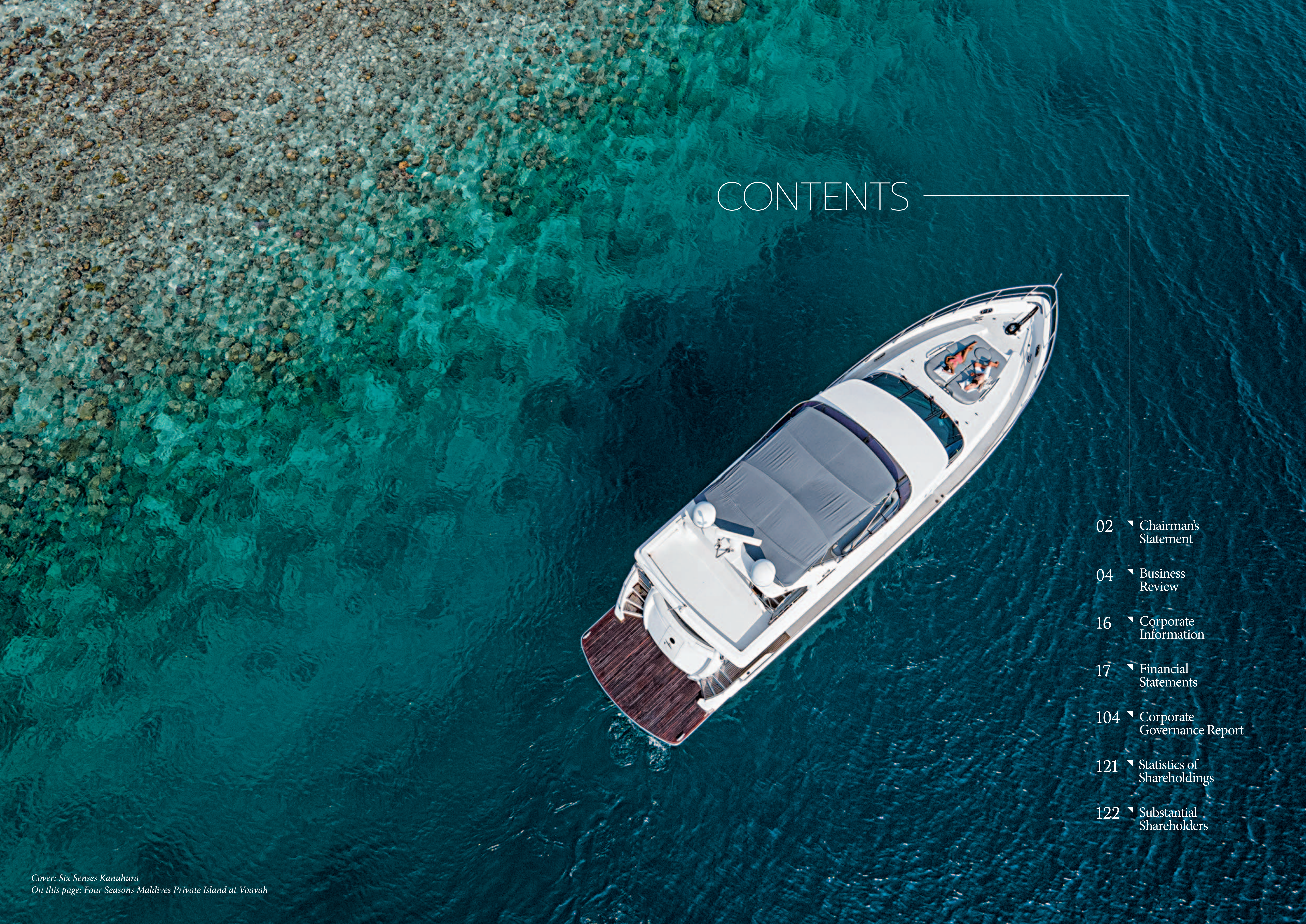
HOTEL
PROPERTIES
LIMITED

ANNUAL REPORT 2023





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Cover: Six Senses Kanuhura
On this page: Four Seasons Maldives Private Island at Voavah

Chairman's Statement

FINANCIAL REVIEW

For the year ended December 31, 2023, the Group recorded a revenue of $642.1 million, which is 22.2% higher than the $525.5 million recorded last year. Gross profit also increased by 39.2% from $105.4 million for FY2022 to $146.7 million for the year under review. The increase was mainly attributable to better performance by the Group's hotels and resorts in general, in line with the continued recovery in international travel.

The Group generated an operating profit before share of results of associates and jointly controlled entities, depreciation, amortisation, fair value changes and finance cost of $146.7 million for the year under review, which is 29.2% higher than the $113.5 million recorded last year. Proceeds from disposal of 7 shop units in Ming Arcade of $87.8 million were also fully collected upon completion in May 2023.

For the year ended December 31, 2023, the Group recorded a mark-to-market fair value loss of $11.9 million on long term investments compared to $17.3 million last year. Finance cost increased from $59.4 million last year to $98.3 million for the year under review due mainly to higher interest rates.

The Group's share of results of associates and jointly controlled entities turned from a profit of $2.1 million to a loss of $56.4 million for the year ended December 31, 2023 mainly due to fair value and impairment losses suffered by our properties in London due to higher capitalisation rates, in line with the current market conditions there. On the other hand, our Singapore investment properties grossed a fair value gain of $645 million based on independent valuation as at December 31, 2023.

After accounting for income tax and non-controlling interest, Group net profit attributable to shareholders for the year ended December 31, 2023 was $561.0 million compared to $40.2 million last year.

RECENT DEVELOPMENTS

Hotels

Since the acquisition of Kanuhura resort in the Republic of Maldives in 2021, the resort has undergone a major refurbishment and reopened as Six Senses Kanuhura in September 2023. The 91-villa resort is home to the finest untouched lagoons in the Maldives, where turquoise waters, colourful coral reefs and pristine white sand beaches surround the private island. Accommodation ranges from one to three-bedroom villas, offering the perfect getaway for couples, families, and larger groups alike.

The Division's newly debuted luxury "cruising resort" Four Seasons Explorer, Palau – creates an unforgettable lifetime travel experience as discerning guests discover the magical serenity and charm of Palau, one of the world's last undiscovered frontiers.

Four Seasons Explorer is an eleven berth 39-metre luxury catamaran that is furnished with a lounge, dining room, two bars, sun decks in addition to being fully equipped with diving equipment that will provide well-heeled travellers utmost comforts while taking them right into the heart of Palau, one of the Seven Underwater Wonders of the World.

Properties

Singapore
The Group has received the Grant of Provisional Permission for the redevelopment of the Forum, voco Orchard Singapore and HPL House into a mixed redevelopment comprising hotel, retail, office, and residential components. If and when it is implemented and completed, the proposed redevelopment will transform this part of Orchard Road into a vibrant, and prominent precinct.

United Kingdom
At Bankside Yards, London, following the successful completion of Arbor, a premium office building, construction works has now commenced on the 50-storey, 250-apartment residential tower, the tallest new residential tower currently under development in prime central London.

Separately, Paddington Square is at its last phase of development. The new Paddington Bakerloo ticket hall is expected to be completed in the second half of 2024. When completed, this London Underground station will provide a direct link into the development and will bring a very significant footfall through the retail mall.

PROSPECTS

The growth in international travel is expected to continue according to the forecast by the United Nations World Tourism Organization. Although there is no indication of rate cuts by the Federal Reserve Board, even with the easing of inflation, markets are expecting interest rates to have peaked. Challenges however remain, with continuing geopolitical tensions and slowing down of global economic growth.

The Group is working on further detailed plans for the redevelopment of the Forum, voco Orchard Singapore and HPL House. In London, Bankside Yards is entering into the next phase of development with a 250-apartment residential tower. Pre-marketing of units is expected to commence during the first half of 2024.

DIVIDEND

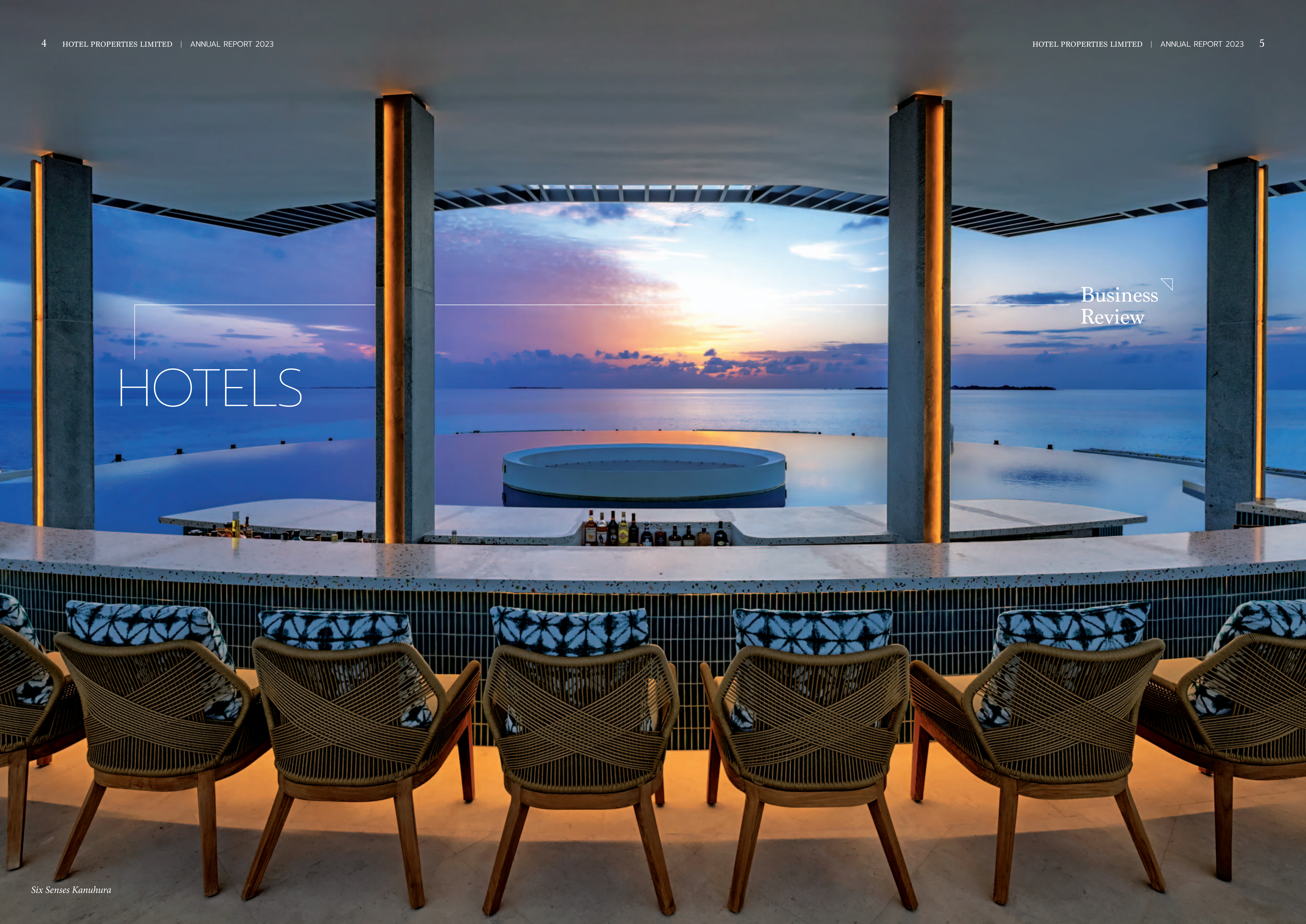
The Board of Directors has recommended a first and final one-tier tax-exempt cash dividend of 4 cents per ordinary share, and a one-tier tax-exempt special dividend of 2 cents per ordinary share for the year ended December 31, 2023.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend our heartfelt gratitude to our customers, bankers, business associates, shareholders and staff for their valued contribution and we look forward to your continuing support. I would also like to express our appreciation to Mr Leslie Mah Kim Loong who will be retiring as a member of the Board of Directors after the conclusion of the forthcoming Annual General Meeting, for his experience, knowledge and dedication over the years. We wish him many more years of a fulfilling retirement.

Arthur Tan Keng Hock
Chairman

HOTELS



Six Senses Kanuhura

Business Review

HOTELS

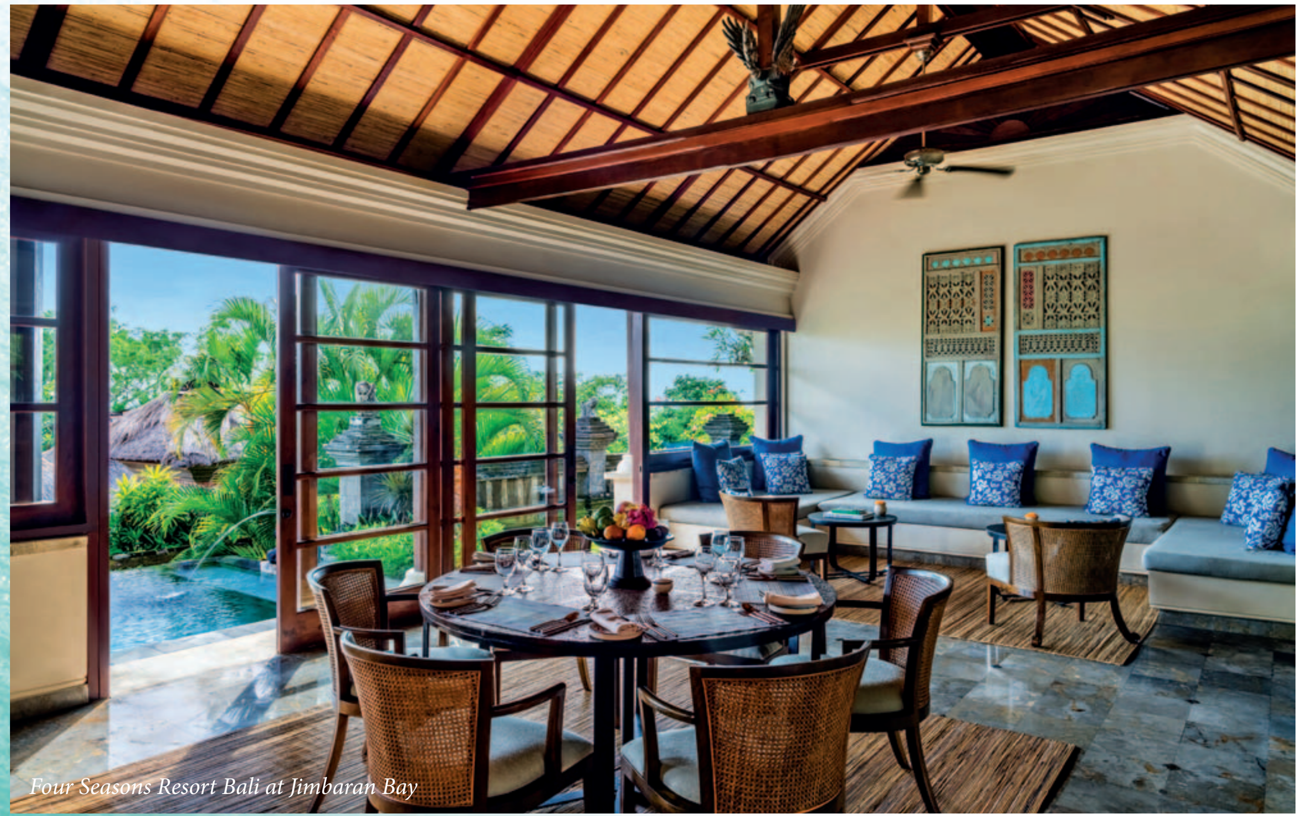
As of December 31, 2023, our Hotel Division has a portfolio of 38 hotels spreading across 15 countries including Bhutan, Indonesia, Italy, Maldives, Seychelles, Singapore, Thailand, United Kingdom, and the United States of America; and operating under renowned hospitality brands that include COMO Hotels & Resorts, Four Seasons Hotels & Resorts, Hard Rock Hotels, InterContinental Hotels Group, Marriott International, Six Senses Hotels & Resorts and Concorde Hotels.

The Hotel Division's Kanuhura Maldives underwent a major refurbishment and reopened under the management of Six Senses Hotels & Resorts in September 2023.

Positioned as an iconic Maldivian island, Six Senses Kanuhura, Maldives is just a 40-minute seaplane ride from Velana International Airport and is nestled in the most pristine corner of the Lhaviyani atoll - home to the finest beaches in the Maldives, where turquoise waters, colourful coral reefs and endless white beaches surround the private island.

Six Senses Kanuhura features 91 beachfront and overwater villas, each meticulously crafted from local and sustainable materials that exudes a tropical island feel with feet-up comfort. Be it living on the shore or being perched on stilts over the tranquil Maldives Island lagoon with breathtaking sunset views with accommodation ranging from one to three bedrooms villas to offer the perfect getaway for couples, families, and larger groups alike.

Four Seasons Resort Maldives at Kuda Huraa



Four Seasons Resort Bali at Jimbaran Bay

Explore the vibrant reefs while snorkelling or diving, enjoy a sunset cruise while watching the dolphins swim by, discover the secrets of growing orchids in the nursery, dine on our sandy shores, indulge in a relaxing spa treatment or simply take a stroll on the island's pristine beaches or just sit back, chill on the sunbeds and enjoy the ocean view from your private villas, there is an activity that will fit every discerning guest.

The Division's other Maldivian luxury resort properties include Four Seasons Resort Maldives at Kuda Huraa, Four Seasons Resort Maldives at Landaa Giraavaru, Six Senses Laamu, InterContinental Maldives Maamunagau Resort, Holiday Inn Resort Kandooma and Gili Lankanfushi.

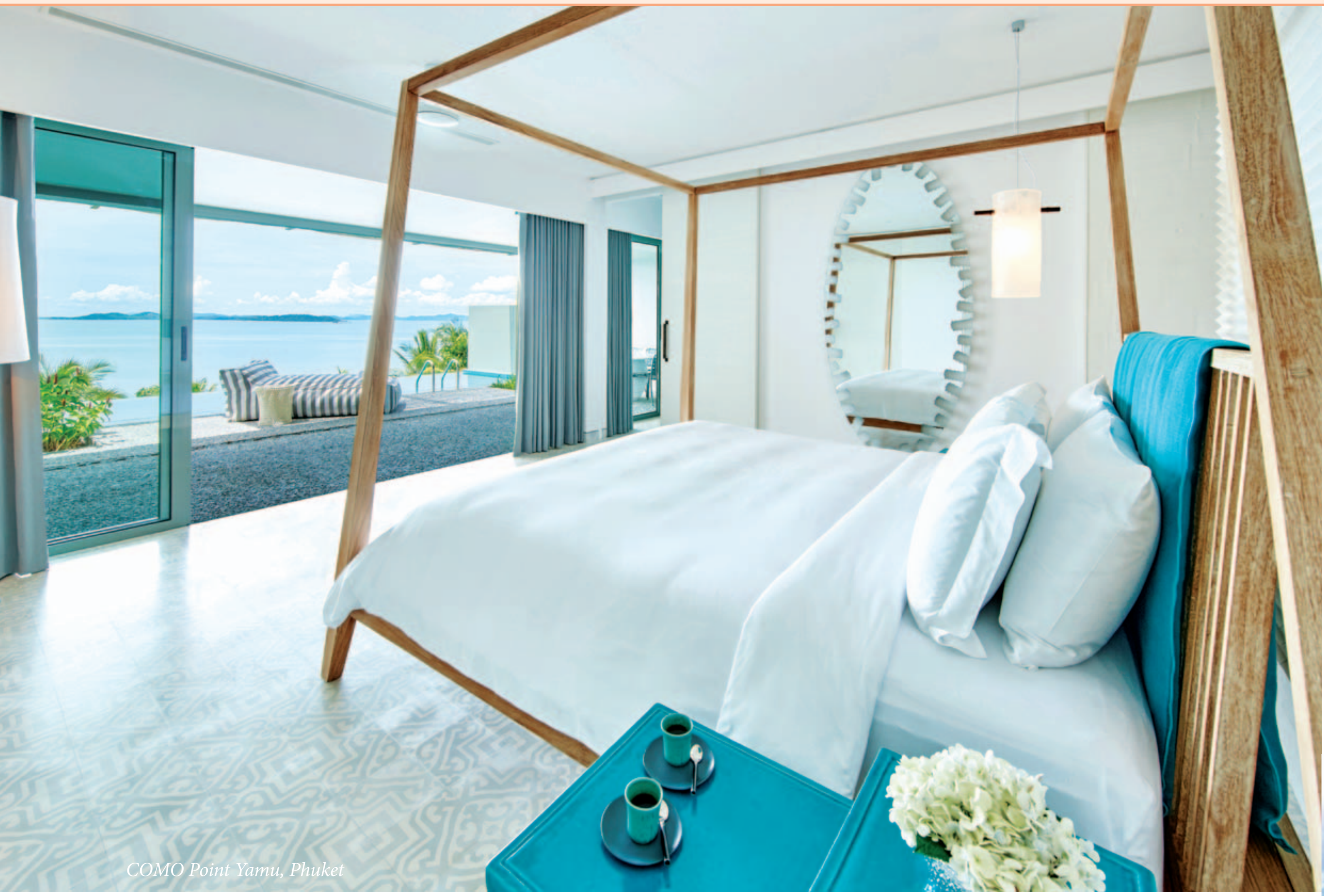
For a travel experience like no other, our newly debuted luxury "cruising resort" Four Seasons Explorer, Palau - an 11 berth catamaran, furnished with a lounge, library, dining room, two bars, a sun deck, and a dive deck; will bring well-heeled travellers right into the heart of Palau, one of the Seven Underwater Wonders of the World.

Palau is as remarkable as it is remote and guests of the Four Seasons Explorer will be able to discover the magical serenity and charm of Palau as they wake up every day to breath-taking views of the pristine waters, stalactite caves and canyons of one of the world's last undiscovered frontiers.

Be it weaving between UNESCO World Heritage Islands and protected lagoons that are home to over 600 varieties of corals or exploring the majestic Ngardmau waterfall and rejuvenating your senses while bathing in the mineral-rich white mud of the Milky Way Lagoon, there is no other more luxurious or flexible way to discover Palau as the Four Seasons Explorer offers daily embarkations and disembarkations, with the option of private charter.

The Hotel Division's five-acre Four Seasons Maldives Private Island at Voavah is the epitome of private island hideaway luxury.

Approximately 40 minutes by seaplane from Velana International Airport, Four Seasons Maldives Private Island at Voavah is situated in the Baa Atoll,



COMO Point Yamu, Phuket

a UNESCO Biosphere Reserve known for its rich marine biodiversity and vibrant coral reefs.

As a private island resort to truly call your own, Four Seasons Voavah offers exclusive use of the entire island to one group of discerning guests at a time - providing the utmost privacy and personalised experience. The island features a seven-bedroom beachfront villa, 7 luxurious bedrooms that can accommodate 21 guests, expansive living spaces, a private pool, and direct access to the beach alongside access to a private 19-metre yacht, dedicated dive centre, spa, and beach house.

Nestled on another private island in one of Maldives' largest lagoons is Gili Lankanfushi Maldives.

The luxurious 45-overwater villa resort provides and unforgettable and exclusive private island haven getaway for luxury-travellers who want to escape into the tranquillity of untouched nature while being pampered by the finest amenities and hospitality.

Each villa is meticulously built from natural materials and purposefully positioned in various parts of the island with ample distance from the next to provide the ultimate level of privacy for each guest while boasting panoramic views of turquoise waters, private pools, and direct access to pristine white-sand beaches.

The only resort on a captivating coral island in the middle of the Indian Ocean, with a total of 67 villas, each resembling private residences positioned dramatically down a forested hill and offering spectacular views of the pristine beach and turquoise sea below, verdant lush greenery, tranquil and secluded to offer intimate privacy; these are just some unique winning characteristics of our Four Seasons Resort Seychelles at Desroches Island.

The resort offers guests an encounter with untouched nature while providing a holistically rich and diverse experience that includes beachside yoga classes, educational snorkel tours, private dive-trips and interactions with Aldabra Giant Tortoise, a native species that is vulnerable to extinction at the resort Tortoise Sanctuary.

