FIRST SPONSOR GROUP LIMITED
ANNUAL REPORT 2023

Allianz Tower,
Rotterdam, The Netherlands

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COMPANY
HIGHLIGHTS

REVENUE
S$282.9M

⬇ 33.8% YoY from S$427.5 m

NET PROFIT
S$12.5M

⬇ 90.5% YoY from S$131.3 m

INVESTMENT PROPERTIES
194,077

sq m

DIVIDEND
4.20 Cents

⬆ 10.5% YoY from 3.80 cents

HOTELS
2,857

rooms

TOTAL ASSETS
S$4,642.7M

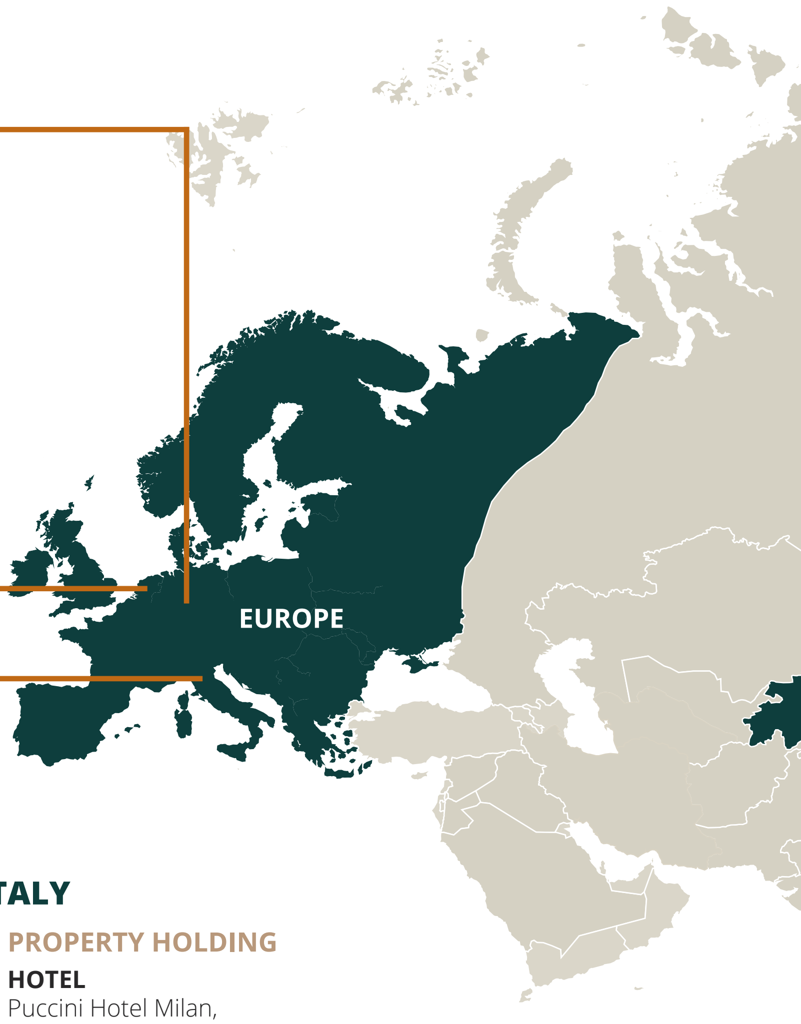
⬆ 7.0% YoY from S$4,338.1 m

DEVELOPMENT PROPERTIES
2,249,633

sq m

Artist's impression of ***The Brilliance,*** *Dongguan, PRC*

OUR
PRESENCE



GERMANY

PROPERTY HOLDING

INVESTMENT PROPERTY
Le Méridien Frankfurt
Frankfurt

HOTEL
Bilderberg Bellevue Hotel Dresden
Dresden

PROPERTY FINANCING

THE NETHERLANDS

PROPERTY DEVELOPMENT

Dreeftoren Redevelopment
Amsterdam

Meerparc
Amsterdam

Prins Hendrikkade
Amsterdam

PROPERTY HOLDING

INVESTMENT PROPERTIES
Arena Towers (Holiday Inn Amsterdam and Holiday Inn Express Amsterdam hotels)
Amsterdam

Berg & Bosch
Bilthoven

Herengracht 21
The Hague

Mondriaan Tower
Amsterdam

Munthof
Amsterdam

Oliphant
Amsterdam

Zuiderhof I
Amsterdam

Allianz Tower
Rotterdam

HOTELS
Hampton by Hilton Utrecht Centraal Station & Crowne Plaza Utrecht Centraal Station
Utrecht

Hilton Rotterdam
Rotterdam

Bilderberg Château Holtmühle
Tegelen

Bilderberg Europa Hotel Scheveningen
The Hague

Bilderberg Garden Hotel Amsterdam
Amsterdam

Bilderberg Grand Hotel Wientjes
Zwolle

Bilderberg Hotel De Bovenste Molen
Venlo

Bilderberg Hotel De Keizerskroon
Apeldoorn

Bilderberg Hotel 't Speulderbos
Garderen

Bilderberg Kasteel Vaalsbroek
Vaals

Bilderberg Parkhotel Rotterdam
Rotterdam

Bilderberg Résidence Groot Heideborgh
Garderen

Hotel de Bilderberg
Oosterbeek

PROPERTY FINANCING

ITALY

PROPERTY HOLDING

HOTEL
Puccini Hotel Milan, Tapestry Collection by Hilton
Milan

OUR
PRESENCE

CHENGDU, SICHUAN PROVINCE

PROPERTY DEVELOPMENT

Millennium Waterfront

PROPERTY HOLDING

HOTELS

Crowne Plaza Chengdu Wenjiang Hotel and Holiday Inn Express Chengdu Wenjiang Hotspring Hotel

PROPERTY FINANCING

SHANGHAI

PROPERTY HOLDING

INVESTMENT PROPERTY

FS Han Mai Mall

PROPERTY FINANCING

GREATER BAY AREA

PROPERTY DEVELOPMENT

Dongguan
The Brilliance
The Pinnacle
Kingsman Residence
Exquisite Bay
Central Mansion
Star of East River
Skyline Garden
Egret Bay
Fenggang Project
Time Zone

Guangzhou
Primus Bay

PROPERTY HOLDING

INVESTMENT PROPERTIES

East Sun Portfolio, Dongguan

PROPERTY FINANCING

SYDNEY

PROPERTY DEVELOPMENT

City Tattersalls Club Project

PROPERTY FINANCING

OUR THREE KEY OPERATING SEGMENTS

PROPERTY DEVELOPMENT

Residential and commercial property developments in the PRC, specifically in Dongguan, Guangzhou and Chengdu, as well as The Netherlands and Australia.

PROPERTY HOLDING

Hotel ownership and operations as well as investment properties held for rental income, primarily in the PRC, The Netherlands, Germany and Italy.

We plan to build our portfolio to generate a stable stream of recurrent income and future capital gain.

PROPERTY FINANCING

Loan arrangements primarily in the PRC (including via entrusted loans), The Netherlands, Germany and Australia.