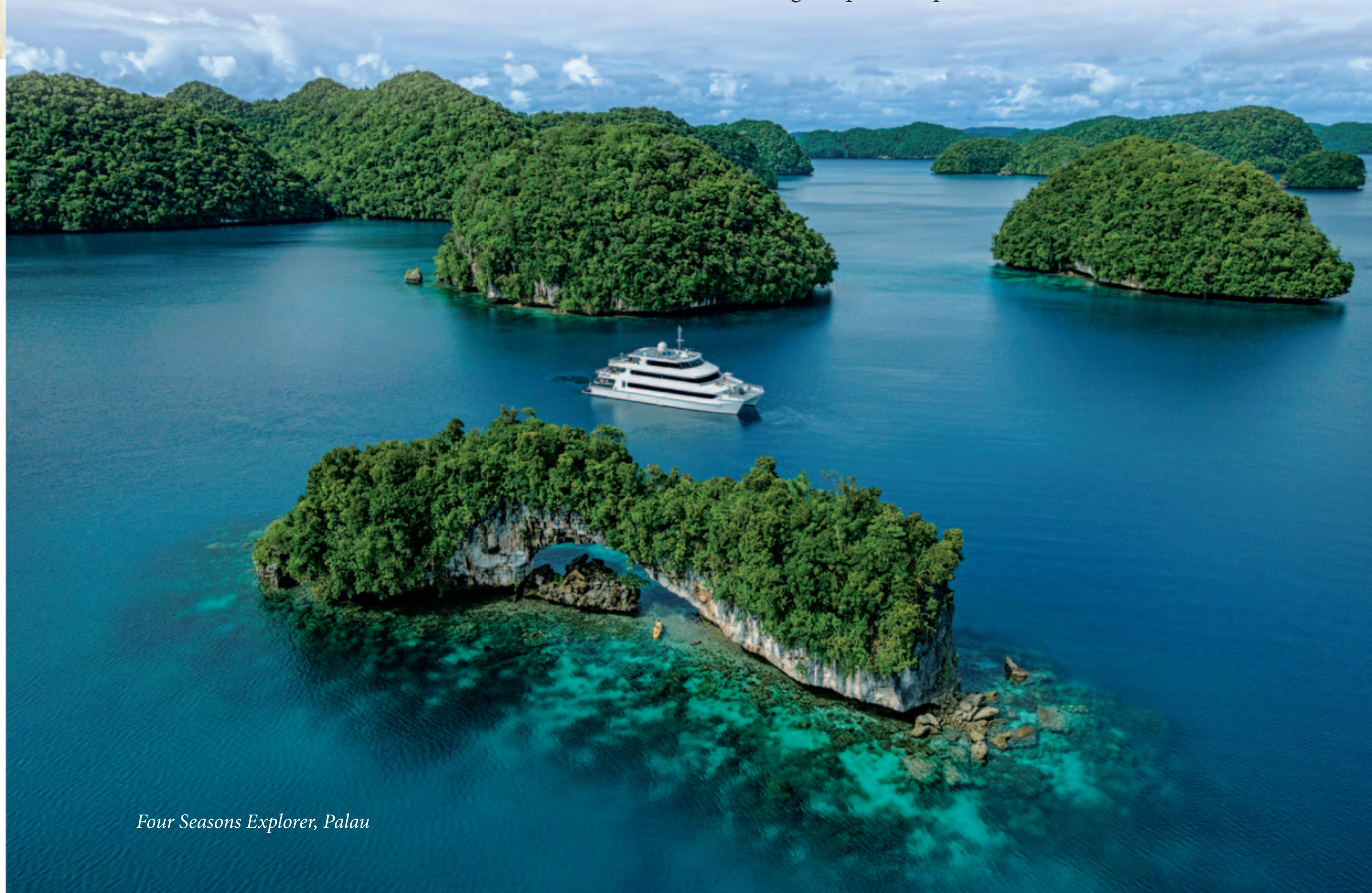
From the vast Indian Ocean to the sprawling plains of the Serengeti, the Four Seasons Safari Lodge offers an up-close view of African wildlife and is in the middle of the world's most famous wildlife sanctuary of the Serengeti National Park, a UNESCO World Heritage Site. The luxury lodge houses a total of 77 rooms, suites, and villas along with an outdoor infinity pool strategically located next to an active watering hole frequently visited by wild animals, enabling adventure-loving guests to witness the Great Migration as millions of wildebeests make their way across the vast African plains, all in the comforts of a five-star resort.

Located on Vietnam's beautiful and culturally rich central coast is Four Seasons Resort The Nam Hai, Hoi An, Vietnam.

Known for its outstanding service and hospitality, the secluded villa-only resort is minutes away from the old town of Hoi An where ancient buildings, culturally rich and diverse markets, and temples await exploration.

Four Seasons Resort The Nam Hai, Hoi An, Vietnam features villas that are contemporary in design and are spaciously set in perfectly manicured gardens with unblocked views of the ocean. The ultra-luxe and expansive 5-bedroom beachfront pool villa is over 7,000 square feet with indoor and outdoor living areas, personal butler service, a large private infinity pool and direct access to Ha My Beach.

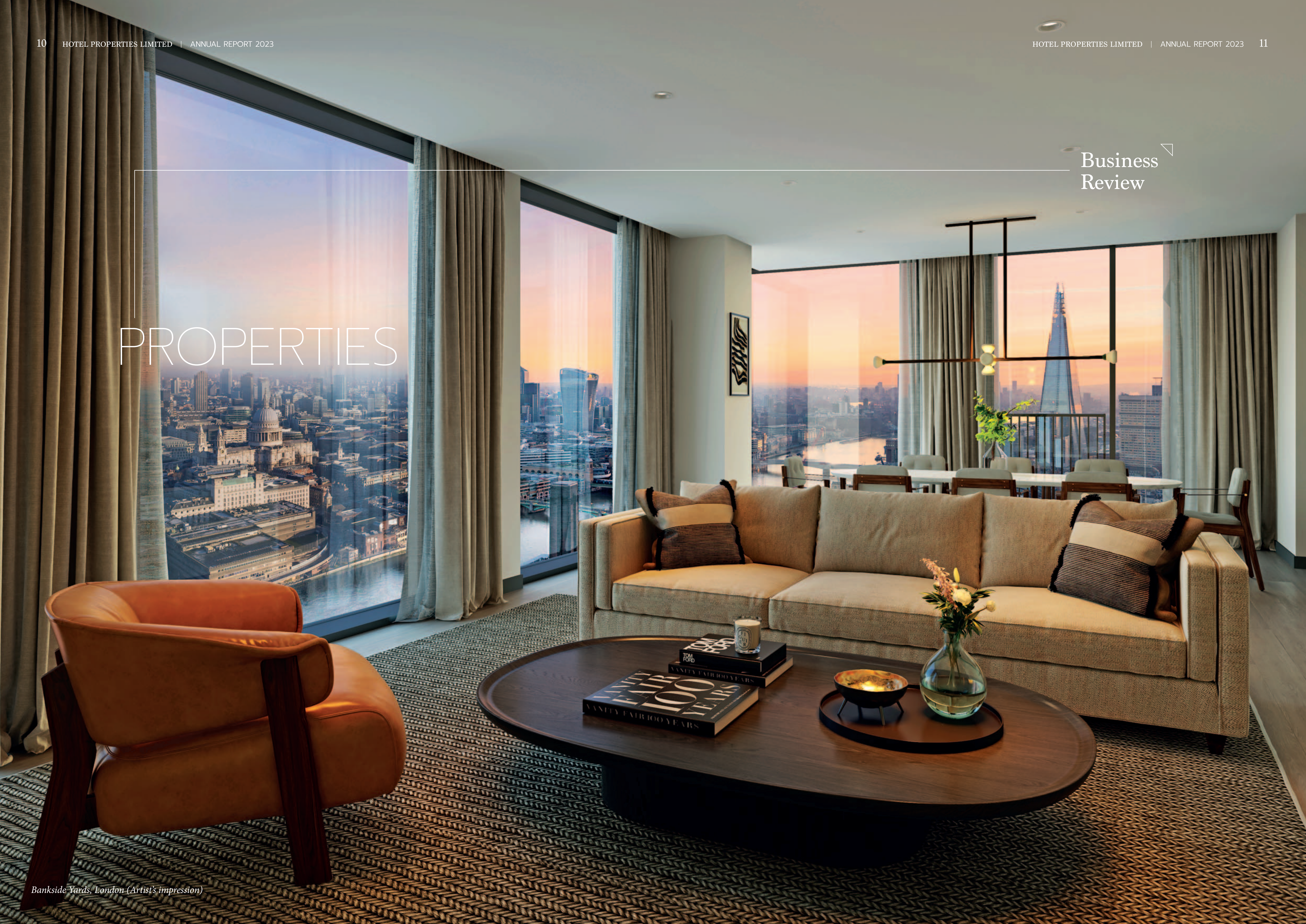
Known for its holistic wellness programmes, guests at COMO Point Yamu, Phuket can enjoy COMO's Shambhala wellness retreat while taking in the breathtaking views of the turquoise Andaman Sea and the striking limestones of Phang Nga Bay. Designed by renowned Italian designer Paola Navone, the luxury resort's interiors offer a unique expression of contemporary Thai luxury where blue and turquoise design accents its 27 private villas and 79 rooms and suites with floor-to-ceiling windows framing the picturesque views of Andaman Sea.



Four Seasons Explorer, Palau

Business Review

PROPERTIES



Bankside Yards, London (Artist's impression)

Business Review

PROPERTIES

Arbor, London

United Kingdom

Located on the South Bank of London's River Thames around the historic railway arches between the Tate Modern and Blackfriars station, Bankside Yards is the United Kingdom's first fossil-fuel free major mixed-use development. This 5.5 acre mixed use scheme includes Arbor – a premium 19-storey office building completed in December 2022, as well as luxury residential apartments, a retail hub and luxury hotel and branded residences. A large area of the site will be devoted to the creation of a new public space focussed on wellness and culture.

When fully completed, Bankside Yards will consist of eight new buildings, peaking at 50 storeys, sitting above 14 grand arches, and completing the celebrated cultural walkway from the Royal Festival Hall to Tate Modern. Positioned as the most central riverside location in London, the development is easily accessible by train, bus, tube, bike and on foot.

The first building completed at Bankside Yards is Arbor, 19-storey office building totalling 223,000 square feet of flexible "next-generation" workspace where it plays a vital role in shaping a 24-hour cultural neighbourhood that blends work, art, creativity, culture, technology, and city life.

Arbor runs on 100% renewable energy and net zero carbon emissions. Glass window panels extending up to 6 metres fill the building with natural light and allow panoramic views of the vibrant cityscape while its smart self-adjusting closed cavity façade units minimise its environmental load. Terraces on every other floor create mindful transitional zones between inside and outside and provides semi-outdoor workspaces with unique microclimates. Wellness amenities include a yoga room to enhance its occupants' well-being.

Construction of the next phase, a 50-storey, 250-apartment residential tower, is now in progress with pre-marketing to potential purchasers due to commence during the first half of 2024.

Agreements had been signed with Mandarin Oriental Hotel Group to manage a 171-bed 5-star hotel with 70 branded residences to be developed in subsequent phases.

Our other development in London, Paddington Square, is the centrepiece development of Paddington's regeneration. At its heart, a light-filled crystalline building designed by Renzo Piano Building Workshop presents 350,000 sq. ft. of bright, beautifully designed, and flexible workspace across 14 floors with an emphasis on wellbeing, sustainability, and an adaptable, safe, and dynamic environment.

The development also provides 80,000 sq. ft. of shops, restaurants, and cafes, adjacent to a new Bakerloo Line entrance and ticket hall and 1.35-acre public piazza with a series of specially commissioned public artworks. West London's highest rooftop restaurant and terrace is located at the top of the main building, providing striking panoramic London views.

The development is super-connected being located between the major landmarks of Paddington Station and St Mary's Hospital. With seamless links to Heathrow, London and the rest of the UK, Paddington Square's position as a global hub and gateway to the world is unique. National train links, Elizabeth Line, Heathrow Express and four underground lines create unrivalled transport connections, with Paddington being the only station in London with direct access to all mainline terminals in the capital.

Practical completion on the offices and rooftop restaurant was achieved in December 2022 following which the majority of office tenants have finished their extensive fitouts and have subsequently occupied their spaces. This world class office building now notably serves as a major global hub for Capital Group and the head office location for two UK FTSE100 listed companies.

Bankside Yards, London (Artist's impression)

Paddington Square, London

Also a majority of the retail and restaurant space has been leased or is in late stage discussions to be leased to well recognised high street brands.

Practical completion of the final phase of the development, being a London Underground ticket office, is expected to be completed in the second half of 2024. This station will link directly into the development bringing very significant footfall through the retail mall.

Singapore

The Group has received the Grant of Provisional Permission for the redevelopment of the Forum, voco Orchard Singapore and HPL House into a mixed redevelopment comprising hotel, retail, office, and residential components. If and when it is implemented and completed, the proposed redevelopment will transform this part of Orchard Road into a vibrant, energetic, significant and prominent precinct.

The Group's other luxury residential developments in Singapore include Cuscaden Residences, Four Seasons Park, Nassim Jade, Robertson Blue, Scotts 28, and Tomlinson Heights, as well as the d'Leedon and The Interlace condominiums which are joint ventures with CapitaLand.

Corporate Information

BOARD OF DIRECTORS

Chairman
Arthur Tan Keng Hock

Managing Director
Ong Beng Seng

Members
Christopher Lim Tien Lock
Leslie Mah Kim Loong
David Fu Kuo Chen
Stephen Lau Buong Lik
Wong Liang Ying
Nicholas James Loup

NOMINATING COMMITTEE

Leslie Mah Kim Loong (Chairman)
David Fu Kuo Chen
Wong Liang Ying
Nicholas James Loup

REMUNERATION COMMITTEE

Arthur Tan Keng Hock (Chairman)
Ong Beng Seng
Wong Liang Ying

AUDIT COMMITTEE

Leslie Mah Kim Loong (Chairman)
Arthur Tan Keng Hock
Wong Liang Ying
Nicholas James Loup

COMPANY SECRETARY

Joanna Lim Lan Sim

PRINCIPAL BANKERS

OCBC Bank
DBS Bank
United Overseas Bank

AUDITORS

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge
Hoe Chi-Hsien
(appointed on April 28, 2023)

REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: 6536 5355

REGISTERED OFFICE

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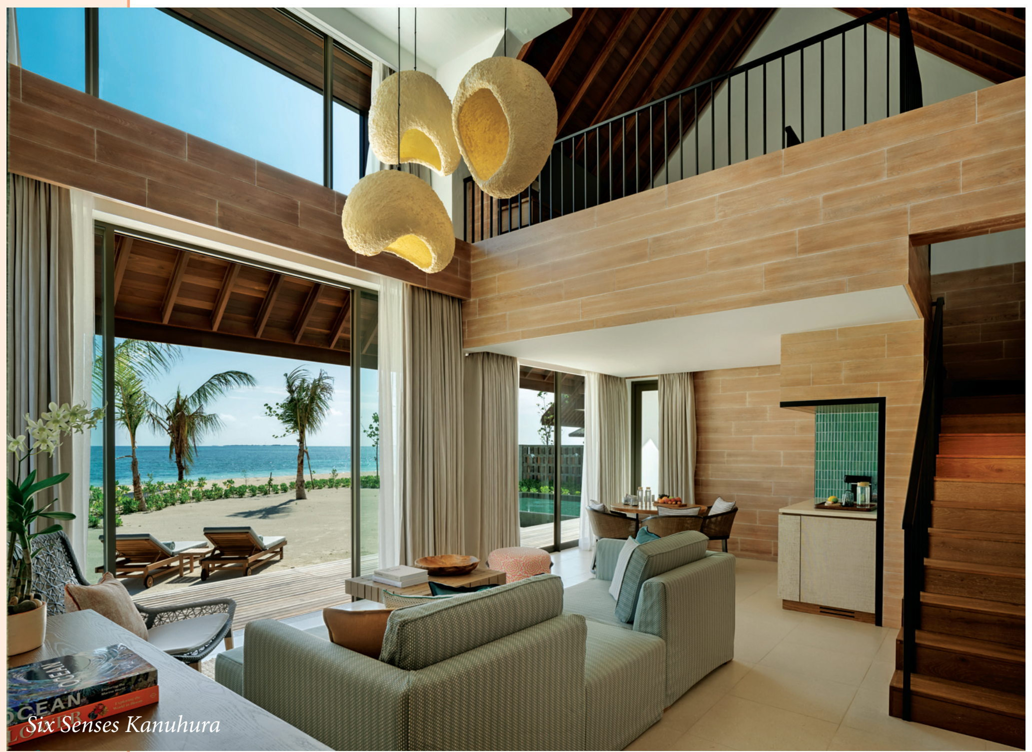
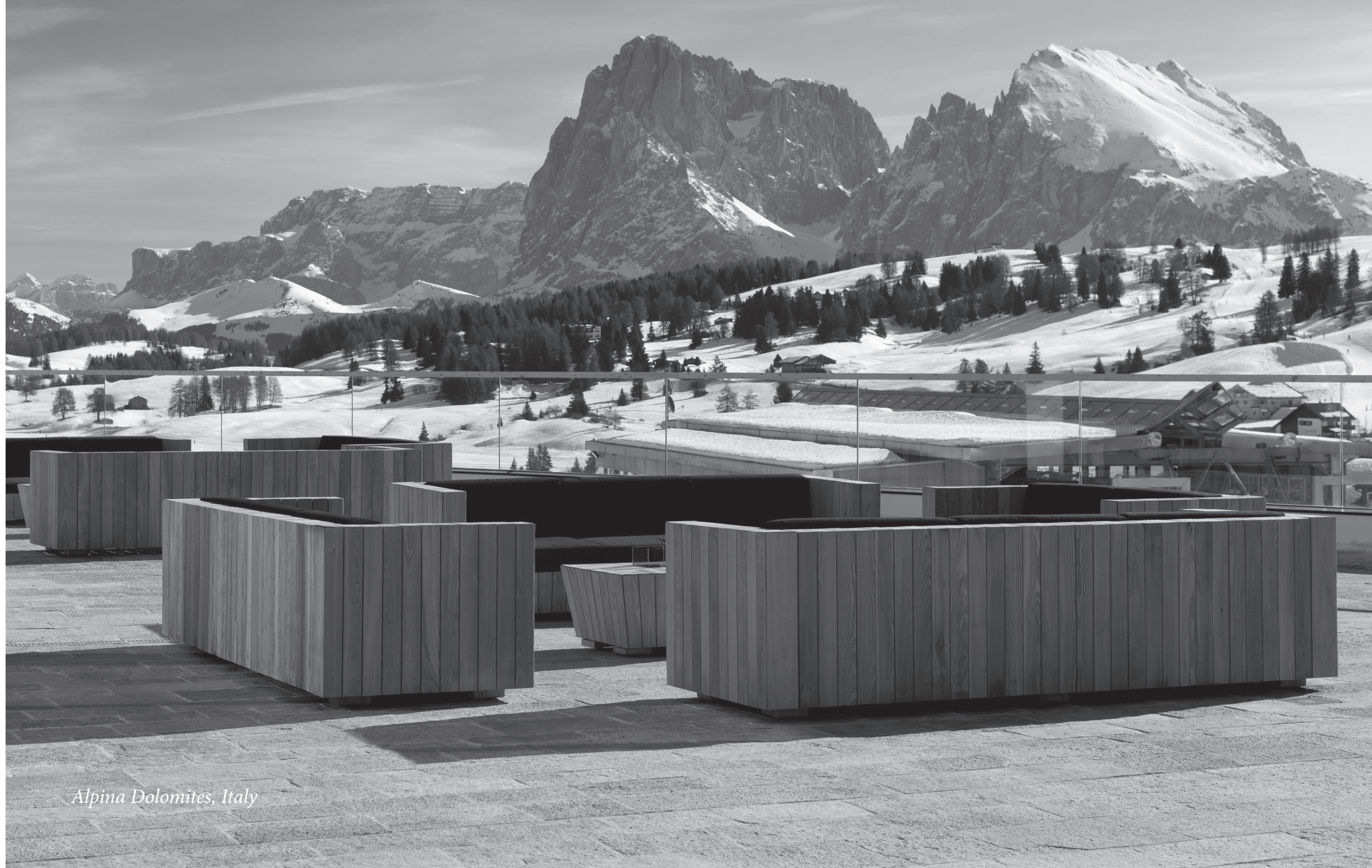
#08-01 HPL House
Singapore 249724
Telephone: 6734 5250



Six Senses Kanuhura

Financial Statements 2023



Alpina Dolomites, Italy

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2023.

In the opinion of the directors,

(a) the financial statements set out on pages 26 to 102 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 December 31, 2023, and the financial performance and cash flows of the Group and changes in equity of the Group and of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); 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.

1. DIRECTORS

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

Arthur Tan Keng Hock
Ong Beng Seng
Christopher Lim Tien Lock
Leslie Mah Kim Loong
David Fu Kuo Chen
Stephen Lau Buong Lik
Wong Liang Ying
Nicholas James Loup (appointed on May 8, 2023)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at anytime during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except as disclosed in this statement.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

Name of director and company in which interests are held	At beginning of year	At end of year
Shares in Hotel Properties Limited		
Ong Beng Seng	315,241,487*	315,241,487*
David Fu Kuo Chen	26,026,307	26,026,307
Christopher Lim Tien Lock	1,379,800	-
Stephen Lau Buong Lik	1,031,600	1,031,600

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and company in which interests are held	At beginning of year	At end of year
Shares in HPL Resorts (Maldives) Private Limited		
Ong Beng Seng	10,000**	10,000**
Shares in HPL Dolomites (UK) Limited		
Ong Beng Seng	100**	100**
Shares in HPL Properties (Indian Ocean) Pte Ltd and HPL Properties (Pacific Ocean) Pte Ltd		
Ong Beng Seng	10**	10**
Shares in HPL Ealing Pte Ltd		
Ong Beng Seng	10**	10**
David Fu Kuo Chen	3**	3**
Shares in Tiga Stars Pte Ltd		
Ong Beng Seng	10**	10**
Shares in Great Western Enterprises Limited		
Ong Beng Seng	132,750,020**	132,750,020**
David Fu Kuo Chen	39,825,006**	39,825,006**
Options to acquire ordinary shares under the Hotel Properties Limited Share Option Scheme		
Christopher Lim Tien Lock	5,300,000	5,300,000
Stephen Lau Buong Lik	4,500,000	4,500,000

* As at December 31, 2023, 205,429,232 (as at January 1, 2023: 205,429,232) shares are held by other persons or bodies corporate in which the director has interest by virtue of Section 7 of the Singapore Companies Act 1967.

** Held by other persons or bodies corporate in which the director has interest by virtue of Section 7 of the Singapore Companies Act 1967.

By virtue of Section 7 of the Singapore Companies Act 1967, Mr Ong Beng Seng is deemed to have an interest in the other related corporations of the Company.

There have been no changes in the above directors' interests as at January 21, 2024.

DIRECTORS' STATEMENT

4. **SHARE OPTIONS AND PERFORMANCE SHARES**

The Company has a share option scheme, known as Hotel Properties Employee Share Option Scheme 2010 ("Scheme 2010"), which was approved and adopted by the shareholders on April 29, 2010. The Company has a performance share plan, known as the Hotel Properties Limited Performance Share Plan 2017 ("HPL PSP 2017"), which was approved and adopted by the shareholders on April 27, 2017.

Scheme 2010 and HPL PSP 2017 are administered by the Remuneration Committee whose current members are:

Arthur Tan Keng Hock
Ong Beng Seng
Wong Liang Ying

a) Share Options Granted

No option to take up unissued shares of the Company or any corporation in the Group was granted during the financial year.

b) Share Options Exercised

There were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares during the financial year.

c) Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option except as follows:

Date of grant	Number of Share Options			Exercise price	Exercise period
	Balance at 1/1/23	Exercised / Cancelled	Balance at 31/12/23		
03/07/2014	3,225,000	-	3,225,000	$3.21	03/07/2016 – 02/07/2024
06/01/2015	3,300,000	-	3,300,000	$3.24	06/01/2017 – 05/01/2025
28/08/2015	2,475,000	-	2,475,000	$2.90	28/08/2017 – 27/08/2025
11/03/2016	2,350,000	-	2,350,000	$2.82	11/03/2018 – 10/03/2026
16/08/2017	2,350,000	-	2,350,000	$3.10	16/08/2019 – 15/08/2027
02/04/2019	2,350,000	-	2,350,000	$3.00	02/04/2021 – 01/04/2029
20/08/2019	2,325,000	-	2,325,000	$2.82	20/08/2021 – 19/08/2029
Total	18,375,000	-	18,375,000		

d) The information on directors of the Company participating in Scheme 2010 is as follows:

Name of director	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to the end of the financial year	Aggregate options exercised/lapsed since commencement of the Scheme to the end of the financial year	Aggregate options outstanding at the end of the financial year
Christopher Lim Tien Lock	-	6,650,000	1,350,000	5,300,000
Stephen Lau Buong Lik	-	5,550,000	1,050,000	4,500,000

Other than those disclosed above, no participant has received 5% or more of the total number of options available under Scheme 2010.

No options under Scheme 2010 were granted to controlling shareholders or their associates.

DIRECTORS' STATEMENT

4. **SHARE OPTIONS AND PERFORMANCE SHARES (CONT'D)**

e) Awards under Performance Share Plan

At the end of the financial year, there was no award of performance shares under the Performance Share Plan.

5. **AUDIT COMMITTEE**

The Audit Committee ("AC") currently comprises four non-executive independent directors namely, Mr Leslie Mah Kim Loong, Mr Arthur Tan Keng Hock, Mr Wong Liang Ying and Mr Nicholas James Loup, all of whom are independent directors. The AC is chaired by Mr Leslie Mah Kim Loong. The AC has held two meetings since the last Annual General Meeting and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- the audit plans and results of the internal auditors' examination and evaluation of the Group's system of internal accounting controls;
- the audit plan of the external auditors;
- the half-yearly and full year announcements of the results and financial position of the Company and the Group and the financial statements of the Company and consolidated financial statements of the Group prior to their submission to the board of directors;
- interested person transactions;
- the co-operation given by the Company's officers to the internal and external auditors; and
- the re-appointment of the external auditors of the Group.

The AC received co-operation from the management and was not obstructed or impeded by the management in carrying out its functions during the year. The AC has full discretion to invite any director or executive officer of the Company to attend its meetings.

The AC has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

6. **AUDITORS**

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Arthur Tan Keng Hock

Ong Beng Seng

March 27, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOTEL PROPERTIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hotel Properties Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2023, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 26 to 102.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore 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 December 31, 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

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

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 of the current year. 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.

Valuation for investment properties

Investment properties of the Group comprise commercial properties located in Singapore which amounted to $1,319.9 million as at December 31, 2023. These investment properties are stated at fair values based on independent external valuations carried out by independent valuers using the direct comparison method. The valuation of investment properties requires significant judgement and estimation. This involves judgement in selecting an appropriate valuation methodology and estimates which are used in the underlying assumptions. These estimates include adjustments made for differences between the subject properties and comparables of transacted property sales and redevelopment opportunities taking into consideration differences such as location, size and tenure.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOTEL PROPERTIES LIMITED

Our audit performed and responses thereon

Our audit procedures included obtaining and understanding of management's process in selecting the external valuers with the appropriate knowledge and experience and how the valuation reports are used in determining the fair values for accounting purpose. This include understanding management's assessment of the highest and best use of the investment properties. We evaluated the qualifications and competence of the external valuers.

We discussed with the independent valuer and involved our valuation specialists to understand and assess the appropriateness of the valuation methodology used and evaluated the resonableness of the underlying key assumptions and adjustments made.

We noted that the Group has a process to select valuers with the appropriate knowledge and to review and accept the valuations. We are satisfied with the competency and objectivity of the valuers selected. With the involvement of our valuation specialists, we noted the valuation methodologies used are in line with general market practices and the key assumptions, including adjustments made for differences between the subject properties and comprables of transacted property sales taking into consideration differences such as location, size and tenure, are also within a reasonable range. We have also assessed the disclosures in the financial statements to be appropriate.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HOTEL PROPERTIES LIMITED

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:

(a) 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.

(b) 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.

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

(d) 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.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HOTEL PROPERTIES LIMITED

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, related safeguards.

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 year 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 Hoe Chi-Hsien.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

March 27, 2024

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023

	Note	Group 2023 $'000	Group 2022* $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Current assets:					
Cash and bank balances	6	94,798	105,308	23,101	25,011
Held-for-trading investments	7	-	2,490	-	-
Trade and other receivables	8	96,078	79,903	6,339	3,490
Amount due from associates and jointly controlled entities	11	55,845	49,137	-	-
Amount due from subsidiaries	14	-	-	215,689	231,723
Inventories	9	15,502	14,207	134	129
Assets classified as held for sale	18	-	87,797	-	-
Completed properties held for sale	10	7,427	7,497	-	-
Total current assets		269,650	346,339	245,263	260,353
Non-current assets:					
Associates and jointly controlled entities	11	691,318	878,089	5,671	5,980
Subsidiaries	14	-	-	1,683,714	1,728,387
Investments	15	221,403	249,601	-	-
Property, plant and equipment	16	1,686,457	1,615,989	222,577	216,573
Investment properties	17	1,319,933	674,928	-	-
Long-term deposits	8	-	24,922	-	24,922
Deferred tax assets	22	2,580	3,319	-	-
Intangible assets	19	9,648	9,703	-	-
Total non-current assets		3,931,339	3,456,551	1,911,962	1,975,862
Total assets		**4,200,989**	**3,802,890**	**2,157,225**	**2,236,215**
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings	20	49,493	215,145	-	-
Trade and other payables	21	157,765	157,713	19,975	19,108
Amount due to subsidiaries	14	-	-	585	653
Income tax payable		9,859	3,778	-	-
Total current liabilities		217,117	376,636	20,560	19,761
Non-current liabilities:					
Advances from subsidiaries	14	-	-	308,355	450,024
Long-term borrowings	20	1,464,199	1,368,210	782,542	716,120
Long-term lease liabilities	23	105,400	114,535	-	-
Deferred tax liabilities	22	16,839	15,164	446	380
Total non-current liabilities		1,586,438	1,497,909	1,091,343	1,166,524
Share capital and reserves:					
Share capital	24	726,780	726,780	726,780	726,780
Treasury shares	25	(1,746)	(1,746)	(1,746)	(1,746)
Reserves		1,428,822	888,237	161,074	165,682
Equity attributable to owners of the Company		2,153,856	1,613,271	886,108	890,716
Perpetual capital securities	27	159,214	159,214	159,214	159,214
		2,313,070	1,772,485	1,045,322	1,049,930
Non-controlling interests		84,364	155,860	-	-
Total equity		2,397,434	1,928,345	1,045,322	1,049,930
Total liabilities and equity		**4,200,989**	**3,802,890**	**2,157,225**	**2,236,215**

See accompanying notes to financial statements.

* Certain comparative figures have been restated. Please refer to Note 39 for further details.

CONSOLIDATED INCOME STATEMENT

YEAR ENDED DECEMBER 31, 2023

	Note	Group 2023 $'000	Group 2022* $'000
Revenue	28	642,120	525,507
Cost of sales		(495,422)	(420,092)
Gross profit		146,698	105,415
Other operating income	29	25,789	8,020
Administrative expenses		(73,334)	(71,029)
Other operating expenses	29	(18,494)	(18,485)
Finance costs		(98,348)	(59,434)
Share of results of associates and jointly controlled entities		(56,381)	2,084
Loss before income tax and fair value changes in investment properties		(74,070)	(33,429)
Net fair value gain in investment properties	17	645,005	77,829
Profit before income tax	29	570,935	44,400
Income tax expense	30	(16,020)	(10,045)
Profit for the year		554,915	34,355
Attributable to:			
Owners of the Company		561,045	40,175
Non-controlling interests		(6,130)	(5,820)
		554,915	34,355
Earning per share (Cents):	31		
- basic		106.27	5.70
- diluted		106.08	5.69

See accompanying notes to financial statements.

* Certain comparative figures have been restated. Please refer to Note 39 for further details.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

	Group	
	2023 $'000	**2022* $'000**
Profit for the year	554,915	34,355
Other comprehensive income (loss), net of tax:		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligation	43	35
Share of other comprehensive income (loss) of a jointly controlled entity	11,229	(5,191)
	11,272	(5,156)
Items that may be reclassified subsequently to profit or loss		
Exchange fluctuation and other reserves	(4,211)	(34,517)
Share of other comprehensive income (loss) of associates and jointly controlled entities	11,185	(53,160)
	6,974	(87,677)
Total comprehensive income (loss) for the year	**573,161**	**(58,478)**
Attributable to:		
Owners of the Company	575,671	(47,013)
Non-controlling interests	(2,510)	(11,465)
	573,161	(58,478)

See accompanying notes to financial statements.

* Certain comparative figures have been restated. Please refer to Note 39 for further details.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023

Group	**Share capital $'000**	**Treasury shares $'000**	**Retained profits $'000**	**Other reserves $'000**	**Attributable to owners of the Company $'000**	**Perpetual capital securities $'000**	**Subtotal $'000**	**Non-controlling interests $'000**	**Total equity $'000**
				(Note 26)					
Balance as at January 1, 2022	725,493	(1,746)	994,086	(25,544)	1,692,289	307,966	2,000,255	90,886	2,091,141
Total comprehensive income (loss) for the year									
Profit (Loss) for the year*	-	-	40,175	-	40,175	-	40,175	(5,820)	34,355
Other comprehensive loss for the year*	-	-	(924)	(86,264)	(87,188)	-	(87,188)	(5,645)	(92,833)
Total	-	-	39,251	(86,264)	(47,013)	-	(47,013)	(11,465)	(58,478)
Transactions with owners, recognised directly in equity									
Dividends (Note 32)	-	-	(20,852)	-	(20,852)	-	(20,852)	-	(20,852)
Net movement during the year	-	-	(237)	(216)	(453)	-	(453)	76,439	75,986
Issue of shares	1,287	-	-	(240)	1,047	-	1,047	-	1,047
Total	1,287	-	(21,089)	(456)	(20,258)	-	(20,258)	76,439	56,181
Redemption of perpetual capital securities (Note 27)	-	-	(1,248)	-	(1,248)	(148,752)	(150,000)	-	(150,000)
Distribution to perpetual capital securities holders (Note 27)	-	-	(10,499)	-	(10,499)	-	(10,499)	-	(10,499)
Balance as at December 31, 2022 (restated)	**726,780**	**(1,746)**	**1,000,501**	**(112,264)**	**1,613,271**	**159,214**	**1,772,485**	**155,860**	**1,928,345**
Total comprehensive income (loss) for the year									
Profit (Loss) for the year	-	-	561,045	-	561,045	-	561,045	(6,130)	554,915
Other comprehensive income (loss) for the year	-	-	(361)	14,987	14,626	-	14,626	3,620	18,246
Total	-	-	560,684	14,987	575,671	-	575,671	(2,510)	573,161
Transactions with owners, recognised directly in equity									
Dividends (Note 32)	-	-	(26,065)	-	(26,065)	-	(26,065)	-	(26,065)
Net movement during the year	-	-	3	(1,984)	(1,981)	-	(1,981)	(68,986)	(70,967)
Total	-	-	(26,062)	(1,984)	(28,046)	-	(28,046)	(68,986)	(97,032)
Distribution to perpetual capital securities holders (Note 27)	-	-	(7,040)	-	(7,040)	-	(7,040)	-	(7,040)
Balance as at December 31, 2023	**726,780**	**(1,746)**	**1,528,083**	**(99,261)**	**2,153,856**	**159,214**	**2,313,070**	**84,364**	**2,397,434**

* Certain comparative figures have been restated. Please refer to Note 39 for further details.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023 (CONT'D)

Company	Share capital $'000	Treasury shares $'000	Retained profits $'000	Other reserves $'000	Attributable to owners of the Company $'000	Perpetual capital securities $'000	Total equity $'000
				(Note 26)			
Balance as at January 1, 2022	725,493	(1,746)	149,932	11,023	884,702	307,966	1,192,668
Total comprehensive income for the year							
Profit for the year	-	-	37,566	-	37,566	-	37,566
Total	-	-	37,566	-	37,566	-	37,566
Transactions with owners, recognised directly in equity							
Dividends (Note 32)	-	-	(20,852)	-	(20,852)	-	(20,852)
Net movement during the year	-	-	95	(95)	-	-	-
Issue of shares	1,287	-	-	(240)	1,047	-	1,047
Total	1,287	-	(20,757)	(335)	(19,805)	-	(19,805)
Redemption of perpetual capital securities (Note 27)	-	-	(1,248)	-	(1,248)	(148,752)	(150,000)
Distribution to perpetual capital securities holders (Note 27)	-	-	(10,499)	-	(10,499)	-	(10,499)
Balance as at December 31, 2022	**726,780**	**(1,746)**	**154,994**	**10,688**	**890,716**	**159,214**	**1,049,930**
Total comprehensive income for the year							
Profit for the year	-	-	28,497	-	28,497	-	28,497
Total	-	-	28,497	-	28,497	-	28,497
Transactions with owners, recognised directly in equity							
Dividends (Note 32)	-	-	(26,065)	-	(26,065)	-	(26,065)
Total	-	-	(26,065)	-	(26,065)	-	(26,065)
Distribution to perpetual capital securities holders (Note 27)	-	-	(7,040)	-	(7,040)	-	(7,040)
Balance as at December 31, 2023	**726,780**	**(1,746)**	**150,386**	**10,688**	**886,108**	**159,214**	**1,045,322**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	627,316	42,316
Adjustments for:		
Amortisation of intangible assets	52	55
Depreciation expense	78,002	76,499
Net fair value gain in investment properties	(645,005)	(77,829)
Net fair value loss in held-for-trading investments	55	75
Net fair value loss in investments	11,926	17,329
Net gain on disposal of property, plant and equipment	(15,086)	(187)
Finance costs	98,348	59,434
Interest income	(2,226)	(1,437)
Dividend income	(6,721)	(2,763)
Profit before working capital changes	146,661	113,492
Trade and other payables	(274)	42,614
Trade and other receivables	(9,521)	(6,990)
Held-for-trading investments	2,435	911
Inventories	(1,573)	(2,112)
Cash generated from operations	137,728	147,915
Dividend received	6,721	2,763
Income tax paid	(7,912)	(5,755)
Net cash from operating activities	136,537	144,923
Cash flows used in investing activities:		
Additional property, plant and equipment	(139,208)	(132,308)
Net additional investments	(192)	(8,190)
Net deposits refunded from investments	-	1,709
Net repayment from (investment in) associates and jointly controlled entities*	74,385	(230,344)
Proceeds from disposal of investment properties	87,797	-
Proceeds from disposal of property, plant and equipment	14,411	1,430
Net cash from (used in) investing activities	37,193	(367,703)

* Includes interest income of $208,000 (2022: $216,000) and dividend income of Nil (2022: $18,439,000) received from associates and jointly controlled entities during the year.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023 (CONT'D)

	Group	
	2023 $'000	**2022 $'000**
Cash flows from financing activities:		
Interest received	2,226	1,437
Finance costs paid	(93,771)	(53,310)
Repayment of lease liabilities	(2,386)	(9,687)
Dividend paid	(26,065)	(20,852)
Distribution to perpetual capital securities holders	(7,040)	(10,499)
Net receipts from non-controlling shareholders	8,483	76,796
Additional borrowings	296,022	642,062
Repayment of borrowings	(360,789)	(228,947)
Decrease (Increase) in deposits under pledge to bank	14,047	(13,196)
Redemption of perpetual capital securities	-	(150,000)
Proceeds from issue of shares	-	1,047
Net cash (used in) from financing activities	(169,273)	234,851
Net increase in cash and cash equivalents	4,457	12,071
Cash and cash equivalents at beginning of year	87,898	81,365
Effect of exchange rate changes on cash balances held in foreign currencies	(1,278)	(5,538)
Cash and cash equivalents at end of year	**91,077**	**87,898**

The cash and cash equivalents as at December 31, 2023, for the purposes of Consolidated Statement of Cash Flows, comprise cash and bank balances less deposits pledged to banks (Note 6).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Group	
	2023 $'000	**2022 $'000**
Borrowings, lease liabilities and interest payable:		
As at beginning of the year	1,704,906	1,325,227
(Net disposal of) New lease liabilities	(6,288)	21,039
Financing cash flows [1]	(160,924)	350,118
Finance costs	98,346	59,434
Foreign exchange movement	(7,793)	(48,151)
Other changes	(168)	(2,761)
As at end of the year	1,628,079	1,704,906

Note:

[1] The cash flows make up the net amount of additional borrowings, repayment of borrowings, finance costs paid and repayment of lease liabilities in the consolidated statement of cash flows. Total cash outflow for leases in 2023 was $13,471,000 (2022: $21,588,000).

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. GENERAL INFORMATION

The Company (Registration No. 198000348Z) is incorporated in the Republic of Singapore with its principal place of business and registered office at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724. The principal place of business for the hotel operations of Voco Orchard Singapore is at 581 Orchard Road, Singapore 238883. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of a hotelier and an investment holding company. The principal activities of subsidiaries, significant associates and jointly controlled entities are described in Notes 36, 37 and 38 respectively to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2023 were authorised for issue by the Board of Directors on March 27, 2024.

2.1 BASIS OF PREPARATION

BASIS OF PREPARATION - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

2.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group and the Company adopted all the new and revised SFRS(I) Accounting Standards that are mandatory and relevant to its operations and effective for an accounting period that begins on or after January 1, 2023. The adoption of these new/revised SFRS(I) standards has not had any material impact on the disclosures or the amounts reported in these financial statements except as below.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*

The Group and the Company have adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2.3 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following amendments to SFRS(I) that are relevant to the Group and the Company were issued but not effective during the financial year:

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

The above amendments are not expected to have a significant impact on the Group and Company.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

FAIR VALUE MEASUREMENT – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payments*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used in line with the Group's accounting policies.

All significant intra-group transactions and balances are eliminated on consolidation.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATION – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of each acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed by the Group, and any equity interests issued by the Group, in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair values, with changes in fair values recognised in profit or loss.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I)s are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity and net advances.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

For the acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in SFRS(I) 1-38 *Intangible Assets*) and liabilities assumed. The cost of acquisition is allocated to the individual assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

<u>Financial assets</u>

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVTOCI); and
- Fair value through profit or loss (FVTPL).

Financial assets classified as at amortised cost

These mainly comprise cash and cash equivalents and trade and other receivables.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is recognised in profit or loss.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Debt instruments classified as measured at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value is determined in the manner described in the respective note to financial statements. These debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments recognised in other comprehensive income and accumulated under the heading of other capital reserve. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

<u>Equity instruments</u>

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an investment-by-investment basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Movements in fair values of investments classified as FVTOCI are taken to "other reserves" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- The Group classified all debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria as FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as FVTPL upon initial recognition if such designation eliminate or significantly reduce any measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as FVTPL.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in the respective notes to the financial statements.

<u>Impairment of financial assets</u>

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets at amortised costs and debt instruments measured at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The lifetime ECL on trade receivables are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Group measures the loss allowance based on lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL ("12m ECL"). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the hotel and residential properties development industries.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- significant increases in credit risk on other financial instruments of the same debtor.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in other capital reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in other capital reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps to hedge its risks associated with exchange rate fluctuations. The Group maintains natural hedges, whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its investments. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges or hedges of net investments in foreign operations as appropriate.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the exchange fluctuation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in the same line as the hedged item in profit or loss when the hedging instrument hedges an equity instrument designated at FVTPL.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group and the Company have a legally enforceable right to set off the recognised amounts; and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

FINANCIAL GUARANTEE CONTRACT LIABILITES - Financial guarantee contract liabilities are measured initially at their fair values and are measured subsequently, if applicable, at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the principles of SFRS(I) 15.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving average/first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

COMPLETED PROPERTIES HELD FOR SALE – Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is calculated using the specific identification method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in the marketing and selling.

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and jointly controlled entities (collectively referred to as "equity accounted investees") are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, investments in equity accounted investees are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the investees. Losses of an investee in excess of the Group's interest in that investee (which includes any long-term interests that, in substance, form part of the Group's net investment in the investee) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

An investment in an equity accounted investee is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the equity accounted investees recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss.

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2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an equity accounted investee. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an equity accounted investee, or when the investment is classified as held for sale. When the Group retains an interest in the former investee and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the equity accounted investee at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the equity accounted investee is included in the determination of the gain or loss on disposal of the investee. In addition, the Group reclassifies to profit or loss all amounts previously recognised in other comprehensive income in relation to that investee on the same basis as would have been required if that investee had directly disposed of the related assets or liabilities.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an equity accounted investee but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an equity accounted investee of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant equity accounted investees.

The gain or loss arising on the disposal of an equity accounted investee of the Group is determined as the difference between the sales proceeds and its net carrying amount and is recognised in profit or loss. Amounts previously recognised in other comprehensive income in relation to the equity accounted investee are reclassified from equity to profit or loss (as a reclassification adjustment) upon disposal.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost or valuation, less accumulated depreciation and any accumulated impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Operating equipment is written off based on periodic physical inventory counts. Depreciation is charged so as to write off the cost of assets, other than freehold and long-term leasehold land and construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and property	-	19 to 89 years
Buildings and improvements	-	5 to 50 years
Plant and equipment, furniture, fixtures and fittings	-	3 to 20 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not provided on freehold and long-term leasehold land and construction-in-progress. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

INVESTMENT PROPERTIES – Investment properties are held on a long-term basis for investment potential and income. Investment properties are measured initially at their cost, including transaction cost. Subsequent to initial recognition, investment properties are stated at their fair values based on valuation performed by professional valuers on an open market value basis. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss for the period in which they arise.

INTANGIBLE ASSETS – These comprise goodwill and franchise rights. Franchise rights are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives of 20 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

LEASES – Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

As a lessee, the Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability are fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligations. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation, and is discounted to present value where the effect is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS – The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

a) Sales other than revenue from development properties are recognised when the control of the goods or services underlying the particular performance obligation is transferred to the customer;
b) Revenue from development properties is recognised in accordance with the Group's accounting policy on development properties (see above);
c) Hotel room revenue is recognised at a point in time based on room occupancy while other hotel revenue are recognised at a point in time when the goods are delivered or the services are rendered to the customers;
d) Rental income is recognised on a straight-line basis over the term of the relevant lease;
e) Management fee income is recognised when services are rendered;
f) Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable; and
g) Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined by actuarial valuations carried out at the end of each reporting period. Remeasurement, comprising actuarial gains or losses, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of a plan amendment.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and respective subsidiaries operate by the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates (and tax laws) that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except where they arise from the initial accounting for a business combination, in which case the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's exchange fluctuation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in exchange fluctuation reserve (attributed to non-controlling interest, as appropriate). Such reserves are reclassified from equity to profit or loss (as a reclassification adjustment) on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with SFRS(I)s requires the exercise of judgement, the use of estimates and assumptions concerning the future by management.

The Group on its own or in reliance on third party experts, applies estimates, judgements and assumptions in various areas including the following:

i) Impairment of tangible and intangible assets.
Determining whether an asset is impaired requires an estimation of the recoverable amount of this asset. The recoverable amount of the asset is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is largely based on the fair value of the asset determined by independent professional valuer. The value in use calculation requires the Group to estimate the future cash flows expected from the assets and an appropriate discount rate in order to calculate the present value of the future cash flows. The net realisable value of completed properties held for sale is estimated based on recent transacted sales of the existing units as well as similar properties in the surrounding location. The assessment is performed on a unit-by-unit basis taking into consideration the location and type of the underlying unit.

ii) Determination of fair value of unquoted investments and investment properties, where the details are described in Notes 15 and 17 respectively.

iii) Assessment of adequacy of provision for income taxes.
The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. The Group recognises the expected liabilities for tax based on an estimation of the likely taxes due, which requires judgement as to the ultimate tax determination of certain items, where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made.

These estimates, judgements and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The carrying amounts of the above are disclosed in the respective notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Financial assets				
Financial assets at amortised cost	196,844	182,956	1,773,721	1,834,174
Financial assets measured at FVTPL	221,403	252,091	-	-
Financial liabilities				
Financial liabilities at amortised cost	1,668,917	1,738,912	1,111,457	1,185,905
Lease liabilities	107,940	116,691	-	-

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, liquidity risk and market risk. The policies for managing each of these risks are summarised below.

<u>Interest rate risk management</u>

The Group's and the Company's exposure to the risk of changes in interest rates relates mainly to bank borrowings and advances to and from subsidiaries respectively. The Group actively reviews its debt portfolio to achieve the most favourable interest rates available. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Hedging instruments such as interest rate swaps are also used where appropriate to minimise its exposure to interest rate volatility.

In 2022, the Group transitioned most of its bank loans linked to USD LIBOR to the Secured Overnight Financing Rate as a direct consequence of the reform and on an economically equivalent basis. As at end of the previous reporting period, the Group had USD LIBOR bank loans amounted to approximately $93 million maturing in 2023 to 2025. During the financial year, the Group has completed the transition of these bank loans to the Secured Overnight Financing Rate.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposures to interest rates for significant non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

At the end of the reporting period, it is estimated that a 50 basis point increase (decrease) in interest rates would (decrease) increase the Group's and the Company's profit before tax by approximately ($4.3 million) and $0.3 million respectively (2022: ($5.3 million) and ($0.7 million) respectively).

Foreign exchange risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States dollar, Sterling pound and Euro.

The Group maintains natural hedges, whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its investments. Hedging instruments such as cross currency swaps are also used where appropriate to hedge its exposure to foreign exchange risk.

At the reporting date, the significant carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies, after taking into consideration the cross currency swaps, where applicable, are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
United States dollar	206,878	297,220	273,006	291,842	135,623	146,306	145,135	158,237
Sterling pound	127,892	252,837	174,415	238,651	-	15,705	-	15,996
Euro	124,385	117,235	65,339	78,269	-	27,214	1,379	27,214

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

Foreign currency sensitivity

The sensitivity analysis uses a 10% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only significant outstanding foreign currency denominated monetary items not designated as hedge and adjusts their translation at the year end for a 10% change in foreign currency rates. The following table details the sensitivity to a 10% increase/decrease in the functional currency against the relevant foreign currencies. If the functional currency strengthens by 10% against the relevant foreign currency, profit before tax and other equity will increase (decrease) by:

	US dollar impact		Sterling pound impact		Euro impact	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group						
Profit before tax	(3,037)	(1,271)	4	(28)	(142)	(1)
Other equity	(3,576)	1,809	(4,657)	1,447	6,047	3,898
Company						
Profit before tax	(951)	(1,193)	-	(29)	(138)	-

If the functional currency weakens by 10% against the relevant foreign currency, profit before tax and other equity will (increase) decrease by the same amounts.

Credit risk management

The Group has a diversified portfolio of businesses and at the end of the reporting period, there was no significant concentration of credit risk with any entity, except for balances due from certain jointly controlled entities and subsidiaries which individually accounted for 5% or more of the total receivables of the Group and the Company respectively. The Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. The Group and the Company have considered the credit quality of the advances and receivables and determined that the credit loss is low except as disclosed.

The carrying amount of advances and receivables (including cash and bank balances) represents the maximum credit risk exposure for the Group and the Company at the end of the reporting period.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition unless the Group has reasonable and supportable information to indicate that amount is subject to low credit risk.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired and adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's and the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

2023	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	23,741	(474)	23,267
Other receivables	8	(b)	12-month ECL	7,794	-	7,794
Amount due from associates – current	12	(b)	12-month ECL	3,406	-	3,406
Non-current advances to associates	12	(b)	12-month ECL	453	-	453
Amount due from jointly controlled entities – current	13	(b)	12-month ECL	52,439	-	52,439
					(474)	
Company						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	2,160	(38)	2,122
Other receivables	8	(b)	12-month ECL	3,126	-	3,126
Non-current advances to associates	12	(b)	12-month ECL	453	-	453
Amount due from subsidiaries – current	14	(b)	12-month ECL	215,689	-	215,689
Non-current advances to subsidiaries	14	(b)	12-month ECL	1,553,460	(23,777)	1,529,683
					(23,815)	

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

2022	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	24,929	(717)	24,212
Other receivables	8	(b)	12-month ECL	4,299	-	4,299
Amount due from associates – current	12	(b)	12-month ECL	4,080	-	4,080
Non-current advances to associates	12	(b)	12-month ECL	763	-	763
Amount due from jointly controlled entities – current	13	(b)	12-month ECL	45,057	-	45,057
					(717)	
Company						
Trade receivables	8	(a)	Lifetime ECL (simplified approach)	1,112	(60)	1,052
Other receivables	8	(b)	12-month ECL	141	-	141
Non-current advances to associates	12	(b)	12-month ECL	763	-	763
Amount due from subsidiaries – current	14	(b)	12-month ECL	231,723	-	231,723
Non-current advances to subsidiaries	14	(b)	12-month ECL	1,598,133	(23,777)	1,574,356
					(23,837)	

(a) The Group and the Company determine the expected credit losses on these items estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(b) The Group and the Company determine the expected credit losses on these items by taking into account the financial position of the other receivables, associates, jointly controlled entities and subsidiaries, adjusted for factors that are specific to these companies and general economic conditions of the industries in which they operate.

The Group and the Company have adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group and the Company only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

The Group and the Company have no significant concentration of credit risk with any single customer or group of customers.

Further details of credit risks on trade and other receivables, amount due from associates, jointly controlled entities and subsidiaries are disclosed in Notes 8, 12, 13 and 14 respectively.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

Liquidity risk management

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

Liquidity risk analysis

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments:

		Contractual cash flows (including interest payments)			
	Carrying amount $'000	**Total $'000**	**On demand or within 1 year $'000**	**Within 2 to 5 years $'000**	**After 5 years $'000**
Group					
2023					
Non-interest bearing	155,224	155,224	155,224	-	-
Interest bearing	1,621,633	2,135,231	142,830	1,710,550	281,851
	1,776,857	2,290,455	298,054	1,710,550	281,851
2022					
Non-interest bearing	155,557	155,557	155,557	-	-
Interest bearing	1,700,046	2,147,862	297,813	1,379,694	470,355
	1,855,603	2,303,419	453,370	1,379,694	470,355
Company					
2023					
Non-interest bearing	20,560	20,560	20,560	-	-
Interest bearing	1,090,897	1,249,761	52,179	1,197,582	-
	1,111,457	1,270,321	72,739	1,197,582	-
2022					
Non-interest bearing	19,761	19,761	19,761	-	-
Interest bearing	1,166,144	1,293,700	48,742	1,118,624	126,334
	1,185,905	1,313,461	68,503	1,118,624	126,334

The Group and the Company have provided corporate guarantees of approximately $642 million (2022: $612 million) and $1,170 million (2022: $1,285 million) respectively to financial institutions in respect of credit facilities granted to certain associate, certain jointly controlled entities and certain subsidiaries respectively at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

The Group and the Company are exposed to credit risk in respect of the corporate guarantees they have provided. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the associate, jointly controlled entities and subsidiaries. The maximum exposure to credit risk in respect of these financial guarantees at year end is as disclosed above. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group and the Company have assessed that these associate, jointly controlled entities and subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

The earliest period that the corporate guarantees could be called is within 1 year (2022: 1 year) from the end of the reporting period. Based on expectations at the end of the reporting period, the Group and the Company consider that it is more likely than not that no amount will be payable under the arrangements. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses. The Group and the Company have also obtained bankers' guarantees as disclosed in Note 20.

The Group's financial assets are due on demand or within 1 year. The Company's financial assets are due on demand or within 1 year except for certain non-current advances to subsidiaries (Note 14).

Market risk management

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to quoted securities or factors affecting all securities traded in the market.

The Group has invested in various securities. The valuations and liquidity of these investments are subject to market risk.

At the end of the reporting period, it is estimated that a 10% change in market prices would have an impact on the Group's profit before tax for the year by approximately $10.0 million (2022: $11.7 million).

Capital management

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 shareholder value.

The total capital of the Group as at the end of the reporting period is represented by the "Equity attributable to owners of the Company" as presented on the statements of financial position.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives during the years ended December 31, 2023 and 2022.

Fair values of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

The carrying amounts of long-term financial liabilities and financial assets comprising mainly long-term borrowings and certain advances to subsidiaries approximate their respective fair values as they are based on interest rates that approximate market interest rates, except as disclosed in Note 20(a).

The fair values of other classes of financial assets and liabilities are determined as follows:

i) the fair value of financial assets and financial liabilities traded on active liquid markets are determined with reference to quoted market prices; and

ii) the fair value of unquoted financial instruments are determined in accordance with Note 15.

The table below analyses financial instruments carried at fair value, by valuation method.

	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group				
2023				
Financial assets				
Investments	221,403	99,730	-	*121,673
2022				
Financial assets				
Held-for-trading investments	2,490	2,490	-	-
Investments	249,601	114,075	14,486	*121,040

* The key unobservable input used to determine this fair value is the net asset value. The higher the net asset value, the higher the fair value of the investments.

Reconciliation of level 3 fair value measurements:

	Group 2023 $'000	Group 2022 $'000
Unquoted investments		
Opening balance	121,040	109,589
Total net gain in profit or loss	441	6,994
Net purchases	192	4,457
Closing balance	121,673	121,040

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

a) Significant transactions with such related parties during the year, other than those disclosed elsewhere in the financial statements, are as follows:

	Group 2023 $'000	Group 2022 $'000
Transactions with companies in which certain directors are deemed to have interests:		
Management fee and other expense	1,843	1,478
Management fee income	(1,365)	(1,621)
Hotel revenue and rental income	(6,895)	(8,101)
Transactions with associates:		
Management fee income	(676)	(651)

b) The remuneration of directors and other members of key management during the year was as follows:

	Group 2023 $'000	Group 2022 $'000
Short-term benefits	15,013	14,415
Post-employment benefits	335	298
	15,348	14,713

6. CASH AND BANK BALANCES

a) As at December 31, 2023, cash and bank balances of the Group of approximately $3,721,000 (2022: $17,410,000) were pledged to the banks to secure certain credit facilities.

b) Certain bank deposits of the Group bear annual interest ranging from 0.01% to 13.8% (2022: 0.01% to 15%). The interest rate is re-fixed on a short-term basis typically 6 months or less.

7. HELD-FOR-TRADING INVESTMENTS

	Group 2023 $'000	Group 2022 $'000
Quoted equity shares, at fair value	-	2,490

The fair values of these quoted equity shares were based on closing quoted market prices on the last market day of the previous financial year, with fair value changes taken to profit or loss.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	23,741	24,929	2,160	1,112
Less: Loss allowance	(474)	(717)	(38)	(60)
	23,267	24,212	2,122	1,052
Deposits placed for investments	20,016	46,305	-	24,922
Other deposits	9,449	9,250	698	1,949
Amount receivable from redemption of unquoted debt securities (Note 15)	15,140	-	-	-
Other receivables	7,794	4,299	3,126	141
Prepayments	20,412	20,759	393	348
Total	96,078	104,825	6,339	28,412
Analysed as:				
Current	96,078	79,903	6,339	3,490
Non-current	-	24,922	-	24,922
	96,078	104,825	6,339	28,412

As at January 1, 2022, the Group's and the Company's trade receivables from contracts with customers amounted to $21,949,000 and $780,000 respectively (net of loss allowance of $1,500,000 and $1,000 respectively).

During the year, long-term deposits of $24,922,000 were transferred to Property, plant and equipment (Note 16).

Interest is charged at rates ranging from 2% to 18% (2022: 2% to 18%) per annum on certain overdue trade balances.

Included in the Group's trade receivables balance are debtors with a carrying amount of $6.3 million (2022: $6.7 million) which are past due as at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 61 days (2022: 51 days).

Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services. Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, as well as historical experience and forward-looking information that is available, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable. The concentration of credit risk is limited due to the customer base being large and unrelated to one another.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Hence, an amount of $161,000 (2022: $1,022,000) was written off during the financial year.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. TRADE AND OTHER RECEIVABLES (CONT'D)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Balance at beginning of year	717	1,500	60	1
Amount written off during the year	(161)	(1,022)	-	-
Net (decrease) increase in allowance recognised in profit or loss	(77)	232	(22)	59
Exchange realignment	(5)	7	-	-
Balance at end of year	474	717	38	60

9. INVENTORIES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Saleable merchandise	10,704	10,083	134	129
Operating supplies	4,798	4,124	-	-
Total	15,502	14,207	134	129

10. COMPLETED PROPERTIES HELD FOR SALE

Group

Location	Title	Description
The Met 123 South Sathorn Road, Bangkok, Thailand	Freehold	9 (2022: 9) condominium units with an aggregate floor area of approximately 20,969 (2022: 20,969) square feet

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

11. ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
		(Restated)		
Associates (Note 12)	370,662	341,885	5,671	5,980
Jointly controlled entities (Note 13)	320,656	536,204	-	-
Total	691,318	878,089	5,671	5,980
Amount due from associates – current (Note 12)	3,406	4,080	-	-
Amount due from jointly controlled entities – current (Note 13)	52,439	45,057	-	-
Total	55,845	49,137	-	-

12. ASSOCIATES

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Cost of investments in associates (1)	372,382	381,894	-	-
Share of post-acquisition results and reserves net of dividend received	(214,956)	(198,777)	-	-
Advances to associates (2)	213,507	159,039	5,671	5,980
Impairment loss	(271)	(271)	-	-
Net (Note 11)	370,662	341,885	5,671	5,980

(1) During the financial year, equity contribution of $2,750,000 (2022: $4,125,000) was made in associates of the Group in which a director is deemed to have interest.

(2) Advances to associates are in substance net investment except for an amount of $453,000 which bears interest rates ranging from 4.9% to 5.4% (2022: 3.8% to 4.9%) per annum.

For the purpose of impairment assessment, the amount due from associates (classified as current asset) are considered to have low credit risk as there has been no significant increase in the risk of default since initial recognition. In determining the ECL, management has taken into account the financial position of the associates, adjusted for factors that are specific to the associates and general economic conditions of the industry in which the associate operates, in estimating the probability of default of the advances as well as the loss upon default and determines the advances to associates are subject to immaterial credit loss.

As at December 31, 2023, the amount due from associates (current) to the Group of $3,406,000 (2022: $4,080,000) are unsecured, interest-free and repayable on demand, except for the amount of $2,104,000 (2022: $2,753,000) due to the Group which bears interest ranging from 5.5% to 6.0% (2022: 5.5% to 6.0%) per annum.

Information relating to significant associates is shown in Note 37 to the financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

13. JOINTLY CONTROLLED ENTITIES

	Group	
	2023 $'000	**2022 $'000**
		(Restated)
Cost of investments in jointly controlled entities	302,597	302,597
Share of post-acquisition results and reserves net of dividend received	(274,721)	(239,716)
Advances to jointly controlled entities (1)	296,240	476,783
Impairment loss	(3,460)	(3,460)
Net (Note 11)	320,656	536,204

(1) Advances to jointly controlled entities are in substance net investment.

For the purpose of impairment assessment, the amount due from jointly controlled entities (classified as current asset) are considered to have low credit risk as there has been no significant increase in the risk of default since initial recognition. In determining the ECL, management has taken into account the financial position of the jointly controlled entities, adjusted for factors that are specific to the jointly controlled entities and general economic conditions of the industry in which the jointly controlled entity operates, in estimating the probability of default of the advances as well as the loss upon default and determines the advances to jointly controlled entities are subject to immaterial credit loss.

As at December 31, 2023, the amount due from jointly controlled entities (current) to the Group of $52,439,000 (2022: $45,057,000) is unsecured, interest-free and repayable on demand.

During the financial year, advances of $59,198,000 (2022: $37,003,000) were made to jointly controlled entities of the Group in which a director is deemed to have interest.

Information relating to significant jointly controlled entities is shown in Note 38 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

14. SUBSIDIARIES

	Company	
	2023 $'000	**2022 $'000**
Total advances to subsidiaries	1,769,149	1,829,856
Less: Impairment loss	(23,777)	(23,777)
	1,745,372	1,806,079
Less: Amount due from subsidiaries classified as current asset	(215,689)	(231,723)
Non-current advances to subsidiaries	1,529,683	1,574,356
Unquoted equity shares, at cost	154,031	154,031
Total	1,683,714	1,728,387

The non-current advances to subsidiaries of $1,529,683,000 (2022: $1,574,356,000) are unsecured, substantially non-trade in nature and have been classified as non-current assets as the Company does not expect repayment within 12 months from the end of the reporting date. These advances are interest-free except for the amount of $396,120,000 (2022: $389,234,000) which bears annual interest at rates ranging from 3.9% to 4.9% (2022: 1.4% to 4.5%) per annum.

The amounts due from subsidiaries (current) of $215,689,000 (2022: $231,723,000) are unsecured, interest-free and repayable on demand except for the amount of $53,518,000 (2022: $86,793,000) which bears annual interest at rates ranging from 3.9% to 4.9% (2022: 1.4% to 5.2%) per annum.

For the purpose of impairment assessment, the advances to/amount due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in the risk of default on the advances since initial recognition. Accordingly, for the purpose of impairment assessment of the advances, the loss allowance is measured at an amount equal to 12-month expected ECL. In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiary operates, in estimating the probability of default of the advances as well as the loss upon default and determines the advances to subsidiaries are subject to immaterial credit loss.

As at December 31, 2023, the amount due to subsidiaries of $585,000 (2022: $653,000) are unsecured, interest-free and repayable on demand. The advances from subsidiaries of $308,355,000 (2022: $450,024,000) bear interest at rates ranging from 3.1% to 6.7% (2022: 1.1% to 5.2%) per annum and are unsecured.

During the financial year, interest income from and interest expense to subsidiaries amounted to $22,019,000 and $20,529,000 respectively (2022: $14,350,000 and $11,012,000 respectively).

Information relating to subsidiaries is shown in Note 36 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

15. INVESTMENTS

	Group	
	2023 $'000	**2022 $'000**
Non-current:		
Financial assets measured at FVTPL		
Quoted equity shares	99,730	114,075
Unquoted equity shares	121,673	121,040
Unquoted debt securities	-	14,486
	221,403	249,601

The Group's investments in equity instruments and debt instruments have been designated as at FVTPL on an investment-by-investment basis.

The fair values of the quoted equity shares were determined based on market prices at the end of the reporting period. The fair values of the unquoted equity shares and debt securities were determined based on the net asset values of these investments which approximate the fair values. The debt securities bore fixed interest rate at 5.0% (2022: 5.0%) per annum and mature in 2025 (2022: 2025). The unquoted debt securities were reclassified to Other receivables (Note 8) upon notification of redemption prior to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold and long-term leasehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment, furniture, fixtures and fittings $'000	Construction-in-progress $'000	Total $'000
Group					
Cost:					
At January 1, 2022	896,181	1,098,635	615,042	46,937	2,656,795
Additions	2,920	22,219	11,871	115,943	152,953
Additions arising from reclassification of a jointly-controlled entity to a subsidiary due to additional interest acquired	-	-	-	9,630	9,630
Reclassifications	19	4,378	14,461	(18,858)	-
Disposals	(953)	(1,347)	(5,617)	-	(7,917)
Exchange realignment	(38,144)	(11,701)	(10,124)	(3,848)	(63,817)
At December 31, 2022	860,023	1,112,184	625,633	149,804	2,747,644
Additions	2,060	12,101	22,370	113,692	150,223
Additions arising from transfer of long-term deposits (Note 8)	-	-	-	24,922	24,922
Reclassifications	8	114,337	35,881	(150,226)	-
Disposals	(25)	(11,304)	(7,282)	(1,252)	(19,863)
Exchange realignment	(3,320)	(18,214)	(6,695)	(580)	(28,809)
At December 31, 2023	858,746	1,209,104	669,907	136,360	2,874,117
Accumulated depreciation:					
At January 1, 2022	169,618	407,305	492,781	-	1,069,704
Depreciation for the year	9,534	30,815	36,150	-	76,499
Disposals	(57)	(1,185)	(5,274)	-	(6,516)
Exchange realignment	(3,764)	(4,875)	(7,828)	-	(16,467)
At December 31, 2022	175,331	432,060	515,829	-	1,123,220
Depreciation for the year	9,406	34,511	34,085	-	78,002
Disposals	(16)	(2,239)	(6,773)	-	(9,028)
Exchange realignment	(790)	(6,908)	(5,202)	-	(12,900)
At December 31, 2023	183,931	457,424	537,939	-	1,179,294

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold and long-term leasehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment, furniture, fixtures and fittings $'000	Construction-in-progress $'000	Total $'000
Group					
Impairment loss:					
At January 1, 2022	2,347	-	-	6,364	8,711
Exchange realignment	(13)	-	-	(263)	(276)
At December 31, 2022	2,334	-	-	6,101	8,435
Exchange realignment	(12)	-	-	(57)	(69)
At December 31, 2023	2,322	-	-	6,044	8,366
Carrying amount:					
At December 31, 2022	682,358	680,124	109,804	143,703	1,615,989
At December 31, 2023	672,493	751,680	131,968	130,316	1,686,457

The Group's property, plant and equipment includes right-of-use assets which comprise of:

	Leasehold land and buildings $'000	Plant and equipment, furniture, fixtures and fittings $'000	Total $'000
Group			
Cost:			
At January 1, 2022	355,903	916	356,819
Additions	20,488	157	20,645
Disposals	(978)	-	(978)
Exchange realignment	(1,372)	(49)	(1,421)
At December 31, 2022	374,041	1,024	375,065
Additions	10,899	116	11,015
Disposals	(11,257)	-	(11,257)
Exchange realignment	(3,374)	(48)	(3,422)
At December 31, 2023	370,309	1,092	371,401

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $'000	Plant and equipment, furniture, fixtures and fittings $'000	Total $'000
Group			
Accumulated depreciation:			
At January 1, 2022	98,950	421	99,371
Depreciation	5,869	119	5,988
Disposals	(820)	-	(820)
Exchange realignment	(326)	(23)	(349)
At December 31, 2022	103,673	517	104,190
Depreciation	7,202	184	7,386
Disposals	(2,203)	-	(2,203)
Exchange realignment	(958)	(28)	(986)
At December 31, 2023	107,714	673	108,387
Carrying amount:			
At December 31, 2022	270,368	507	270,875
At December 31, 2023	262,595	419	263,014

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold and long-term leasehold land and buildings $'000	Plant and equipment, furniture, fixtures and fittings $'000	Construction-in-progress $'000	Total $'000
Company				
Cost:				
At January 1, 2022	232,915	98,068	88	331,071
Additions	-	1,742	-	1,742
Reclassifications	-	71	(71)	-
Disposals	-	(1,954)	-	(1,954)
At December 31, 2022	232,915	97,927	17	330,859
Additions	-	8,491	-	8,491
Reclassifications	-	-	-	-
Disposals	-	(1,795)	-	(1,795)
At December 31, 2023	232,915	104,623	17	337,555
Accumulated depreciation:				
At January 1, 2022	20,456	93,234	-	113,690
Depreciation for the year	419	2,016	-	2,435
Disposals	-	(1,839)	-	(1,839)
At December 31, 2022	20,875	93,411	-	114,286
Depreciation for the year	420	1,893	-	2,313
Disposals	-	(1,621)	-	(1,621)
At December 31, 2023	21,295	93,683	-	114,978
Carrying amount:				
At December 31, 2022	212,040	4,516	17	216,573
At December 31, 2023	211,620	10,940	17	222,577

As at December 31, 2023, certain property, plant and equipment with total carrying amount of approximately $1,267 million (2022: $1,309 million) were mortgaged to banks to secure credit facilities for the Company and respective subsidiaries of the Group.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

17. INVESTMENT PROPERTIES

Group

Property Description/Location	Title
Office and shop units at 50 Cuscaden Road, Singapore 249724	Freehold
Office and shop units at 583 Orchard Road, Singapore 238884	Freehold
63 shop units at 100 Orchard Road, Concorde Shopping Mall, Singapore 238840	Leasehold 99 years from August 17, 1979

The Group owned seven freehold shop units located in Ming Arcade which had been reclassified to assets classified as held for sale (Note 18) as at December 31, 2022, as the Group has agreed to dispose of all seven units in a collective sale in December 2022. The disposal was completed in May 2023.

For the year ended December 31, 2023, total fair value gain recognised for all investment properties amounted to $645.0 million (2022: $77.8 million).

Gross rental income and direct operating expenses arising from all investment properties amounted to $23.2 million (2022: $21.9 million) and $8.4 million (2022: $8.2 million) respectively for the year ended December 31, 2023.

As at December 31, 2023, certain investment properties amounting to approximately $1,308 million (2022: $663 million) were mortgaged to banks to secure credit facilities for the respective subsidiaries of the Group.

The fair value of the investment properties at December 31, 2023, which represents their highest and best use, has been determined on the basis of valuation carried out at the year end date by independent valuers having an appropriate recognised professional qualification based on direct comparison method (2022: income capitalisation approach and direct comparison method) that reflects prevailing property market conditions and redevelopment opportunities as at this date. The valuation was cross-checked by residual method and income capitalisation approach and conform to International Valuation Standards. The valuation is classified as level 3 of the fair value hierachy as at December 31, 2023 and 2022.

The Group considers certain unobservable inputs used by the independent valuers in determining the fair value measurement of the Group's investment properties as sensitive to the fair value measurement. A change in these inputs will have a corresponding increase/decrease in the fair valuation as follows:

a) The higher the transacted price of comparable land which range from $30,000 to $36,000 per square metre per plot ratio, the higher the fair value;

b) The higher the transacted price of comparable units which range from $26,000 to $36,000 (2022: $24,000 to $166,000) per square metre, the higher the fair value;

c) The higher the rental, the higher the fair value for the previous financial year; and

d) The higher the capitalisation rate which ranged from 2.8% to 3.8% for the previous financial year, the lower the fair value.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

18. ASSETS CLASSIFIED AS HELD FOR SALE

In December 2022, the Group through its wholly-owned subsidiaries, has agreed to dispose of all seven freehold shop units located at 21 Cuscaden Road, Ming Arcade, Singapore 249720 in a collective sale.

The seven shop units in Ming Arcade had accordingly been reclassified from investment properties (Note 17) to assets classified as held for sale, and carried at fair value determined based on the sale value in the sale contract as at December 31, 2022 and was classified as level 2 of the fair value hierarchy.

The disposal of the seven shop units in Ming Arcade was completed in May 2023.

19. INTANGIBLE ASSETS

	Goodwill $'000	Franchise rights $'000	Total $'000
Group			
Cost:			
At January 1, 2022	20,464	7,029	27,493
Addition during the year	-	157	157
Exchange realignment	(943)	(114)	(1,057)
At December 31, 2022	19,521	7,072	26,593
Exchange realignment	132	(12)	120
At December 31, 2023	19,653	7,060	26,713
Accumulated amortisation:			
At January 1, 2022	-	6,557	6,557
Amortisation charged against other operating expenses	-	55	55
Exchange realignment	-	(29)	(29)
At December 31, 2022	-	6,583	6,583
Amortisation charged against other operating expenses	-	52	52
Exchange realignment	-	(9)	(9)
At December 31, 2023	-	6,626	6,626
Impairment loss:			
At January 1, 2022	11,250	-	11,250
Exchange realignment	(943)	-	(943)
At December 31, 2022	10,307	-	10,307
Exchange realignment	132	-	132
At December 31, 2023	10,439	-	10,439
Carrying amount:			
At December 31, 2022	9,214	489	9,703
At December 31, 2023	9,214	434	9,648

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19. INTANGIBLE ASSETS (CONT'D)

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill attributable to certain hotel business is approximately $9.2 million (2022: $9.2 million) respectively.

Recoverable amount was determined based on the independent professional valuation using discounted cashflow method, at discount rates ranging from 8.0% to 10.3% (2022: 8.0% to 10.3%) and terminal yield rate of 7.0% (2022: 7.0%).

20. BORROWINGS AND OTHER LONG-TERM LIABILITIES

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Due after twelve months				
Long-term bank loans	816,202	844,807	134,921	193,368
Notes payable	647,621	522,752	647,621	522,752
Other long-term liabilities	376	651	-	-
	1,464,199	1,368,210	782,542	716,120
Due within twelve months				
Current portion of long-term bank loans	49,229	214,876	-	-
Current portion of other long-term liabilities	264	269	-	-
	49,493	215,145	-	-
Bankers' guarantees	809	1,930	56	541

a) During the year, bank loans (secured) bear floating interest rates ranging from 2.5% to 7.2% (2022: 1.0% to 6.1%) per annum, and certain notes payable (unsecured) and other long-term liabilities (secured) bear fixed interest rates ranging from 3.8% to 5.3% (2022: 3.8% to 5.0%) per annum. The carrying amount of these notes and other long-term liabilities is $648,260,000 and their fair value is $609,434,000 (2022: $523,672,000 and $466,758,000 respectively). The notes and other long-term liabilities are classified under level 2 of the fair value hierarchy and the fair value has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate. The facilities are repayable from 2024 to 2028 (2022: 2023 to 2028).

b) Securities include legal mortgages on properties of the Company and certain subsidiaries (Notes 16 and 17); subordinated mortgages over certain subsidiaries' lease rights, fixed and floating charges on the assets of the Company and certain subsidiaries; pledge of shares of certain subsidiaries and corporate guarantees from the Company, certain subsidiaries and certain non-controlling shareholders.

c) Bank loans at floating interest rates are contractually repriced on a short-term basis, typically six months or less.

d) The Group has obtained bankers' guarantees mainly to secure utility services. These guarantees are secured by the assets and undertakings as disclosed in (b) above and/or pledge of fixed deposits (Note 6) of certain subsidiaries.

e) Included in the borrowings is a subsidiary's long-term bank loan of approximately $40 million whereby the critical terms of the bank loan are expected to hedge against the foreign exchange movements of the income stream of the subsidiary. The subsidiary performed a qualitative assessment and it is expected that the cash flow of the bank loan is effective in offsetting the cash flow of the income stream. During the year, there is no hedge ineffectiveness recognised in profit or loss and the deferred gain on the hedge recognised in other comprehensive income amounted to approximately $5 million (2022: loss of $18 million) (Note 26).

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21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Trade payables	94,623	99,715	4,859	4,593
Accrued employee-related expenses	24,992	25,115	6,018	7,696
Accrued operating expenses	22,770	20,439	3,147	2,963
Due to companies in which certain directors have interests*	390	392	-	-
Interest payable to non-related companies	6,447	4,860	5,422	3,369
Lease liabilities – current (Note 23)	2,540	2,156	-	-
Others	6,003	5,036	529	487
Total	157,765	157,713	19,975	19,108

*Amounts due to companies in which certain directors have interests are unsecured, interest-free and repayable on demand.

The average credit period on purchases of goods and services ranges from 1 to 2 months (2022: 1 to 2 months).

22. DEFERRED TAX ASSETS / LIABILITIES

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Deferred tax assets	(2,580)	(3,319)	-	-
Deferred tax liabilities	16,839	15,164	446	380
	14,259	11,845	446	380

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22. DEFERRED TAX ASSETS / LIABILITIES (CONT'D)

The following are the major deferred tax assets and liabilities recognised by the Group and the Company and movements thereon during the year:

	Net accelerated tax depreciation $'000	Other temporary differences* $'000	Total $'000
Group			
At January 1, 2022	1,606	7,886	9,492
Charge to profit or loss (Note 30)	1,682	2,776	4,458
Charge to other comprehensive income	-	6	6
Exchange realignment	(68)	(2,043)	(2,111)
At December 31, 2022	3,220	8,625	11,845
(Reversal from) Charge to profit or loss (Note 30)	(341)	2,290	1,949
Charge to other comprehensive income	-	9	9
Exchange realignment	(46)	502	456
At December 31, 2023	2,833	11,426	14,259

* Other temporary differences comprise mainly deferred tax liability arising from business combinations.

	Accelerated tax depreciation $'000
Company	
At January 1, 2022	478
Reversal from profit or loss	(98)
At December 31, 2022	380
Charge to profit or loss	66
At December 31, 2023	446

NOTES TO FINANCIAL STATEMENTS

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23. LEASE LIABILITIES

The Group as lessee

	2023 $'000	2022 $'000
Lease liabilities		
Maturity analysis:		
Year 1	13,457	14,183
Year 2	13,942	13,397
Year 3	13,110	14,102
Year 4	14,229	14,306
Year 5	14,625	15,514
Year 6 onwards	281,851	344,021
	351,214	415,523
Less: Unearned interest	(243,274)	(298,832)
	107,940	116,691
Analysed as:		
Current (Note 21)	2,540	2,156
Non-current	105,400	114,535
	107,940	116,691

24. SHARE CAPITAL AND OPTIONS

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		$'000	$'000
Issued and fully paid:				
At beginning of year	521,815,251	521,490,251	726,780	725,493
Issue of shares	-	325,000	-	1,287
At end of year	521,815,251	521,815,251	726,780	726,780

The Company has one class of ordinary shares which carries no right to fixed income and has no par value.

Options to subscribe for the Company's ordinary shares may be granted to executives of the Company under the Hotel Properties Employee Share Option Scheme 2010 ("Scheme 2010"). The scheme is administered by the Remuneration Committee. The exercise price of the granted options is determined based on the average last business done price for the shares of the Company for the five market days preceding the date of grant. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price. The vesting period is 2 years for options granted at a discounted exercise price, and 1 year for options granted without discount. The share options have a validity period of 10 years from the date of grant, unless they have been forfeited prior to that date.

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24. SHARE CAPITAL AND OPTIONS (CONT'D)

Details of the share options outstanding during the year are as follows:

	Group and Company			
	2023		2022	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	18,375,000	3.03	18,900,000	3.04
Exercised during the year	-	-	(325,000)	3.22
Cancelled during the year	-	-	(200,000)	3.02
Outstanding at the end of the year	18,375,000	3.03	18,375,000	3.03
Exercisable at the end of the year	18,375,000	3.03	18,375,000	3.03

The weighted average market price at the date of exercise for share options exercised during the previous financial year was $3.53. The options outstanding at the end of the year have a weighted average remaining contractual life of 2.6 (2022: 3.6) years.

The Company also has a Hotel Properties Limited Performance Share Plan that is administered by the Remuneration Committee. Fully paid shares are awarded to participants taking into consideration certain performance criteria and vesting period. There are no award of performance shares under the Performance Share Plan as at the beginning and end of the year.

25. TREASURY SHARES

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		$'000	$'000
At beginning and end of the year	515,300	515,300	1,746	1,746

The Company acquired its own shares through purchases on the Singapore Exchange and the total amount paid to acquire the shares had been deducted from shareholders' equity. The shares are held as treasury shares. The Company intends to reissue these shares to executives under the share option and performance share plans.

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26. OTHER RESERVES

	Exchange fluctuation reserve $'000	Hedge reserve $'000	Option reserve $'000	Other capital reserve $'000	Total $'000
Group					
Balance as at January 1, 2022	(10,781)	-	11,023	(25,786)	(25,544)
Total comprehensive loss for the year (restated)	(65,531)	(18,061)	-	(2,672)	(86,264)
Other movements during the year	-	(121)	(95)	-	(216)
Issue of shares	-	-	(240)	-	(240)
Balance as at December 31, 2022 (restated)	(76,312)	(18,182)	10,688	(28,458)	(112,264)
Total comprehensive income for the year	1,584	5,139	-	8,264	14,987
Other movements during the year	(11)	3	-	(1,976)	(1,984)
Balance as at December 31, 2023	(74,739)	(13,040)	10,688	(22,170)	(99,261)

	Option reserve $'000
Company	
Balance as at January 1, 2022	11,023
Net movement during the year	(95)
Issue of shares	(240)
Balance as at December 31, 2022 and 2023	10,688

Hedge reserve records the fair value changes on the derivative financial instruments and certain bank borrowings designated as hedging instruments in cash flow and net investment hedges that are determined to be an effective hedge.

Option reserve represents the equity-settled share options and performance shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options and performance shares. The expense for services received will be recognised over the vesting period.

The exchange fluctuation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency and exchange differences arising from translation of monetary items that form part of a net investment in a foreign entity.

Other capital reserves include the cumulative fair value changes of financial assets at FVTOCI until they are derecognised, as well as reserve on consolidation which represents the difference between the fair value of the consideration paid and the amount by which the non-controlling interest are reduced during the acquisition of additional interests from non-controlling shareholders.

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27. PERPETUAL CAPITAL SECURITIES

The Company issued $150 million in aggregate principal amount of 4.650% perpetual capital securities on May 5, 2017 and $160 million in aggregate principal amount of 4.40% perpetual capital securities on October 22, 2019. The securities are recorded at the proceeds received, net of direct issue costs.

The Company exercised the option to redeem in full the $150 million perpetual capital securities on May 5, 2022 (the "First Reset Date") in accordance with the conditions of the securities.

The $160 million securities are perpetual and confer a right to receive distribution payments. Such distributions are payable semi-annually in arrear unless the Company, at its sole discretion, elect to defer any distribution in accordance with the conditions of the securities. The rate of distribution applicable from October 22, 2019 to October 22, 2024 (the "First Reset Date") is 4.40% per annum; from the First Reset Date to October 22, 2029 (the "Step-Up Date") at the applicable Reset Distribution Rate as defined in the conditions of the securities; and from the Step-Up Date to each subsequent reset date occurring on each date falling every five years after the Step-Up Date with each such date, a "Reset Date", the applicable Reset Distribution Rate as defined in the conditions of the securities.

The securities constitute direct, unsecured and subordinated obligations of the Company and rank *pari passu* and without any preference or priority among themselves. The securities may be redeemed at the option of the Company on October 22, 2024, or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the securities.

28. REVENUE

	Group	
	2023 $'000	**2022 $'000**
Hotel revenue	616,547	501,092
Rental income	23,376	21,967
Management fee	2,197	2,448
Total	642,120	525,507

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29. PROFIT BEFORE INCOME TAX

This is determined after charging (crediting):

	Group	
	2023 $'000	**2022 $'000**
Staff costs (including share-based payments), net of government grant	177,277	154,921
Cost of defined contribution plans included in staff costs	9,892	7,950
Cost of inventories recognised as expense	50,693	42,103
Depreciation and amortisation	78,054	76,554
Finance costs on lease liabilities	12,979	13,181
Audit fees paid to auditors:		
Auditors of the Company	613	529
Other auditors	630	605
Non-audit fees paid to auditors:		
Auditors of the Company	132	104
Other auditors	88	75
(Write-back of) Loss allowance for trade receivables^	(77)	232
Net foreign exchange loss (gain)^	49	(985)
Net fair value loss in held-for-trading investments^	55	75
Net fair value loss in investments^	11,926	17,329
Net gain on disposal of property, plant and equipment^	(15,086)	(187)
Interest income^	(2,226)	(1,437)
Dividend income^	(6,721)	(2,763)

^ These are included in other operating (income) expenses.

The Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government in 2022 as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there was reasonable assurance that it would comply with the conditions attached to the grants. Government grant income of $1.2 million was recognised in profit or loss against Staff costs during the previous financial year, on a systematic basis over the period of uncertainty in which the related salary costs for which the grant was intended to compensate was recognised as expenses. Management had determined the period of uncertainty to be 24 months commencing from April 2020.

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30. INCOME TAX EXPENSE

	Group	
	2023 $'000	**2022 $'000**
Current tax	13,656	7,077
Deferred tax (Note 22)	1,949	4,458
	15,605	11,535
Under (Over) provision in prior years	415	(1,490)
	16,020	10,045

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before income tax and share of results of associates and jointly controlled entities as a result of the following differences:

	Group	
	2023 $'000	**2022 $'000**
Profit before income tax and share of results of associates and jointly controlled entities	627,316	42,316
Tax expense calculated at a tax rate of 17% (2022: 17%)	106,644	7,194
(Non-taxable) Non-deductible items (net)	(90,308)	1,337
Tax exemption	(396)	(175)
Utilisation of unabsorbed tax losses and capital allowances brought forward	(7,611)	(2,525)
Deferred tax asset on tax losses arising during the year not recorded	5,049	5,108
Effect of different tax rate of overseas operations	2,227	596
	15,605	11,535
Effective tax rate	2.5%	27.3%

Subject to the agreement with the relevant tax authorities and compliance with certain conditions of the relevant tax legislations, in the respective countries in which the subsidiaries operate, the Group has unrecognised tax losses and capital allowances totaling approximately $160,108,000 and $7,440,000 (2022: $166,847,000 and $9,470,000) respectively which are available for set off against future taxable income of the respective subsidiaries. No deferred tax asset has been recognised in respect of these due to unpredictability of future profit stream. Tax losses approximating $125,428,000 (2022: $140,499,000) will expire within the next 5 years.

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31. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group net profit attributable to owners of the Company after deducting provision for distribution to perpetual capital securities holders divided by the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Diluted earnings per share is based on Group earnings and adjusted weighted average number of ordinary shares (excluding treasury shares) to reflect the effect of all potentially dilutive ordinary shares, assuming the full exercise of outstanding share options and release of performance shares during the year.

	2023 $'000	**2022 $'000**
		(Restated)
Profit attributable to owners of the Company less distribution to perpetual capital securities holders	554,005	29,676
Adjusted profit attributable to owners of the Company less distribution to perpetual capital securities holders	554,116	29,727
	No. of shares ('000)	**No. of shares ('000)**
Weighted average number of ordinary shares used to compute basic earnings per share (excluding treasury shares)	521,300	521,189
Adjustment for potential dilutive ordinary shares	1,036	499
Weighted average number of ordinary shares used to compute diluted earnings per share (excluding treasury shares)	522,336	521,688
Basic earnings per share	106.27 cents	5.70 cents
Diluted earnings per share	106.08 cents	5.69 cents

32. DIVIDENDS

In 2022, the Company declared and paid a first and final one-tier tax exempt dividend of 4 cents per ordinary share of the Company, totaling $20,852,000 in respect of the financial year ended December 31, 2021.

In 2023, the Company declared and paid a first and final one-tier tax exempt dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 1 cent per ordinary share of the Company, totaling $26,065,000 in respect of the financial year ended December 31, 2022.

Subsequent to December 31, 2023, the directors of the Company recommended that a first and final one-tier tax exempt dividend be paid at 4 cents per ordinary share of the Company, and a one-tier tax exempt special dividend be paid at 2 cents per ordinary share of the Company, totaling $31,278,000 for the financial year ended December 31, 2023, based on the number of issued shares (excluding treasury shares) as at year end. The proposed dividends are not accrued as a liability for the current financial year in accordance with SFRS(I) 1-10 – *Events After The Reporting Period*.

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33. CAPITAL COMMITMENTS

As at the end of the financial year, the Group has capital commitments contracted but not provided for in the financial statements in respect of the following:

	Group	
	2023 $'000	**2022 $'000**
Capital expenditure	134,179	34,865
Associates, jointly controlled entities and other investments	194,981	278,068

34. OPERATING LEASE COMMITMENTS

The Group as lessor

Operating leases, in which the Group is the lessor, relate to investment properties and certain property, plant and equipment owned by the group with lease terms of between 1 to 4 years, with 3 years extension option for selected leases. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	Group	
	2023 $'000	**2022 $'000**
Year 1	24,306	26,074
Year 2	13,083	17,728
Year 3	3,074	8,295
Year 4	121	370
Total	40,584	52,467

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35. SEGMENT INFORMATION

a) The segment information of the Group is organised into the following reportable segments:

Hotels

These refer mainly to the operations of the hotels and the shopping galleries of the Group as well as the provision of hotel management services. Income is derived mainly from the rental of rooms and shop units, sale of food and beverage and management fee.

Properties

These refer to the rental and sale operations on residential properties and commercial units. Sales and profit from the condominium development projects in Singapore are recognised based on percentage of completion method, and those from overseas projects are recognised based on completion of construction method.

Others

These refer to distribution and retail operations, activities on quoted and unquoted investments and others.

b) The following segment information is prepared on the same basis as the Group's accounting policies described in Note 2:

i) Segment revenue and expenses are revenue and expenses reported in the Group's income statement that either are directly attributable to a segment or can be allocated on a reasonable basis to a segment.

ii) Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at cost plus a percentage profit mark-up. These transfers are eliminated on consolidation. Share of results of associates and jointly controlled entities are allocated as they are specifically attributable to a segment.

iii) Segment assets are all operating assets that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude interest-producing assets. Investments in associates and jointly controlled entities are included as segment assets of the Group.

iv) Segment liabilities are all operating liabilities of a segment and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude interest-bearing liabilities and income tax liabilities.

v) Segment revenue and non-current assets are analysed based on the location of those assets.

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35. SEGMENT INFORMATION (CONT'D)

c) Information by business segment:

Group	Hotels 2023 $'000	Hotels 2022 $'000	Properties 2023 $'000	Properties 2022 $'000	Others 2023 $'000	Others 2022 $'000	Elimination 2023 $'000	Elimination 2022 $'000	Consolidation 2023 $'000	Consolidation 2022 $'000
				(Restated)						(Restated)
REVENUE										
External sales	618,060	502,865	24,054	22,636	6	6	-	-	642,120	525,507
Inter-segment sales	-	-	337	335	-	-	(337)	(335)	-	-
Total revenue	618,060	502,865	24,391	22,971	6	6	(337)	(335)	642,120	525,507
RESULTS										
Profit (Loss) before interest, tax and fair value changes in investment properties	82,377	37,539	1,602	(103)	(5,546)	(14,952)	-	-	78,433	22,484
Segment results	82,377	37,539	1,602	(103)	(5,546)	(14,952)	-	-	78,433	22,484
Finance costs									(98,348)	(59,434)
Interest income									2,226	1,437
Share of results of equity accounted investees	(5,043)	21,286	(52,484)	(18,747)	1,146	(455)	-	-	(56,381)	2,084
Fair value changes in investment properties	-	-	645,005	77,829	-	-	-	-	645,005	77,829
Income tax expense									(16,020)	(10,045)
Non-controlling interests									6,130	5,820
Net profit									561,045	40,175
OTHER INFORMATION										
Segment assets	1,799,976	1,754,239	1,374,458	818,531	236,869	252,729	-	-	3,411,303	2,825,499
Investment in equity accounted investees	244,583	240,786	500,727	686,184	1,853	256	-	-	747,163	927,226
Unallocated corporate assets									42,523	50,165
Consolidated total assets									4,200,989	3,802,890

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35. SEGMENT INFORMATION (CONT'D)

c) Information by business segment (cont'd):

Group	Hotels 2023 $'000	Hotels 2022 $'000	Properties 2023 $'000	Properties 2022 $'000	Others 2023 $'000	Others 2022 $'000	Elimination 2023 $'000	Elimination 2022 $'000	Consolidation 2023 $'000	Consolidation 2022 $'000
				(Restated)						(Restated)
Segment liabilities	254,292	262,224	8,240	8,625	356	1,129	-	-	262,888	271,978
Unallocated corporate liabilities									1,540,667	1,602,567
Consolidated total liabilities									1,803,555	1,874,545
Additions to non-current assets (excluding fair value changes)	165,238	159,062	90,709	319,272	2,750	1,750	-	-	258,697	480,084
Depreciation and amortisation	77,142	75,767	912	787	-	-	-	-	78,054	76,554
Non-cash expenses (income) other than depreciation, amortisation, impairment loss and fair value changes in investment properties	(61)	(1,175)	240	473	11,802	17,225	-	-	11,981	16,523

d) Information by geographic regions:

Group	Revenue 2023 $'000	Revenue 2022 $'000	Non-current assets 2023 $'000	Non-current assets 2022 $'000
				(Restated)
Singapore	209,223	160,329	1,780,226	1,380,223
The Maldives	226,862	227,831	643,863	644,258
The rest of Asia	176,393	112,689	653,986	587,411
United Kingdom and Europe	683	674	519,784	479,658
Others	28,959	23,984	109,497	112,081
	642,120	525,507	3,707,356	3,203,631

Others consist of mainly U.S.A., Australasia and Africa.

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36. SUBSIDIARIES

Information relating to subsidiaries is as follows:

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest 2023 %	Group's Effective Interest 2022 %
Held by the Company				
Cleaton Investments Pte Ltd	Investment holding company	Singapore	100	100
HPL Hotels & Resorts Pte Ltd	Hotel management and investment holding company	Singapore	100	100
HPL Investment & Development Pte Ltd	Investment holding company	Singapore	100	100
HPL Leisure Holdings Pte Ltd	Investment holding company	Singapore	100	100
HPL Orchard Place Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties Pte Ltd	Property development, hotelier and investment holding company	Singapore	100	100
HPL Properties (Australasia) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (Indian Ocean) Pte Ltd	Investment holding company	Singapore	70	70
HPL Properties (Pacific Ocean) Pte Ltd	Investment holding company	Singapore	70	70
HPL Properties (SEA) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (West) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (West Asia) Pte Ltd	Investment holding company	Singapore	100	100
HPL Singapore Pte Ltd	Investment holding company	Singapore	100	100
HPL Tourism & Leisure Pte Ltd	Investment holding company	Singapore	100	100
Luxury Holdings Pte Ltd	Investment holding company	Singapore	100	100
Maxford Investments Pte Ltd	Investment holding company	Singapore	100	100
Super Vista Sdn Bhd (1)	Hotelier	Malaysia	100	100
Tiga Stars Pte Ltd	Investment holding company	Singapore	70	70

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36. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest 2023 %	Group's Effective Interest 2022 %
Held by subsidiaries of the Company				
21st Century Holding Pte Ltd	Investment holding company	Singapore	100	100
Allegro Investments Pte Ltd	Investment holding company	Singapore	100	100
Amberwood Investments Pte Ltd	Investment holding company	Singapore	100	100
Asia Hotel Growth Fund (1)	Investment holding company	Thailand	100	100
Astrid Holdings Co., Ltd (1)	Investment holding company	Thailand	49**	49**
Bayford Investments Pte Ltd	Investment holding company	Singapore	100	100
Baywood Investments Pte Ltd	Investment holding company	Singapore	100	100
Belitung Investments Pte Ltd	Investment holding company	Singapore	100	100
Berkley Investments Pte Ltd	Investment holding company	Singapore	100	100
Boathouse Holding Co., Ltd (1)	Investment holding company	Thailand	49**	49**
Boathouse Kata Co., Ltd (1)	Hotelier	Thailand	74	74
Campden Hill Investment LLP (1)	Investment holding company	United Kingdom	100	100
Chatsworth Development Management Pte Ltd	Project management company	Singapore	100	100
Clearwater Island Resorts Sdn Bhd (1)	Hotelier	Malaysia	100	100
Concorde Hotel Management Inc. (7)	Investment holding company	U.S.A.	100	100
Concorde Hotel New York Inc. (7)	Investment holding company	U.S.A.	100	100
Concorde Hotels & Resorts (Malaysia) Sdn Bhd (1)	Hotel management	Malaysia	100	100
Coralbell Pty Ltd (7)	Investment holding company	Australia	100	100
Dojima Luxury Holdings Co., Ltd *(7)	Hotelier	Japan	75	-
East Phuket Holdings Pte Ltd	Investment holding company	Singapore	100	100
Eastpoint Investments Limited (1)	Investment holding company	United Kingdom	100	100
Hermill Investments Pte Ltd	Investment holding company	Singapore	100	100
Hotel Holdings USA Inc (5)	Investment holding company	U.S.A.	100	100
Hotel Properties Lanka Investments (Private) Limited (2)	Investment holding company	Sri Lanka	100	100

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest 2023 %	Group's Effective Interest 2022 %
Held by subsidiaries of the Company				
HPL (Croatia) Limited	Investment holding company	United Kingdom	100	100
HPL (Campden) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Eaton) Ltd (1)	Dormant	United Kingdom	100	100
HPL (Europe) Pte Ltd	Investment holding company	Singapore	100	100
HPL Gateway Investments Pte Ltd	Investment holding company	Singapore	100	100
HPL Hotels Pty Ltd (7)	Provision of administrative services	Australia	100	100
HPL Investers Pte Ltd	Trading in quoted investments and share dealing	Singapore	100	100
HPL (Kensington) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Mayfair) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Osaka) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Paddington) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties Management Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (North Asia) Pte Ltd	Investment holding company	Singapore	100	100
HPL Resorts (Maldives) Private Limited (2)	Hotelier and investment holding company	Maldives	70	70
HPL Retail Pte Ltd	Trading in quoted investments and investment holding company	Singapore	100	100
HPL Services Pte Ltd	Privilege card services operations and investment holding company	Singapore	100	100
HPL (Southbank) Pte Ltd	Investment holding company	Singapore	100	100
HPL Tulip Pte Ltd	Investment holding company	Singapore	100	100
HPL Tulip Holdings Pte Ltd	Investment holding company	Singapore	100	100
HPL (UK) Limited (1)	Provisions of information and services	United Kingdom	100	100
HPL (Whitechapel) Pte Ltd	Investment holding company	Singapore	100	100

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest 2023 %	Group's Effective Interest 2022 %
Held by subsidiaries of the Company				
HRH Merchandise (M) Sdn Bhd (1)	Retailer	Malaysia	100	100
Kata Boathouse Holdings Pte Ltd	Investment holding company	Singapore	100	100
Kupari Luxury Hotels d.o.o. # (7)	Provision of tourist services	Croatia	95	90
Laem Ka Properties Co. Ltd (3)	Hotelier and property developer	Thailand	90	90
Landaa Giraavaru Private Limited (2)	Hotelier	Hong Kong / Maldives	70	70
Landeal Properties Pte Ltd	Investment holding company	Singapore	100	100
Leisure Beach Private Limited (2)	Developer and hotelier	Maldives	70	70
Leisure Development Koror Inc.	Hotel development	Palau	70	70
Leisure Frontiers Private Limited (2)	Hotelier	Maldives	70	70
Leisure Holidays Private Limited (2)	Developer and hotelier	Maldives	70	70
Leisure Horizons Private Limited (2)	Developer and hotelier	Maldives	70	70
Leisure Oceans Private Limited (2)	Hotelier	Maldives	70	70
Leisure Sands Private Limited (2)	Hotelier	Maldives	70	70
Luxury Complex Pte Ltd	Investment holding company	Singapore	100	100
Luxury Hotels (1989) Pte Ltd	Hotelier	Singapore	100	100
Luxury Properties Pte Ltd	Investment holding company	Singapore	100	100
McMing Investments Pte Ltd ^	Investment holding company	Singapore	-	100
McShope Investments Pte Ltd ^	Investment holding company	Singapore	-	100
Minwyn Investments Pte Ltd ^	Investment holding company	Singapore	-	100
Moonstone Investments Pte Ltd	Investment holding company	Singapore	100	100
Naka Yai Holdings Co. Limited (1)	Investment holding company	Thailand	49**	49**
Naka Yai Hotel Co. Limited (1)	Hotelier	Thailand	74	74
Naka Yai Land Co. Limited (1)	Hotelier	Thailand	74	74
NYC 55., Corp. (4)	Hotelier	U.S.A.	100	100
Palmco Hotels Sdn Bhd (1)	Hotelier	Malaysia	100	100

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

36. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest 2023 %	2022 %
Held by subsidiaries of the Company				
Pebble Bay (Thailand) Co. Ltd [3]	Property development	Thailand	74	74
PT Amanda Arumdhani [1]	Hotelier	Indonesia	100	100
PT Amanda Citra [7]	Dormant	Indonesia	100	100
PT Amanda Natha [1]	Hotelier	Indonesia	100	100
PT Amanda Pramudita [1]	Hotelier	Indonesia	100	100
PT Amanda Surya [7]	Investment holding company	Indonesia	100	100
PT Bali Girikencana [1]	Hotelier	Indonesia	100	100
Quin Properties Pte Ltd	Investment holding company	Singapore	100	100
Seaside Hotel (Thailand) Co. Ltd [1]	Hotelier	Thailand	74	74
Seaside Properties (Thailand) Co. Ltd [3]	Hotelier	Thailand	74	74
South West Pacific Investments Limited [6]	Hotelier	Vanuatu	100	100
Sovereign Builders & Development Sdn Bhd [1]	Investment holding company	Malaysia	100	100
Straits Realty Co. Ltd [1]	Investment holding company	Thailand	74	74
Supreme Prospects Sdn Bhd [1]	Hotelier	Malaysia	100	100
Suseem Pty Ltd [7]	Dormant	Australia	100	100
Tangalla Bay Hotels Private Limited [2]	Hotelier	Sri Lanka	48**	48**
The Island Development Pte Ltd	Investment holding company	Singapore	100	100
Travel Bug Touring Pte Ltd	Investment holding company	Singapore	100	100
Weligama Hotel Properties Ltd [2]	Hotelier	Sri Lanka	49**	49**
Wesclove Investments Pte Ltd	Investment holding company	Singapore	100	100
Xspand Investments Pte Ltd	Investment holding company	Singapore	100	100
Yarra Investments Pte Ltd	Property development and investment holding company	Singapore	100	100

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

36. SUBSIDIARIES (CONT'D)

All companies are audited by Deloitte & Touche LLP, Singapore except for the following:

(1) Audited by overseas practices of Deloitte Touche Tohmatsu Limited
(2) Audited by overseas practices of KPMG International
(3) Audited by overseas practices of Ernst & Young
(4) Audited by overseas practices of BDO International Limited
(5) Audited by Cohen & Schaeffer P.C.
(6) Audited by Barrett & Partners
(7) Not required to be audited by law in country of incorporation and subsidiary not considered material.

* Acquired during the financial year.

\# Equity interest increased due to further subscription of share.

^ Placed under member's voluntary liquidation during the financial year.

** This company is considered a subsidiary as the Group is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2023	2022	Profit (loss) allocated to non-controlling interests 2023 $'000	2022 $'000	Accumulated non-controlling interests 2023 $'000	2022 $'000
HPL Resorts (Maldives) Private Limited	Maldives	30%	30%	(8,777)	(3,945)	66,134	72,876
Tiga Stars Pte Ltd ^	Singapore	^	30%	^	(234)	^	70,326
Individually immaterial subsidiaries with non-controlling interests				2,647	(1,641)	18,230	12,658
Total				(6,130)	(5,820)	84,364	155,860

^ Tiga Stars Pte Ltd is not considered as a significant non-wholly owned subsidiary to the Group as at December 31, 2023. Accordingly, financial information of Tiga Stars Pte Ltd recognised in the consolidated financial statements are included in "Individually immaterial subsidiaries with non-controlling interest".

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36. SUBSIDIARIES (CONT'D)

Summarised financial information in respect of HPL Resorts (Maldives) Private Limited and its subsidiaries is set out below:

	2023 $'000	2022 $'000
Current assets	49,468	57,541
Non-current assets	689,832	687,230
Current liabilities	(67,687)	(94,668)
Non-current liabilities	(451,122)	(407,139)
Equity attributable to owners of the Company	154,357	170,088
Non-controlling interests	66,134	72,876
Revenue	226,862	227,830
Expenses	(256,117)	(240,980)
Loss for the year	(29,255)	(13,150)
Loss attributable to owners of the Company	(20,478)	(9,205)
Loss attributable to the non-controlling interests	(8,777)	(3,945)
Loss for the year	(29,255)	(13,150)
Other comprehensive loss attributable to owners of the Company	(2,914)	(809)
Other comprehensive loss attributable to the non-controlling interests	(594)	(147)
Other comprehensive loss for the year	(3,508)	(956)
Total comprehensive loss attributable to owners of the Company	(23,392)	(10,014)
Total comprehensive loss attributable to the non-controlling interests	(9,371)	(4,092)
Total comprehensive loss for the year	(32,763)	(14,106)
Net cash (outflow) inflow from operating activities	(917)	53,682
Net cash outflow from investing activities	(57,918)	(122,496)
Net cash inflow from financing activities	48,882	62,994
Net cash outflow	(9,953)	(5,820)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36. SUBSIDIARIES (CONT'D)

Summarised financial information in respect of Tiga Stars Pte Ltd for the previous financial year is set out below:

	2022 $'000
Non-current assets	234,419
Current liabilities	-
Equity attributable to owners of the Company	164,093
Non-controlling interests	70,326
Expenses	(781)
Loss for the year	(781)
Loss attributable to owners of the Company	(547)
Loss attributable to the non-controlling interests	(234)
Loss for the year	(781)
Other comprehensive loss attributable to owners of the Company	(13,164)
Other comprehensive loss attributable to the non-controlling interests	(5,642)
Other comprehensive loss for the year	(18,806)
Total comprehensive loss attributable to owners of the Company	(13,711)
Total comprehensive loss attributable to the non-controlling interests	(5,876)
Total comprehensive loss for the year	(19,587)
Net cash outflow from investing activities	(254,005)
Net cash inflow from financing activities	254,005
Net cash outflow	-

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

37. ASSOCIATES

Information relating to significant associates is as follows:

Associate	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2023 %	2022 %
Bankside Quarter (Jersey) Limited [2]	Investment holding company	Jersey	30	30
Leisure Ventures Pte Ltd [1]	Investment holding company	Singapore	50	50

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with SFRS(I)s adjusted by the Group for equity accounting purposes.

Bankside Quarter (Jersey) Limited and its subsidiaries

	2023 $'000	2022 $'000
Current assets	1,419,994	1,248,154
Current liabilities	(36,676)	(109,659)
Non-current liabilities	(1,200,782)	(895,357)
Revenue	11,472	316
Loss for the year	(44,437)	(1,990)
Other comprehensive income (loss) for the year	8,883	(30,823)
Total comprehensive loss for the year	(35,554)	(32,813)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Bankside Quarter (Jersey) Limited and its subsidiaries recognised in the consolidated financial statements:

	2023 $'000	2022 $'000
Net assets of Bankside Quarter (Jersey) Limited and its subsidiaries	182,536	243,138
Proportion of the Group's ownership interest	30%	30%
Intercompany eliminations	(39,126)	(29,239)
Shareholder's advances	179,305	121,731
Carrying amount of the Group's interest	194,940	165,433

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

37. ASSOCIATES (CONT'D)

Leisure Ventures Pte Ltd and its subsidiaries

	2023 $'000	2022 $'000
Current assets	23,628	29,241
Non-current assets	310,475	315,618
Current liabilities	(64,538)	(78,714)
Non-current liabilities	(95,418)	(86,583)
Revenue	75,790	69,536
Loss for the year	(4,343)	(8,742)
Other comprehensive loss for the year	(992)	(7,678)
Total comprehensive loss for the year	(5,335)	(16,420)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Leisure Ventures Pte Ltd and its subsidiaries recognised in the consolidated financial statements:

	2023 $'000	2022 $'000
Net assets of Leisure Ventures Pte Ltd and its subsidiaries	174,147	179,562
Proportion of the Group's ownership interest	50%	50%
Carrying amount of the Group's interest	87,074	89,781

Aggregate information of associates that are not individually material

	2023 $'000	2022 $'000
The Group's share of profit	2,318	1,881
The Group's share of other comprehensive income (loss)	245	(3,047)
The Group's share of total comprehensive income (loss)	2,563	(1,166)
Aggregate carrying amount of the Group's interests in these associates	88,648	86,671

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

38. JOINTLY CONTROLLED ENTITIES

Information relating to significant jointly controlled entities is as follows:

Jointly Controlled Entity	Principal Activity	Country of Incorporation / Place of Business	Group's Interest 2023 %	Group's Interest 2022 %
Great Western Enterprises Ltd (1)	Investment holding company	Jersey	70	70
Cuscaden Peak Pte Ltd (2)	Investment holding company	Singapore	*	18.5

(1) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(2) Audited by KPMG LLP, Singapore.

* Cuscaden Peak Pte Ltd and its subsidiaries are not considered as significant jointly controlled entities to the Group as at December 31, 2023. Accordingly, financial information of Cuscaden Peak and its subsidiaries recognised in the consolidated financial statements are included in "Aggregate information of jointly controlled entities that are not individually material".

Summarised financial information in respect of the Group's material jointly controlled entity is set out below. The summarised financial information below represents amounts shown in the jointly controlled entity's financial statements prepared in accordance with SFRS(I)s adjusted by the Group for equity accounting purposes.

Great Western Enterprises Ltd and its subsidiary

	2023 $'000	2022 $'000 (Restated)
Current assets	129,657	83,436
Non-current assets	1,011,519	989,228
Current liabilities	(733,224)	(670,867)
Non-current liabilities	(223,537)	(140,558)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	32,562	26,561
Current financial liabilities (excluding trade and other payables and provisions)	(687,462)	(637,241)
Non-current financial liabilities (excluding trade and other payables and provisions)	(223,537)	(140,558)
Revenue	35,043	1,284
Loss for the year	(73,739)	(27,890)
Other comprehensive income (loss) for the year	9,463	(35,042)
Total comprehensive loss for the year	(64,276)	(62,932)
The above loss for the year include the following:		
Finance costs	(56,526)	(1,998)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

38. JOINTLY CONTROLLED ENTITIES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Great Western Enterprises Ltd and its subsidiary recognised in the consolidated financial statements:

	2023 $'000	2022 $'000 (Restated)
Net assets of Great Western Enterprises Ltd and its subsidiary	184,415	261,239
Proportion of the Group's ownership interest	70%	70%
Intercompany eliminations	(36,740)	(35,991)
Shareholder's advances	164,002	98,389
Carrying amount of the Group's interest	256,353	245,265

Cuscaden Peak Pte Ltd and its subsidiaries

	2022 $'000
Current assets	907,137
Non-current assets	7,674,005
Current liabilities	(1,123,622)
Non-current liabilities	(7,562,393)
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	432,208
Current financial liabilities (excluding trade and other payables and provisions)	(799,544)
Non-current financial liabilities (excluding trade and other payables and provisions)	(4,720,818)
Revenue	307,524
Loss for the year	(4,222)
Other comprehensive loss for the year	(101,649)
Total comprehensive loss for the year	(105,871)
The above loss for the year include the following:	
Finance costs	(98,789)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Cuscaden Peak Pte Ltd and its subsidiaries recognised in the consolidated financial statements:

	2022 $'000
Net liabilities of Cuscaden Peak Pte Ltd and its subsidiaries	(104,873)
Proportion of the Group's ownership interest	18.5%
Shareholder's advances^	253,820
Carrying amount of the Group's interest	234,418

^ Shareholder's advances were repaid directly to the Group and the non-controlling interest in proportion to their respective shareholdings during the year, amounting to $177,674,000 and $76,146,000 respectively.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

38. JOINTLY CONTROLLED ENTITIES (CONT'D)

Aggregate information of jointly controlled entities that are not individually material

	2023 $'000	2022 $'000
The Group's share of profit for the year	8,419	25,475
The Group's share of other comprehensive income for the year	11,393	472
The Group's share of total comprehensive income for the year	19,812	25,947
Aggregate carrying amount of the Group's interests in these jointly controlled entities	64,303	56,521

39. RESTATEMENT

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

Details are described as below. The restatement did not have any impact on the balances as at January 1, 2022.

Restated Statement of Financial Position as at December 31, 2022:

	Group		
	Reported $'000	Adjustment $'000	Restated $'000
ASSETS			
Associates and jointly controlled entities	912,674	(34,585)	878,089
Total non-current assets	3,491,136	(34,585)	3,456,551
Total assets	3,837,475	(34,585)	3,802,890
Share capital and reserves:			
Reserves	922,822	(34,585)	888,237
Equity attributable to shareholders of the Company	1,647,856	(34,585)	1,613,271
Total equity	1,962,930	(34,585)	1,928,345
Total liabilities and equity	3,837,475	(34,585)	3,802,890

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

39. RESTATEMENT (CONT'D)

Restated Consolidated Income Statement for the year ended December 31, 2022:

	Group		
	Reported $'000	Adjustment $'000	Restated $'000
Share of results of associates and jointly controlled entities	38,317	(36,233)	2,084
Loss before income tax and fair value changes in investment properties	2,804	(36,233)	(33,429)
Profit before income tax	80,633	(36,233)	44,400
Profit after income tax	70,588	(36,233)	34,355
Attributable to:			
Shareholders of the Company	76,408	(36,233)	40,175
Earnings per ordinary share (Cents):			
- basic	12.65	(6.95)	5.70
- diluted	12.64	(6.95)	5.69

Restated Consolidated Statement of Other Comprehensive Income for the year ended December 31, 2022:

	Group		
	Reported $'000	Adjustment $'000	Restated $'000
Profit after income tax	70,588	(36,233)	34,355
Other comprehensive income (loss) (net of tax):			
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive loss of associates and jointly controlled entities	(54,808)	1,648	(53,160)
Total comprehensive loss	(23,893)	(34,585)	(58,478)
Attributable to:			
Shareholders of the Company	(12,428)	(34,585)	(47,013)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

39. RESTATEMENT (CONT'D)

Restated Group Statement of Changes in Equity for the year ended December 31, 2022:

	Group		
	Reported $'000	**Adjustment $'000**	**Restated $'000**
Retained profits			
Profit (Loss) for the year	76,408	(36,233)	40,175
Balance as at Dec 31, 2022	1,036,734	(36,233)	1,000,501
Other reserves			
Other comprehensive income (loss) for the year	(87,912)	1,648	(86,264)
Balance as at Dec 31, 2022	(113,912)	1,648	(112,264)

ADDITIONAL INFORMATION

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report describes Hotel Properties Limited's ("HPL") corporate governance practices and structures that were in place during the financial year ended December 31, 2023 ("FY2023"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**2018 Code**"), and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Companies Act 1967. This report is divided into four main sections, namely:

(1) Board Responsibilities
(2) Board Affairs
(3) Accountability and Audit
(4) Shareholder and Stakeholder Engagement

BOARD RESPONSIBILITIES

Board Composition & Guidance

Principle 2: Board Composition and Guidance

Principle 4: Board Membership

For FY2023, the Board comprised 8 Directors of whom, 3 are executive Directors, 1 is non-executive/non-independent Director and 4 are non-executive/independent Directors. Consistent with the 2018 Code, the Company has no alternate director on its board.

The Chairman of the Board is Mr. Arthur Tan Keng Hock (non-executive and independent). The executive Directors are Mr. Ong Beng Seng (Managing Director), Mr. Christopher Lim Tien Lock (Group Executive Director) and Mr. Stephen Lau Buong Lik (Executive Director).

The majority of our Directors is non-executive and includes professionals with financial and commercial backgrounds. This provides Management with the benefit of an external diverse and objective perspective of issues that are brought before the Board.

The Board has no dissenting view on the Chairman's statement for the year in review.

Key information regarding the Directors of the Company is provided as follows:-

Mr. Arthur Tan Keng Hock

Date of appointment as Director	:	July 5, 1996
Date of appointment as Chairman	:	May 14, 2013
Date of last re-election	:	April 28, 2022
Nature of Appointment	:	Non-Executive and Independent
Board Committees served on	:	Member of Audit Committee from July 5, 1996 to March 13, 1997 and since May 14, 2013 till present Chairman of Audit Committee from March 13, 1997 to May 13, 2013 Member of Remuneration Committee from May 14, 2013 and Chairman of Remuneration Committee since May 28, 2019

On May 14, 2013, Mr. Arthur Tan was appointed as Non-Executive Chairman of HPL.

Mr. Arthur Tan is the Managing Director of Advance Investment Management Capital Pte Ltd. Mr. Tan, who has been an investment banker for over 15 years, has held senior management positions including Managing Director of Smith New Court (Thailand) Co. Ltd, Director of Merrill Lynch (Singapore) Pte Ltd, Director, Corporate Finance, of Schroders International Merchant Bank Limited, Executive Director of Guthrie GTS Limited and directorships in various listed companies. He graduated from the National University of Singapore with a bachelor's degree in Business Administration.

CORPORATE GOVERNANCE REPORT

Mr. Ong Beng Seng

Date of appointment as Director	:	March 5, 1980
Date of last re-election	:	April 28, 2022
Nature of Appointment	:	Managing Director
Board Committees served on	:	Member of the Remuneration Committee since November 1, 2002

Mr. Ong Beng Seng is the co-founder of the Company with more than 30 years of experience in the hotel and property development, hotel management, real estate and retail industries. He is responsible for all aspects of strategic planning and business development activities of the Hotel Properties Limited Group. He joined Motor & General Underwriters Investment Holdings Ltd in 1972. In 1977, Mr. Ong joined his father-in-law, Mr. Peter Y. S. Fu in Kuo International as an oil trader. The move also thrusted him into hotel and property development. Mr. Ong is an associate member of the Chartered Insurance Institute of England.

Mr. Christopher Lim Tien Lock

Date of appointment as Director	:	January 7, 1998
Date of last re-election	:	April 28, 2021
Nature of Appointment	:	Group Executive Director

Mr. Christopher Lim is the Group Executive Director of HPL. He is responsible for the overall management of the HPL Group. Prior to joining HPL in 1989, Mr. Lim held the position of Director and Head of Corporate Finance of N M Rothschild and Sons (Singapore) Limited with 10 years of experience in the field of investment banking. He graduated from the National University of Singapore with a bachelor's degree in Business Administration.

Mr. Leslie Mah Kim Loong

Date of appointment as Director	:	August 5, 1997
Date of last re-election	:	April 28, 2021
Nature of Appointment	:	Non-Executive and Independent
Board Committees served on	:	Chairman of Audit Committee since May 14, 2013 Member of the Audit Committee from November 1, 2002 and Chairman of the Nominating Committee since July 28, 2009

Mr. Leslie Mah is a Life member of the Institute of Singapore Chartered Accountants. Mr. Mah retired as an Executive Director of Eu Yan Sang International Limited in 2009. Prior to joining Eu Yan Sang, Mr. Mah was an Executive Director and Company Secretary of Cerebos Pacific Limited for 15 years. Prior to his tenure at Cerebos, he was Finance Director of Harper Gilfillan Limited for 10 years.

Mr. David Fu Kuo Chen

Date of appointment as Director	:	August 5, 2005
Date of last re-election	:	April 28, 2021
Nature of Appointment	:	Non-Executive and Non-Independent
Board Committees served on	:	Member of Nominating Committee since August 5, 2005

Mr. David Fu is a Director of Avant Hotel (S) Pte Ltd. He graduated from the University of Southern California. He also sits on the board of NSL Ltd.

CORPORATE GOVERNANCE REPORT

Mr. Stephen Lau Buong Lik

Date of appointment as Director	:	May 13, 2008
Date of last re-election	:	April 28, 2023
Nature of Appointment	:	Executive Director

Mr. Stephen Lau was appointed on May 13, 2008 as an Executive Director. He holds a B.A. Hons major in Accounting. He is a Member of the Institute of Chartered Accountants in England and Wales. He is currently Head of the Hotel Division. Previously, he headed positions in the Retail and Leisure divisions of the Company

Mr. Wong Liang Ying

Date of appointment as Director	:	May 28, 2019
Date of last re-election	:	April 28, 2023
Nature of Appointment	:	Non-Executive and Independent
Board Committees served on	:	Member of Audit Committee since May 28, 2019 Member of Nominating Committee since May 28, 2019 Member of Remuneration Committee since May 28, 2019

Mr. Wong Liang Ying holds a Bachelor's degree in Business Administration from the University of Singapore. Mr. Wong was with the Singapore Exchange Limited ("SGX") first as Head of Listings and then Head of China until his retirement in March 2018. In his role with SGX, Mr. Wong was also a member of various collaboration councils set up by Singapore with various provinces in China to promote economic trade and investment activities. Prior to joining SGX in April 2006, Mr. Wong was part of the senior management team at OCBC Bank. Before OCBC Bank, Mr. Wong was with the Schroders Group for 20 years and held senior management positions with the group in various Asian countries. Mr. Wong also sits on the board of Mapletree Pan Asia Commercial Trust Management Ltd as an Independent Non-Executive Director, as well as on the board of Alta Exchange Ltd as Independent Chairman.

Mr. Nicholas James Loup

Date of appointment as Director	:	May 08, 2023
Date of last re-election	:	NA
Nature of Appointment	:	Non-Executive and Independent
Board Committees served on	:	Member of Audit Committee since May 08, 2023 Member of Nominating Committee since May 08, 2023

Mr. Nicholas James Loup is the Group Vice Chairman, Chief Executive Officer of Chelsfield Asia Limited. He is a member of the Policy Committee of British Chamber of Commerce and a director of the Spinal Cord Injury Fund. He is also the Founder, former Chairman and current member of the Management Board of the Asian Association for Investors in Non-Listed Real Estate Vehicles Limited. He is a Member and former President of the MIPIM Asia Awards Jury, and is a Patron of the Royal Academy, London.

CORPORATE GOVERNANCE REPORT

Board Diversity Policy

The Board has a formal Board Diversity Policy, setting out its policy, framework and measurable objectives for promoting diversity on the Board. The Board recognises that a diverse Board is an important element which will drive the Company's strategic objectives for sustainable development. This is achieved by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, measurable objectives have been set for the Board to have at least one director with recent and relevant accounting or related financial management expertise or experience and one director with real estate background. The Nominating Committee ("**NC**") will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board.

The Board and NC recognise the importance of an appropriate balance and diversity of industry knowledge, skills, backgrounds, experience and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly.

As and when the circumstances arise for the Board to appoint a new director, the NC will nominate the most suitable candidate (taking into account the relevant skillsets and diversity) based on the set objectives of the Board. Additionally, to continuously assess the collective character of our Board and our skills matrix to evaluate the benefit of having more directors with a wide spectrum of experience and expertise and/or other requisite expertise. The Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process. Any progress made towards our Board Diversity Policy will be disclosed in our future annual reports.

Having regard to the depth and breadth of commercial knowledge, management expertise as well as business experience of individual Directors, the Nominating Committee is of the view that the current Board possesses a wide range of skills and experience and core competencies necessary to govern and manage the Company's affairs.

Board's Roles & Directors' Duties

Principle 1: Board's Conduct of its Affairs

The Board meets at least 2 times a year and as warranted by circumstances. The Company's Constitution provides for telephonic and videoconference meetings. The number of meetings held in FY2023 and the attendance of the Directors are as follows:

	HPL Board	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**	**General Meetings of shareholders**
	No. of Meetings held : 4	No. of Meetings held : 2	No. of Meetings held : 1	No. of Meetings held : 2	No. of Meetings held : 1
Name of Directors	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended
Ong Beng Seng	3/3	N.A.	1	N.A.	1
Christopher Lim Tien Lock	4	N.A.	N.A.	N.A.	1
Arthur Tan Keng Hock	4	2	1	N.A.	1
Leslie Mah Kim Loong	4	2	N.A.	2	1
David Fu Kuo Chen	4	N.A.	N.A.	2	1
Stephen Lau Buong Lik	4	N.A.	N.A.	N.A.	1
Wong Liang Ying	4	2	1	2	1
Nicholas James Loup*	3/3	1/1	N.A.	1/1	N.A.

N.A. = Not Applicable * Appointed on May 08, 2023

The Non-Executive Director and/or Independent Directors, will meet at least once a year without the presence of Management to discuss on pertinent matters such as the performance of Management, risk management, internal controls, Management succession planning and important business issues. During the financial year, the Independent Directors had met twice without the presence of Management to discuss on some of those pertinent matters.

CORPORATE GOVERNANCE REPORT

All Directors exercise due diligence and independent judgement and make decisions objectively in the best interest of HPL Group. The principal responsibilities of the Board are to:

- approve the broad policies, strategies and financial objectives of the Company and monitor its performance;
- approve major funding proposals, investments, disposals and capital expenditure;
- review the Company's financial performance and authorising announcements issued by the Company;
- oversee and review the processes for evaluating risk policies, including the adequacy and effectiveness of internal controls and risk management;
- approve the nominations of Board Directors; and
- assume responsibility for corporate governance and compliance with the Singapore Companies Act 1967 of Singapore ("**Companies Act**") and the rules and requirements of regulatory bodies.

Matters which are specifically reserved for the full Board's decisions are those involving material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and dividends. Additionally, the Board delegates certain of its functions to the Committee of Directors, Audit, Risk Management, Nominating and Remuneration Committees.

The Committee of Directors, established in May 1993, comprises 3 Directors, namely Messrs Ong Beng Seng, Christopher Lim Tien Lock and David Fu Kuo Chen. The Committee of Directors is governed by written terms of reference and is authorised and delegated by the Board to approve and/or carry into effect certain operational and administrative matters, as stipulated in the Regulations of the Committee of Directors.

The Company worked closely with its company secretary and professionals to provide its Directors with regular updates on relevant legal, regulatory and technical developments. Changes to regulations and accounting standards are monitored closely by Management. The Directors are provided with updates, reports and press releases issued by regulatory authorities and institutes on directors' duties and responsibilities, corporate governance, accounting and changes in financial reporting standards in Singapore, developments in Companies Act and Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules, so as to update and refresh them on matters that may affect or enhance their performance as Board or Board Committee members. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and ACRA which are relevant to the Directors. Appropriate external trainings will be arranged where necessary.

Upon the appointment of a new director, the Company will provide him/her with a formal letter, setting out his/ her duties and obligations. Appropriate external trainings will be arranged for the newly appointed director where necessary. During FY2023, the newly appointed Director Mr. Nicholas James Loup, being a first-time director of a Singapore Listed Company, has registered and completed the Listed Entity Directors Programme conducted by the Singapore Institute of Directors to familiarize himself with the roles and responsibilities of a director of a Singapore Listed Company.

Conflict of Interest

In keeping with the Company's core values of ethics and integrity, the Board ensures that directors are not placed in situations where there is a conflict between their duties to the Company and their own personal interests. Where there is any director facing a conflict of interest, he or she discloses and recuses himself or herself from meetings and decisions involving the issue. Directors provide a disclosure of interests in transactions, property and offices at least annually or as and when such an interest occurs.

Dealings in securities

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, during FY2023, the Company issued half yearly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Company during the period commencing 1 month before the announcement of half year or full year financial results, and ending on the date of such announcements. Directors, officers and employees were also reminded not to trade in listed securities of the Company at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions ("IPTs")

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out procedures for review and approval of the Company's IPTs. Details of the significant IPTs for FY2023 are as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year ended December 31, 2023 (excluding transactions below $100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below $100,000)
	$'000	$'000
***Associates of Mr. Ong Beng Seng**		
Hotel and rental revenue	6,895	-
Management fee income	964	-
Management fee and other expense	1,843	-
Investment in Joint Ventures	2,750	-

All the above IPTs were done on commercial terms.

Note:

* "Associate" in relation to a director, chief executive officer or controlling shareholder means:
- his immediate family;
- the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

Role of Chairman & Managing Director

Principle 3: Chairman and Chief Executive Officer

The Company has a separate Chairman and Managing Director. The Chairman is a non-executive and independent director who bears responsibility for the workings of the Board while the Managing Director is the most senior executive in the Company who bears executive responsibility for the management of the Company and Group. The Board does not have a lead independent director as the Chairman is independent. The Chairman, Managing Director and Group Executive Director set the Board meeting agenda in consultation with the other Directors. Both the Chairman and Managing Director are responsible for the adherence by Management with Corporate Governance policies as laid down by the Board. The Chairman and the Managing Director are not immediate family members.

BOARD AFFAIRS

Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

Principle 7: Level and Mix of Remuneration

Principle 8: Disclosure on Remuneration

The Remuneration Committee was formed on November 1, 2002 and comprises 3 Directors, of whom 2, including the Chairman, are non-executive and independent Directors.

The Remuneration Committee is chaired by Mr. Arthur Tan Keng Hock. The other members are Mr. Wong Liang Ying and Mr. Ong Beng Seng. The Board is of the view that it is appropriate for the Group's Managing Director, Mr. Ong Beng Seng to remain as a member of the Remuneration Committee as he does not receive monthly remuneration from the Group and is not eligible for grants under the Company's Executive Share Option Scheme and Performance Share Plan.

CORPORATE GOVERNANCE REPORT

The Remuneration Committee is governed by written terms of reference and its principal responsibilities are to:

- review periodically and recommend to the Board an appropriate framework of compensation practices to attract, retain and motivate management staff of the required calibre to manage the Group successfully;
- review and recommend senior management remuneration package and that of the executive Directors whose remuneration packages include a variable bonus component which is performance-related, and also stock options and performance shares which have been designed to align their interests with those of the shareholders;
- review Company's obligations arising in the event of termination of executive Directors and key management personnel's contract of service;
- review the recommendation of the executive Directors, for approval of the Board, the Directors' fees and such payment as may be payable pursuant to Article 73 of the Company's Constitution;
- administer the Hotel Properties Limited Performance Share Plan 2017 approved by the shareholders on April 27, 2017 ("HPL PSP 2017"); and
- administer the Hotel Properties Employee Share Option Scheme 2010 which was approved by the shareholders on April 29, 2010 ("Scheme 2010").

While none of the members of the Remuneration Committee specialises in the area of executive compensation, the Committee is entitled to have access to independent industry data and professional advice if necessary. Moreover, they have unrestricted access to the Company's records and information so as to enable them to carry out their duties. The Company does not engage any remuneration consultant.

For FY2023, there were no termination, retirement and post-employment benefits granted to Directors, the Managing Director and the top 5 key management personnel.

The remuneration for executive Directors and senior management is structured to link rewards to corporate and individual performance. The Company exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders, in a manner that promotes stewardship and long term value creation. The overall level of remuneration is not considered to be excessive that will stimulate risk-taking behaviour beyond the Company's risk appetite.

The remuneration policy for executive Directors and senior management staff consists of both fixed and variable components. The fixed component includes salary and CPF contributions. The variable component comprises a bonus element, share options and performance shares which are performance-based. At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Except as disclosed in the Directors' Statement and Financial Statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of any Directors or controlling shareholders subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

Non-executive Directors are paid Directors' fees that are based on corporate and individual responsibilities and are subject to approval of the shareholders at the Annual General Meeting ("**AGM**") of the Company.

The Remuneration Committee recommends the payment of the Directors' fees, subject to approval by shareholders at the AGM.

Non-executive Directors have no service contracts and their terms are specified in the Constitution.

CORPORATE GOVERNANCE REPORT

Details of remuneration and benefits of Directors for FY2023 are set out below:

	Fee* %	Salary %	Bonus and Other benefits %	Total %
Between $2,500,000 and $2,750,000				
Christopher Lim Tien Lock	2	33	65	100
Between $2,000,000 and $2,250,000				
Stephen Lau Buong Lik	3	36	61	100
Between $1,750,000 and $2,000,000				
Ong Beng Seng	3	-	97	100
Below $250,000				
Arthur Tan Keng Hock	100	-	-	100
Leslie Mah Kim Loong	100	-	-	100
David Fu Kuo Chen	100	-	-	100
Wong Liang Ying	100	-	-	100
Nicholas James Loup#	100	-	-	100

* these fees are subject to approval by shareholders as a lump sum at the AGM for FY2023

Appointed on May 08, 2023

The Company takes cognizance of new listing rule 1207(10D) relating to disclosure of remuneration of directors and chief executive officers effective for annual reports prepared for the financial year ending on or after December 31, 2024.

For FY2023, the Company has disclosed the remuneration of each individual director in bands of $250,000 and provided the breakdown. The Company believes such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Directors' remuneration packages and is consistent with the intent of Principle 8 of the 2018 Code.

The key management team, together with the Managing Director, leads various departments and businesses segments, in accordance to their respective commercial and fiduciary roles. Their responsibilities include managing corporate affairs and executing duties with high standards of integrity and professionalism.

As the Company aims to promote a team-based performance culture to encourage collaboration and teamwork, team incentives have been integrated with organisational objectives to drive collective performance. Accordingly, the Company has decided not to disclose remuneration of its key management personnel, thereby minimising individual comparisons which may affect employee morale. Information relating to the remuneration of directors and other members of key management during the year has been disclosed in the Notes to Financial Statements on page 61 of this Annual Report. The Company believes that this will not be prejudicial towards shareholders' interest, as the quantum of remuneration and long-term incentives awarded to key management are aligned with the Company's strategic objectives. Additionally, the Remuneration Committee considers the overall business performance as well as the affordability of the payout for the Company, in order to determine the payout quantum for its key management personnel.

There is no employee who is a substantial shareholder of the Company or are immediate family members of a Director or the Managing Director or a substantial shareholder of the Company whose remuneration exceeds $100,000 in the Group's employment for FY2023.

CORPORATE GOVERNANCE REPORT

The Remuneration Committee administers the Scheme 2010 in accordance with the rules as approved by shareholders. Executive Directors (except Mr. Ong Beng Seng who is also a deemed substantial shareholder of the Company) were granted share options under the Scheme 2010 but not the non-executive Directors. The Company holds the view that, at this point in its development, the interests of maintaining the objectivity and independence of the non-executive Directors is best served by a cash-based remuneration package. The objectives of Scheme 2010 is to motivate the executives of the Group to optimise their performance standards and efficiency and to retain key executives whose contributions are important to the long term growth and profitability of the Group.

In addition to Scheme 2010, the shareholders have approved the HPL PSP 2017 on April 27, 2017 to give the Company greater flexibility to align the interests of the employees, especially key executives, with those of shareholders. It is also intended that the HPL PSP 2017 complements the Scheme 2010 in its continuing effects to reward, retain and motivate employees to achieve superior performance which creates and enhances economic value for shareholders. There were no share options or performance shares granted for FY2023.

Other details of Scheme 2010 and HPL PSP 2017 are found in the Directors' Statement.

Succession Planning

Principle 4: Board Membership

The Board supports the principle that Board renewal is a necessary and continual process, for good governance and ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of the Company's business. The Board seeks to refresh its membership progressively and in an orderly manner. In this respect, Board succession planning is carried out through the annual review by the Nominating Committee of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of that assessment is reported to the Board.

In terms of succession planning for key management personnel, the successors to the key positions are identified and development plans will be instituted for them. The Nominating Committee is kept aware of the succession and development plans of key management personnel.

Board Membership & Performance

Principle 4: Board Membership

Principle 5: Board Performance

The Nominating Committee was formed on November 1, 2002 and currently comprises 4 non-executive Directors, of whom three are independent Directors. The Nominating Committee is chaired by Mr. Leslie Mah Kim Loong, a non-executive and independent Director. Mr. Mah is not associated with the substantial shareholders of the Company. The other members are Mr. Wong Liang Ying, Mr. David Fu Kuo Chen and Mr. Nicholas James Loup.

The Nominating Committee annually reviews the size and composition mix of the Board, various Committees and the independence of each Director. It is governed by written terms of reference that seek to establish an objective and transparent process for:

- the appointment or re-appointment of members of the Board and of the various Board Committees;
- evaluating and assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board;
- reviewing and making recommendations to the Board on succession plans for Directors, in particular, the Chairman, Managing Director and key management personnel;
- determining the independence of Directors; and
- reviewing the multiple board representations of each Director individually (if any) to ensure that sufficient time and attention is given to the affairs of the Company.

CORPORATE GOVERNANCE REPORT

The process for selecting, appointing, identifying and re-electing non-executive Directors to the Board is as follows:

(a) The Nominating Committee will at least annually carry out proactive review of the Board composition and on each occasion that an existing non-executive Director gives notice of his intention to retire or resign. This is to assess the collective skills of non-executive Directors represented on the Board to determine whether the Board, as a whole, has the skills required to achieve the Company's strategic and operational objectives;

(b) In carrying out the review, the Nominating Committee will take into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity;

(c) The Nominating Committee will assist to identify suitable candidates for appointment to the Board having regard to the skills required and the skills represented on the Board;

(d) External consultants may be used from time to time to access a wide base of non-executive Directors;

(e) The Nominating Committee will make recommendations to the Board on candidates it considers appropriate for appointment. New Directors are appointed by way of board resolutions;

(f) With regard to the re-election of existing Directors each year, the Nominating Committee will advise the Board of those Directors who are retiring in accordance with the provisions of the Articles of the Company;

(g) The Nominating Committee will make recommendations to the Board as to whether the Board should support the re-election of a Director retiring in accordance with the provisions of the Articles; and

(h) In making recommendations, the Nominating Committee will undertake a process of review of the retiring non-executive Director's performance during the period in which the non-executive Director has been a member of the Board.

The above process will be reviewed periodically at the discretion of the Board.

All newly appointed Directors will have to submit themselves for re-election at the next AGM of the Company following their appointments under Article 70 of the Company's Constitution. Article 80 of the Company's Constitution requires at least one third of the Board to retire by rotation at every AGM. All directors shall retire at least once every 3 years.

In accordance to Rule 720(5) of the SGX-ST Listing Manual, all directors, including the executive directors, must submit themselves for renomination and re-appointment at least once every 3 years.

Accordingly, the directors due for re-nomination and re-appointment at the forthcoming AGM under Article 80 of the Company's Constitution are Mr. Christopher Lim Tien Lock, Mr. David Fu Kuo Chen and Mr. Leslie Mah Kim Loong. Mr. Leslie Mah Kim Loong would not seek re-election to facilitate Board renewal. All the other retiring Directors who being eligible, have offered themselves for re-election.

The newly appointed director, Mr. Nicholas James Loup will retire at the forthcoming AGM following his appointment on May 08, 2023 under Article 70 of the Company's Constitution. Mr. Nicholas James Loup, who being eligible, has offered himself for re-election.

After assessing the contribution and performance of the retiring Directors, the Nominating Committee has recommended the re-election of Mr. Christopher Lim Tien Lock, Mr. David Fu Kuo Chen and Mr. Nicholas James Loup at the forthcoming AGM. The Board has accepted the recommendations of the Nominating Committee.

Each member of the Nominating Committee abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

Information relating to Directors seeking re-election as set out in Appendix 7.4.1 to the SGX-ST Listing Manual, is set out on pages 129 to 132.

CORPORATE GOVERNANCE REPORT

Mr. Nicholas James Loup will, upon re-election as a director, remain as a member of the Audit and Nominating Committees.

For the purpose of its evaluation of the directors' performance, the Nominating Committee focuses on whether the Directors, individually or collectively possesses the background, experience, competencies in finance and management skills critical to the Company's business as well as whether each director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The Nominating Committee has adopted a system of assessing the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board. Board Assessment is conducted by the external company secretary and a consolidated report is submitted to the Nominating Committee. The Board assessment as a whole considered the following key performance criteria:

- Board size and composition;
- Effectiveness of Board processes;
- Board performance in fulfilling fiduciary and supervisory duties; and
- Board committee performance.

The assessment of individual directors considered the following key performance criteria:

- Directors' duties;
- Level of commitment (including attendance records, level of preparation for meetings);
- Technical expertise (e.g. financial, business-specific competencies); and
- Inter-personal relationships with other Directors and senior management.

The Nominating Committee is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist, which is drawn up in accordance with the guidelines provided by the 2018 Code and the SGX-ST Listing Rules, and the Nominating Committee requires each Independent Director to complete and execute a form declaring and affirming his own independence and confirming that there exist no conditions that would impair his independence. This declaration of independence is tabled before the Nominating Committee, and if accepted, the Director's independence is then recommended by the Nominating Committee to the Board. Mr. David Fu Kuo Chen, non-executive director, has disclosed his non-independence by virtue of his familial relationship with the Managing Director of the Company.

As at December 31, 2023, Mr. Arthur Tan Keng Hock and Mr. Leslie Mah Kim Loong have served on the Board for more than 9 years from the date of their first appointment, the board together with the Nominating Committee, had taken more critical measures to ascertain the independence of Mr. Tan and Mr. Mah by monitoring, measuring and reviewing their contribution in terms of their experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Company as they perform their duties in good faith. After due and careful rigorous review, the Board (with both Mr. Tan and Mr. Mah abstaining from the review), with the concurrence of the Nominating Committee, has determined that both Mr. Tan and Mr. Mah are to be considered independent notwithstanding that they have served on the Board beyond 9 years as they have continued to demonstrate strong independence in character and judgement in the discharge of their responsibility as independent Directors of the Company, with utmost commitment in upholding the interest of non-controlling shareholders. They have continued to express their individual viewpoints, debated issues and objectively scrutinised and challenged Management on issues they deem necessary. They have also sought clarification and amplification as and when necessary, including through direct access to Management and they are able to exercise objective judgment on corporate matters independently, in particular from Management and substantial shareholders, notwithstanding that they have served more than 9 years on the Board.

CORPORATE GOVERNANCE REPORT

Based on their declarations, both Mr. Tan and Mr. Mah do not have relationships or circumstances that are likely to affect or that could affect their judgement that could compromise their independence on board matters.

Taking into account the above after due consideration and careful assessment, and also having weighed the need for Board refreshment against tenure for relative benefit, the Nominating Committee and the Board are of the view that both Mr. Tan and Mr. Mah continue to be considered independent directors notwithstanding that they have each served on the Board for more than 9 years.

Nevertheless, in accordance with Rule 210(5)(d)(iv), both directors shall continue to be considered independent only until the conclusion of the forthcoming AGM of the Company. Mr Leslie Mah will not seek re-election at the forthcoming AGM of the Company to facilitate Board renewal and Mr. Arthur Tan Keng Hock will continue to serve on the Board as non-independent non-executive director of the Company upon the conclusion of the AGM of the Company.

The Nominating Committee has assessed that each Director in the Company is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they were in full time employment and their other responsibilities.

Access to information

Principle 1: Board's Conduct of its Affairs

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with half-yearly financial statements, all relevant information on material events and transactions are circulated to Directors as and when they arise. Whenever necessary, senior management staffs are invited to attend the Board/Committee meetings to answer queries and provide detailed insights into their areas of responsibilities.

Where a decision has to be made before a Board meeting, a Directors' resolution is circulated in accordance with the Constitution of the Company and the Directors are provided with all necessary information to enable them to make informed decisions.

In addition, Directors have separate and independent access to the advice and services of the company secretary, who is responsible to the Board for ensuring board procedures are followed and advising on the implementation of compliance requirements pursuant to the relevant statutes and regulations. The company secretary assists in scheduling Board and Committee meetings and prepares agenda in consultation with the Board Chairman, Committee Chairman and Executive Directors. The company secretary attends all Board and Committee meetings and prepares minutes. The appointment and removal of the company secretary is a matter for the Board as a whole.

Each Director also has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Company's operations or undertakings in order to fulfil their roles and responsibilities as Directors.

In line with the SGX-ST Listing Manual, the Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

In addition, the Company, had pursuant to the amended Rule 720(1) of the SGX-ST Listing Manual, received undertakings from all its Directors and executive officers that they each shall, in the exercise of their powers and duties as Directors and officers comply with the best of their abilities with the provisions of the SGX-ST Listing Manual and will procure the Company to do so.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

Risk Management and Internal Control Systems

The Board has received assurance from the Managing Director, Group Financial Controller and other Senior Management that (a) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances and (b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Audit Committee, together with Management meets with the internal auditors and external auditors to review accounting, auditing and financial reporting matters to ensure that an effective system of controls is maintained in the Company. The Audit Committee is tasked to oversee the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Company. Since 2019, a separate Risk Management Committee had been established to provide oversight, guidance, direction, and necessary resources to support the implementation of an enterprise-wide Risk Management ("**ERM**") policy, through the Finance Department. Such risk management activities includes setting and communicating the 'tone from the top', and ensuring effective implementation and compliance with the ERM policy.

The internal auditors and external auditors have, during the course of their audits, carried out a review of the effectiveness of key internal controls within the scope of their audits. Material non-compliance and internal control weaknesses noted during their respective audits and their recommendations are reported to the Audit Committee (if any). It was noted that there were no systemic issues to be highlighted. The Audit Committee has reviewed the internal auditors' and external auditors' comments and findings to ensure that there are adequate internal controls in the Company and follow up on actions implemented in their next audit review.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by Management, the Board was satisfied that there were adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The Audit Committee concurs with the Board's comment.

The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives.

In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

Audit Committee Mandate

The Audit Committee was formed in 1991 and was re-constituted on November 1, 2002 in compliance with the spirit of the 2018 Code.

The Audit Committee comprises four non-executive Directors namely, Mr. Leslie Mah Kim Loong, Mr. Arthur Tan Keng Hock, Mr. Wong Liang Ying and Mr. Nicholas James Loup, all of whom are independent Directors. The Audit Committee is chaired by Mr. Leslie Mah Kim Loong, a Life Member of the Institute of Singapore Chartered Accountants. The Board considers Mr. Leslie Mah, who has extensive and practical financial management knowledge and experience, is well qualified to chair the Audit Committee. The Board is satisfied that the Audit Committee members, collectively have many years of experience in accounting, finance and business management and are appropriately qualified to discharge their responsibilities. The Audit Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation.

CORPORATE GOVERNANCE REPORT

The Audit Committee is governed by written terms of reference under which it performs the following main functions:

- reviews with the external auditors, the audit plan, impact of new, revised or proposed changes in accounting standards, significant financial reporting issues and results of their examination and evaluation of accounting controls;
- reviews with the internal auditors, the scope and results of internal audit procedures and their evaluation of the internal control systems;
- reviews the half-yearly and full year announcements of the results and financial position of the Company and the Group and the financial statements of the Company and consolidated financial statements of the Group prior to their submission to the Board;
- reviews interested person transactions;
- reviews the co-operation given by the Company's officers to the internal and external auditors;
- makes recommendations to the Board on the appointment of the internal and external auditors;
- reviews with the external and internal auditors the adequacy and effectiveness of the Group's internal control systems within the scope of their audits, including financial, operational, compliance and information technology controls;
- reviews the independence of the external auditors annually and the aggregate amount of fees paid to the external auditors for that financial year; and
- commissions and reviews the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule or regulation which is likely to have a material impact on the Company's operating results or financial position.

The Audit Committee meets with the internal and external auditors separately (without the presence of the Company's Management) at least once a year to review any matter that might be raised.

The Audit Committee received co-operation from Management and was not obstructed or impeded by Management in carrying out its functions during the year. Throughout the year, there was no instance of any suspected misdeed or irregularity, which was likely to have a material impact on the Group's operating results and financial position.

The Audit Committee has full discretion to invite any Director or executive officer of the Company to attend its meetings.

To keep abreast of the changes in financial reporting standards and related issues which have a direct impact on financial statements, discussions are held with the external auditors where applicable when they attend the Audit Committee meetings half-yearly. The Audit Committee reviewed the scope and results of the audit carried out by the external auditors, the independence and objectivity of the external auditors.

The Audit Committee has conducted an annual review of all non-audit services by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the auditors. The fees paid to the external auditors are disclosed on page 81 of this Annual Report.

The Company has complied with Rules 712, 715 and 716 of the SGX-ST Listing Manual in relation to its auditors. The Audit Committee has recommended to the Board the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Company at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Significant financial statement reporting matter

The external auditors have included Accounting for Investment Properties as a Key Audit Matter ("**KAM**") in the auditor's report for FY2023. The Audit Committee discussed the KAM with the external auditors and concurred with the basis and conclusions to be included in the auditors' report. For more information on the KAM, please refer to pages 22 to 23 of this Annual Report.

Internal Audit

The internal audit function is currently outsourced to One e-Risk Services Pte Ltd ("**One e-Risk**") which reports directly to the Audit Committee. The internal auditors are guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors. The internal auditors support the Audit Committee in their role to assess the effectiveness of the Company's overall system of operational and financial controls. Having regard to the adequacy of resources and experience of One e-Risk and the assigned engagement team, number and experience of supervisory and professional staff assigned to the internal audits, the Audit Committee is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience. The Audit Committee is also satisfied that the internal audit function is independent, effective and adequately resourced.

The Audit Committee reviews and approves the internal audit plan proposed by the internal auditors. Material non-compliance and internal control weaknesses noted during the internal audits are reported together with the internal auditors' recommendations to the Audit Committee. There were no material weaknesses identified by the Board or the Audit Committee for FY2023.

Whistle-blowing

The Company has in place a Whistle-Blowing Policy ("**WB Policy**"), which provides an independent feedback channel that is directed to the Audit Committee Chairman, through which matters of concern about possible improprieties such as suspected fraud, corruption, dishonest practices, may be reported in good faith, without fear of reprisal. Appropriate investigation and follow up action will be taken on any such report. The Audit Committee is responsible for oversight and monitoring of whistleblowing and the Audit Committee reviews all whistleblowing complaints, if any, at its Audit Committee meetings to ensure independence thorough investigation and appropriate follow-up actions are taken. The Company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. It is also committed to ensuring that whistleblowers will be treated fairly, and protected against detrimental or unfair treatment for whistleblowing in good faith. There have been no reported incidents pertaining to whistle-blowing for FY2023.

SHAREHOLDER & STAKEHOLDER ENGAGEMENT

Principle 11: Shareholder Rights and Engagement

Dividend Policy

The Company does not have a fixed dividend policy. The frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow and general business conditions, development plans and other factors as the Directors may deem appropriate. Notwithstanding the above, the Company has been declaring final dividends at year end. Any pay-outs are clearly communicated to shareholders via announcements on SGXNET when the Company releases its financial results.

CORPORATE GOVERNANCE REPORT

Conduct of Shareholder Meetings

All shareholders of the Company receive the Annual Report and Notice of AGM which can also be accessed from the Company's corporate website. The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders. At general meetings of the Company, shareholders have the opportunity to vote in person or by proxy and would be informed of the voting procedures.

At AGMs, shareholders are given the opportunity to air their views and ask questions regarding the Company and its businesses. Board members, including the Chairman of each of the Audit Committee, Nominating Committee and Remuneration Committee, external auditors and senior management are also present to address shareholders' queries.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

To promote greater transparency and equitable standards of participation, the Company has conducted the voting of all its resolutions by employing electronic poll voting for all its resolutions passed at its AGM held since 2016. The detailed results of the electronic poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, were released immediately at the AGM and announced to SGX-ST via SGXNET thereafter.

Except for a member who is a relevant intermediary as defined under Section 181(6) of the Companies Act 1967, a member is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A "Relevant Intermediary" means:

(i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

(iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

The Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of proxies of above.

Due to the COVID-19 restrictions and advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore that were in effect at the relevant time, the annual general meeting of the Company held in respect of the financial year ended December 31, 2022 ("**FY2022**") was held on April 28, 2023 by way of electronic means and shareholders were not able to attend the annual general meeting in person. To enable shareholders to participate in and vote effectively at the annual general meeting held by way of electronic means, the Company had set out detailed information on the alternative arrangements relating to attendance at the annual general meeting, submission of questions in advance of the annual general meeting, and voting procedures for the annual general meeting in the Company's announcement dated April 6, 2023 on the SGXNET.

The forthcoming annual general meeting of the Company to be held in respect of FY2023 will be held in a physical manner. Arrangements will be put in place to allow the shareholders to participate in and vote effectively at the forthcoming annual general meeting in accordance with Chapter 12 of the Listing Rules. Please refer to the Notice of Forty-Fourth Annual General Meeting dated April 15, 2024 for further information. In accordance with Guidance 6 of the Practice Note 7.5 General Meetings of the SGX Listing Manual, the Minutes of AGM will be published within one month after the AGM to be held in respect of FY2023 on SGXNET and the Company's website.

CORPORATE GOVERNANCE REPORT

Principle 12: Engagement with Shareholders

Communication with Shareholders

The Company is committed to treat all shareholders fairly and equitably, and keep all its shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely basis. Price sensitive announcements including half yearly and full-year results are released through SGXNET and subsequently posted on the Company's website.

Results and annual reports are announced or issued within the mandatory period, through the 'Investor Relations' section found on the corporate website. The Company makes available all media releases, financial results, annual reports, SGXNET announcements and other corporate information relating to the HPL Group on its corporate website https://www.hotelprop.com.sg. Members of the public may communicate with the Company via the 'Contact us' section of the Company's corporate website.

Principle 13: Managing Stakeholder Relationships

Business Conduct and Ethics

The Company has in place a Code of Business Conduct which sets out the business practices, standards and ethical conduct expected of all employees in the course of their employment with the Company. The Code of Business Conduct covers various aspects of the business operations of the Company such as conflicts of interest, fraud, and workplace discrimination. In addition, all employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

Sustainability Strategy

Management understands the increasing importance of sustainability in all areas of the business. The Company adopts an integrated approach of evaluating its sustainability performance in tandem with its objectives. The Company publishes an annual Sustainability Report that provides more details on its Environmental, Social and Governance ("ESG") activities and identifies the material topics through materiality assessment by relevant stakeholders (Investors, Analysts and Media, Hotel Guests, Local Community, Suppliers, Directors and Employees). The material topics are energy consumption, emissions, water consumption, employment, employee health and safety, and employee training and education. More information on the material topics and their corresponding targets are available in the Company's Sustainability Reports published on its corporate website, https://www.hotelprop.com.sg. The Group will be issuing its full standalone 2023 Sustainability Report by April 30, 2024.

STATISTICS OF SHAREHOLDINGS

AS AT MARCH 18, 2024

SHARE CAPITAL

Class of shares	:	Ordinary Shares
Voting rights	:	One vote for every ordinary share (excluding treasury share)
Number of issued shares excluding treasury shares	:	521,424,951
Number of treasury shares	:	515,300
Percentage of treasury shares	:	0.1%

The Company has no *subsidiary holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT MARCH 18, 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	71	2.67	808	0.00
100 - 1,000	581	21.82	434,041	0.08
1,001 - 10,000	1,624	61.01	6,022,446	1.15
10,001 - 1,000,000	369	13.86	18,329,737	3.52
1,000,001 AND ABOVE	17	0.64	496,637,919	95.25
TOTAL	**2,662**	**100.00**	**521,424,951**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT MARCH 18, 2024

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	NASSIM DEVELOPMENTS PTE. LTD.	117,347,282	22.51
2	DBS NOMINEES (PRIVATE) LIMITED	100,890,942	19.35
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	86,658,755	16.62
4	68 HOLDINGS PTE LTD	60,000,000	11.51
5	CITIBANK NOMINEES SINGAPORE PTE LTD	35,881,358	6.88
6	DB NOMINEES (SINGAPORE) PTE LTD	28,169,000	5.40
7	FU KUO CHEN DAVID	26,026,307	4.99
8	FU CHRISTINA MRS CHRISTINA ONG	23,457,308	4.50
9	MAYBANK SECURITIES PTE. LTD.	4,108,300	0.79
10	LEE PINEAPPLE COMPANY PTE LTD	2,750,000	0.53
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,525,000	0.48
12	PHILLIP SECURITIES PTE LTD	2,336,865	0.45
13	OCBC SECURITIES PRIVATE LIMITED	1,994,700	0.38
14	TEO KAR TIN	1,216,800	0.23
15	MORPH INVESTMENTS LTD	1,178,202	0.23
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,065,500	0.20
17	LAU BUONG LIK STEPHEN	1,031,600	0.20
18	CHOO MEILEEN	792,000	0.15
19	CHOW HELEN MRS.CHENG HELEN	745,600	0.14
20	HSBC (SINGAPORE) NOMINEES PTE LTD	649,400	0.12
	TOTAL	**498,824,919**	**95.66**

* subsidiary holdings – as defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

SUBSTANTIAL SHAREHOLDERS

AS AT MARCH 18, 2024

As shown in the Company's Register of Substantial Shareholders

Substantial Shareholder	Direct/ Beneficial Interest No. of Shares	%*	Deemed Interest No. of Shares	%*
68 Holdings Pte. Ltd.	179,020,924	34.33	-	-
Ong Beng Seng	109,812,255	21.06	205,429,232 (1)	39.40
Cuscaden Partners Pte. Ltd.	-	-	179,020,924 (2)	34.33
Nassim Developments Pte. Ltd.	117,347,282	22.51	-	-
WI Investments (Singapore) Pte. Ltd.	-	-	117,347,282 (3)	22.51
City Fairy Limited	-	-	117,347,282 (3)	22.51
Wheelock Investments Limited	-	-	117,347,282 (3)	22.51
Wheelock and Company Limited	-	-	117,347,282 (3)	22.51

Notes:

(1) Mr. Ong Beng Seng is deemed to have an interest in the shares held by 68 Holdings Pte. Ltd., held by his spouse and held by Reef Holdings Pte. Ltd.

(2) Cuscaden Partners Pte. Ltd. is deemed to have an interest in the shares held by 68 Holdings Pte. Ltd.

(3) WI Investments (Singapore) Pte. Ltd., City Fairy Limited, Wheelock Investments Limited, Wheelock and Company Limited are deemed to have an interest in the 117,347,282 shares held by Nassim Developments Pte. Ltd.

* Based on 521,424,951 ordinary shares (excluding treasury shares) as at March 18, 2024.

Approximately 11.79% of the issued ordinary shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Fourth Annual General Meeting ("**AGM**") of Hotel Properties Limited (the "**Company**") will be held on Tuesday, April 30, 2024 at 4.00 p.m. at Crescent Ballroom, Level 2 Four Seasons Hotel Singapore, 190 Orchard Boulevard, Singapore 248646 to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended December 31, 2023 and the Auditors' Report thereon. **Resolution 1**

2. To declare a first and final one-tier tax exempt dividend of 4 cents per ordinary share and a one-tier tax exempt special dividend of 2 cents per ordinary share for the year ended December 31, 2023. **Resolution 2**

3. To approve the proposed Directors' fees of $563,998 for the year ended December 31, 2023 (2022: S$518,000). **Resolution 3**

4. To re-appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 4**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without any modification:

5. That Mr. Christopher Lim Tien Lock be and is hereby re-elected as a Director of the Company in accordance with Article 80 of the Company's Constitution. [See Explanatory Note (a)] **Resolution 5**

6. That Mr. David Fu Kuo Chen be and is hereby re-elected as a Director of the Company in accordance with Article 80 of the Company's Constitution. [See Explanatory Note (a)] **Resolution 6**

7. That Mr. Nicholas James Loup be and is hereby re-elected as a Director of the Company in accordance with Article 70 of the Company's Constitution. [See Explanatory Note (a)] **Resolution 7**

8. To record the retirement of Mr. Leslie Mah Kim Loong as a Director pursuant to Article 80 of the Company's Constitution at the conclusion of the Annual General Meeting [See Explanatory Note (b)]

9. Authority to issue shares pursuant to Share Issue Mandate **Resolution 8**

   That pursuant to Section 161 of the Companies Act 1967 and the Listing Rules of SGX-ST, authority be and is hereby given to the Directors to:

   (A) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50 per cent. of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 20 per cent. of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (i) above, the total number of issued shares excluding treasury shares and subsidiary holdings of the Company shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue or consolidation or subdivision of shares.

(iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (c)]

NOTICE OF ANNUAL GENERAL MEETING

10. Renewal of Share Buy-Back Mandate **Resolution 9**

That:

(a) for the purposes of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("**Share Buy-Backs**") in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) an on-market Share Buy-Back ("**Market Share Buy-Back**") transacted through Singapore Exchange Securities Trading Limited's (the "**SGX-ST**") trading system; and/or

(ii) an off-market Share Buy-Back ("**Off-Market Share Buy-Back**"), otherwise than on a securities exchange, effected in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all conditions prescribed by the Listing Manual of the SGX-ST and the Companies Act,

and otherwise in accordance with the applicable provisions of the Companies Act and the Listing Manual of the SGX-ST, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on:

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated,

whichever is the earlier;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of Shares (excluding any treasury shares that may be held by the Company and subsidiary holdings) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding any treasury shares that may be held by the Company and subsidiary holdings from time to time);

"**Relevant Period**" means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

NOTICE OF ANNUAL GENERAL MEETING

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other purchase-related expenses) to be paid for a Share, which shall not exceed:

(i) in the case of a Market Share Buy-Back, 5% above the average of the closing market prices of the Shares over the last 5 Market Days (a "**Market Day**" being a day on which the SGX-ST is open for trading of securities) on the SGX-ST on which transactions in the Shares were recorded, before the day of the Market Share Buy-Back by the Company, and deemed to be adjusted for any corporate action that occurs during such 5-day period and the day on which the Market Share Buy-Back was made; and

(ii) in the case of an Off-Market Share Buy-Back pursuant to an equal access scheme, 30% above the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST on which transactions in the Shares were recorded, before the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back ("**date of the making of the offer**"), and deemed to be adjusted for any corporate action that occurs during such 5-day period and the date of the making of the offer; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated by this Resolution. [See Explanatory Note (d)]

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on May 9, 2024 at 5.00 p.m. for the purpose of determining shareholders' entitlements to the proposed first and final one-tier tax exempt dividend of 4 cents per ordinary share and a one-tier tax exempt special dividend of 2 cents per ordinary share for the financial year ended December 31, 2023 (the "**Proposed Dividends**").

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on May 9, 2024 will be registered to determine shareholders' entitlement to the Proposed Dividend. Members whose securities accounts with the Central Depository (Pte) Limited ("**CDP**") are credited with the shares as at 5.00 p.m. on May 9, 2024 will be entitled to such Proposed Dividends.

The Proposed Dividends, if approved at the Annual General Meeting to be held on April 30, 2024, will be paid on May 24, 2024.

By Order of the Board

Joanna Lim
Company Secretary
April 15, 2024
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(a) In relation to the Ordinary Resolutions 5 to 7 proposed under items 5 to 7 above, the detailed information on Mr Christopher Lim Tien Lock, Mr David Fu Kuo Chen and Mr Nicholas James Loup pursuant to Rule 720(6) of the Listing Manual of SGX-ST can be found under the section entitled "Additional Information on Directors Seeking Re-election" on pages 129 to 132 of the Annual Report 2023 of the Company. Mr. Nicholas James Loup, will, upon re-election, remain as a Member of the Audit and Nominating Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(b) In relation to item 8 above, Mr. Leslie Mah Kim Loong, who is due for retirement by rotation pursuant to Article 80 of the Company's Constitution at the forthcoming Annual General Meeting, will not be seeking re-election to facilitate Board renewal of directors pursuant to the corporate governance principles as well as the SGX ruling on tenure of independent directors. Mr. Mah will retire from the Board of Directors at the conclusion of the Annual General Meeting and he will also relinquish his position as the Chairman of both the Audit and Nominating Committees, accordingly.

(c) Ordinary Resolution 8 will empower the Directors from the date of the AGM until the date of the next annual general meeting to issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in the resolution.

(d) Ordinary Resolution 9, if passed, will empower the Directors to purchase or otherwise acquire Shares on the terms of the Share Buy-Back Mandate as set out in Ordinary Resolution 9 and the Letter to Shareholders dated April 15, 2024. Please refer to the Letter to Shareholders dated April 15, 2024 for more details. The Company may use internal sources of funds and/or external borrowings to finance the purchase or acquisition of Shares. The amount of financing required and the impact on the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased, the purchase prices, how the purchase is funded, whether the purchase is made out of capital or profits, and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects are set out in paragraph 2.8 of the said Letter to Shareholders.

Important Notes to Shareholders:

Physical Meeting

(1) The Annual General Meeting ("**AGM**") will be held, in a wholly physical manner, at Crescent Ballroom, Level 2 Four Seasons Hotel Singapore, 190 Orchard Boulevard, Singapore 248646 on Tuesday, April 30, 2024 at 4.00 p.m. Printed copies of the Annual Report 2023, Letter to Shareholders dated April 15, 2024, this Notice of AGM and proxy form will be sent to shareholders of the Company via post. These documents will also be made available on the Company's corporate website at URL https://www.hotelprop.com.sg and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

(2) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder appoints two (2) proxies, he/she/it should specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

NOTICE OF ANNUAL GENERAL MEETING

Voting by proxy

(3) A proxy need not to be a shareholder of the Company.

(4) A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

(5) The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be:

(a) deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) emailed to: AGM2024@hotelprop.com.sg

by 4 p.m. on April 28, 2024, being not less than forty-eight (48) hours before the time appointed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

(6) For CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. by 4 p.m. on April 19, 2024.

(7) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

Submission of questions in advance of the AGM

(8) Shareholders who have any questions in relation to any agenda item of this notice, may send their queries to the Company in advance, by April 22, 2024, via email to AGM2024@hotelprop.com.sg or post to the Company's Registered Office at 50 Cuscaden Road #08-01 HPL House Singapore 249724.

(9) The Company will endeavour to address all substantial and relevant questions received from Shareholders and will upload the responses on the SGXNET at https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time for the lodgement of the proxy forms, i.e. by April 26, 2024.

Personal data privacy:

By submitting a proxy form appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Christopher Lim Tien Lock, Mr David Fu Kuo Chen and Mr Nicholas James Loup are the Directors seeking re-election at the annual general meeting of the Company on April 30, 2024 ("**AGM**") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is set out below:

Name of Director	Mr. Christopher Lim Tien Lock	Mr. David Fu Kuo Chen	Mr. Nicholas James Loup
Date of appointment	January 7, 1998	August 5, 2005	May 8, 2023
Date of last re-appointment (if applicable)	April 28, 2021	April 28, 2021	NA
Age	68	63	63
Country of principal residence	Singapore	Singapore	Hong Kong
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualifications, expertise, work experience and suitability of Mr Christopher Lim Tien Lock for re-election as the Executive Director of the Company. The Board has accepted the NC's recommendation and concluded that Mr Lim continue to possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualifications, expertise, work experience and suitability of Mr. David Fu Kuo Chen for re-election as the Non-Executive Director of the Company. The Board has accepted the NC's recommendation and concluded that Mr. Fu continues to possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualifications, expertise, work experience and suitability of Mr. Nicholas James Loup for re-election as the Non-Executive Independent Director of the Company. The Board has accepted the NC's recommendation and concluded that Mr Loup continues to possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the overall management of the HPL Group.	Non-Executive.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	Executive Director	• Non-Independent Director • Member of Nominating Committee	• Independent Director • Member of the Audit Committee • Member of the Nominating Committee
Professional qualifications	Bachelor's Degree in Business Administration from National University of Singapore	Bachelor of Science in Engineering from University of Southern California	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Christopher Lim Tien Lock	Mr. David Fu Kuo Chen	Mr. Nicholas James Loup
Working experience and occupation(s) during the past 10 years	Executive Director of Hotel Properties Limited	Director of Avant Hotel (S) Pte Ltd	1) Chelsfield Asia (2016 to Present) Group Vice Chairman, CEO Asia 2) Dymon Asia Real Estate (2015-2016) CEO - Business sold to Chelsfield 3) Chelsfield Group Board (2015) Working with Chairman on Group Strategy 4) Grosvenor Asia Pacific, Hong Kong (1996-2015) Chief Executive, and involved with Audit and Remuneration Committees
Any relationship (including immediate family relationships) with any existing director/existing executive officer of the Company and/ or substantial shareholder or any of its principal subsidiaries	Nil	Brother-in-law of Mr. Ong Beng Seng	Nil
Conflict of interest (including any competing business)	Nil	Mr. Fu has beneficial interest in companies which have similar businesses as the Group that own hotels/resorts and property developments.	Nil
Other Principal Commitments including Directorships			
Past 5 years	Nil	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Christopher Lim Tien Lock	Mr. David Fu Kuo Chen	Mr. Nicholas James Loup
Present	Directorships • Executive Director of Hotel Properties Limited • Director of Hotel Properties Limited's subsidiaries and associated companies.	Directorships 1. Hotel properties Limited 2. NSL Limited 3. Avant Apartments Pte Ltd 4. Avant Hotels (Singapore) Pte Ltd 5. Avant Properties Pte Ltd 6. Avant Retail Pte Ltd 7. Camellia Investments Pte Ltd 8. Dandelion Investments Pte Ltd 9. ED & CO Pte Ltd 10. Excelfin Pte Ltd 11. Excel Partners Pte Ltd 12. Heritage Holdings Pte Ltd 13. Kuo Asia Pte Ltd 14. Kuo International Pte Ltd 15. Kuo Oil (S) Pte Ltd 16. Kuo Properties Pte Ltd 17. Kuo Ventures Pte Ltd 18. Y.S. Fu Holdings (2002) Pte Ltd 19. 98 Holdings Pte Ltd 20. Zenith Securities Pte Ltd 21. Anchorage View Pte Ltd 22. HPL Ealing Pte. Ltd. 23. Maytrade Holdings Limited 24. Vickers Ballas Philippines Fund Limited 25. Argyle Resources Limited 26. Avant Hotels Australia Pty Ltd 27. Pacific Avant Holdings Limited 28. Relax Beach Ltd 29. MND (THAILAND) LTD 30. RHD (THAILAND) LTD 31. Morrol Investment Ltd 32. Saddlehorn International Ltd 33. Dutton Company, N.V. 34. Coldharbour Ltd 35. Mighty Wise Ltd 36. Model Perfect Ltd 37. Mighty Fit Ltd 38. Mighty Three Ltd 39. Fulbrook Holdings Ltd	Directorships 1. Hotel Properties Limited 2. Chelsfield Asia (2016-Present) Group Vice Chairman, CEO Asia 3. Member of the Policy Committee of British Chamber of Commerce 4. Director of Spinal Cord Injury Fund 5. Founder and Member of the Management Board of the Asian Association for Investors in Non-Listed Real Estate Vehicles Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Christopher Lim Tien Lock, Mr David Fu Kuo Chen and Mr Nicholas James Loup have each:

- Provided an undertaking set out in Appendix 7.7 under Rule 720(1) of SGX-ST.

- Individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No".

The shareholding interest in the Company and its subsidiaries of each of these Directors are disclosed in the Directors' Statement on pages 18 to 21.

The disclosure on prior experience as a director of an issuer listed on the Exchange and details of prior experience is not applicable as disclosure is applicable to the appointment of Director only.

PROXY FORM

ANNUAL GENERAL MEETING

HOTEL PROPERTIES LIMITED
(Incorporated in Singapore)
Company Reg No : 198000348Z

IMPORTANT:
1. Printed copies of this proxy form will be sent to shareholders of the Company via post. This proxy form has also been made available on the SGXNET at *https://www.sgx.com/securities/ company-announcements*.
2. Relevant intermediaries (as defined in Section 181(6) of the Singapore Companies Act 1967) may appoint more than two (2) proxies to attend, speak and vote at the annual general meeting ("**AGM**").
3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold the Company's shares through CPF agent banks or SRS operators. CPF/SRS investors should contact their respective CPF agent banks or SRS operators if they have any queries regarding appointment of their proxies.
4. CPF or SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their votes at least seven (7) working days before the AGM i.e. by **4.00 p.m. on April 19, 2024**.

*I/We, ________________________ NRIC/Passport no./Co.Reg No: ____________________

of ____

being *a member/members of Hotel Properties Limited. (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding(s) (%)

and/or (delete as appropriate)

or failing him/her, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Forty-Fourth Annual General Meeting ("**AGM**") of the Company to be held at Crescent Ballroom, Level 2 Four Seasons Hotel Singapore, 190 Orchard Boulevard, Singapore 248646 on Tuesday, April 30, 2024 at 4.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder.

THIS PROXY FORM IS VALID ONLY WHEN SIGNED AND DATED

No.	Resolutions relating to:	For*	Against*	Abstain*
1.	Adoption of Directors' Statement and Audited Financial Statements			
2.	Declaration of a first and final one-tier tax exempt dividend of 4 cents per ordinary share and a one-tier tax exempt special dividend of 2 cents per ordinary share for the year ended December 31, 2023.			
3.	Approval of Directors' Fees			
4.	Re-appointment of Auditors			
5.	Re-election of Director (Mr. Christopher Lim Tien Lock)			
6.	Re-election of Director (Mr. David Fu Kuo Chen)			
7.	Re-election of Director (Mr Nicholas James Loup)			
8.	Authority to issue shares pursuant to Share Issue Mandate			
9.	Renewal of Share Buy-Back Mandate			

Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" or a "√" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" or a "√" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the below resolutions if no voting instruction is specified, and on any other matter arising at the AGM and at any adjournment thereof

Dated this __________ day of __________________ 2024.

Total Number of Shares held	
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or,
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the register of members of the Company (the "**Register of Members**"), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder appoints two (2) proxies, he/she/it should specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing a proxy or proxies.

   A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   For CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. by 4 p.m. on April 19, 2024.

3. A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

4. A proxy need not be a Shareholder of the Company. The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

Fold along this line

Affix Postage
Stamp Here

The Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

Fold along this line

5. The Proxy Form can be submitted in the following manner by 4.00 p.m. on April 28, 2024, being at least 48 hours before the time for holding the AGM:
   (a) if submitted by post, be deposited at the at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
   (b) if submitted electronically, be submitted via email to AGM2024@hotelprop.com.sg

   Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the proxy(ies) must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

7. Completion and submission of the Proxy Form by a member will not prevent him/her/it from attending, speaking and voting at the AGM if he/she/it so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form(s) to the AGM.

8. The Company shall be entitled to reject the Proxy Form if it is incomplete or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

9. Shareholders should take note that once this proxy form is submitted electronically via email to AGM2024@hotelprop.com.sg or posted/deposited to office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, they cannot change their vote as indicated in the box provided above.

Personal Data Privacy: By submitting a proxy form appointing proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the notice of AGM dated April 15, 2024.

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HOTEL
PROPERTIES
LIMITED

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