Artist's impression of
Primus Bay,
Guangzhou, PRC

FINANCIAL HIGHLIGHTS

YEAR	2015	2016	2017	2018
	(S$'m)	(S$'m)	(S$'m)	(S$'m)
(A) Consolidated Statement of Profit or Loss				
Property development	165.4	162.1	308.1	139.4
Property holding [1]	14.1	18.9	28.5	55.7
Property financing	36.3	18.1	47.8	82.3
Revenue	**215.8**	**199.1**	**384.4**	**277.4**
Property development	46.3	20.8	98.6	65.7
Property holding [1]	10.9	15.2	11.4	22.0
Property financing	36.2	15.8	43.0	73.8
Gross profit	**93.4**	**51.8**	**153.0**	**161.5**
Profit before tax	**91.0**	**118.4**	**121.2**	**144.5**
Net profit attributable to equity holders of the Company	**67.4**	**113.1**	**88.3**	**113.0**
Distributions of perpetual convertible capital securities	**-**	**-**	**-**	**4.5**
(B) Consolidated Statement of Financial Position				
Cash and cash equivalents	112.0	280.6	319.3	125.7
Other investments (current) [2]	-	-	38.9	39.3
Net debt [3]	368.8	81.3	261.7	530.7
Total assets	1,800.8	1,796.1	2,106.5	2,381.8
Equity attributable to owners of the Company	**974.7**	**1,024.6**	**1,080.2**	**1,150.5**
Perpetual convertible capital securities	**-**	**-**	**-**	**161.3**
Total equity	**978.1**	**1,029.7**	**1,086.9**	**1,323.5**
(C) Ratio Analysis				
Net gearing ratio [4]	0.38	0.08	0.24	0.40
Return on equity [5]	7.2%	11.3%	8.4%	9.4%
(D) Per Ordinary Share				
Net asset value (cents) [6]	165.26	173.71	183.13	202.21
Adjusted net asset value (cents) [7]	165.26	173.71	183.13	164.81
Basic earnings (cents) [8]	10.38 [9]	17.43 [9]	13.61 [9]	16.72
Diluted earnings (cents)	10.38 [9]	17.43 [9]	13.61 [9]	15.02
Dividends (tax-exempt (one-tier))				
- first interim ordinary dividend (cents)	0.70	1.00	1.00	1.00
- second interim ordinary dividend (cents)	-	-	-	-
- final ordinary dividend (cents)	1.00	1.00	1.20	1.30
- total dividends (cents)	1.70	2.00	2.20	2.30

FINANCIAL **HIGHLIGHTS**

2019	2020	2021	2022	2023
(S$'m)	**(S$'m)**	**(S$'m)**	**(S$'m)**	**(S$'m)**
160.0	57.0	415.1	205.9	**37.0**
71.8	41.7	55.1	148.3	**193.5**
87.4	105.2	119.0	73.3	**52.4**
319.2	**203.9**	**589.2**	**427.5**	**282.9**
78.8	64.9	119.2	90.8	**17.6**
30.5	9.1	16.1	56.9	**73.4**
79.7	97.9	106.0	58.4	**40.9**
189.0	**171.9**	**241.3**	**206.1**	**131.9**
194.2	**125.6**	**202.6**	**195.7**	**27.7**
167.1	**103.2**	**121.5**	**131.3**	**12.5**
3.5	**3.0**	**-**	**-**	**-**
313.4	476.3	343.9	270.3	**177.8**
-	-	-	-	**-**
315.5	271.3	756.2	748.5	**1,080.4**
2,760.5	3,424.6	4,303.5	4,338.1	**4,642.7**
1,421.9	**1,671.1**	**1,863.1**	**1,810.3**	**1,973.1**
146.5	**-**	**-**	**-**	**-**
1,598.6	**1,747.3**	**1,978.9**	**1,926.0**	**2,088.5**
0.20	0.16	0.38	0.39	**0.52**
11.6%	6.4%	6.9%	7.1%	**0.7%**
197.27	183.05	202.39	195.95	**177.89**
165.16	162.75	176.60	172.35	**166.94**
21.64	11.97	13.26	14.21	**1.29**
17.12	8.87	9.16	9.90	**1.08**
1.10	1.10	1.10	1.10	**1.10**
-	2.00	2.35	-	**-**
1.60	-	-	2.70	**3.10**
2.70	3.10	3.45	3.80	**4.20**

Notes:

(1) Property holding represents property investment and hotel operations.

(2) Other investments (current) relate to principal-guaranteed structured deposits placed with financial institutions.

(3) Net debt = gross borrowings less cash and cash equivalents less other investments (current) as defined in (2) above.

(4) Net gearing ratio is net debt divided by total equity including non-controlling interests and perpetual convertible capital securities ("PCCS") where applicable.

(5) Computed based on the net profit attributable to equity holders of the Company divided by the simple average equity attributable to owners of the Company (including PCCS where applicable, but excluding non-controlling interests).

(6) Computed based on the equity attributable to owners of the Company (including PCCS where applicable, but excluding non-controlling interests) and the number of ordinary shares in issue (excluding treasury shares) as at the end of each respective financial years.

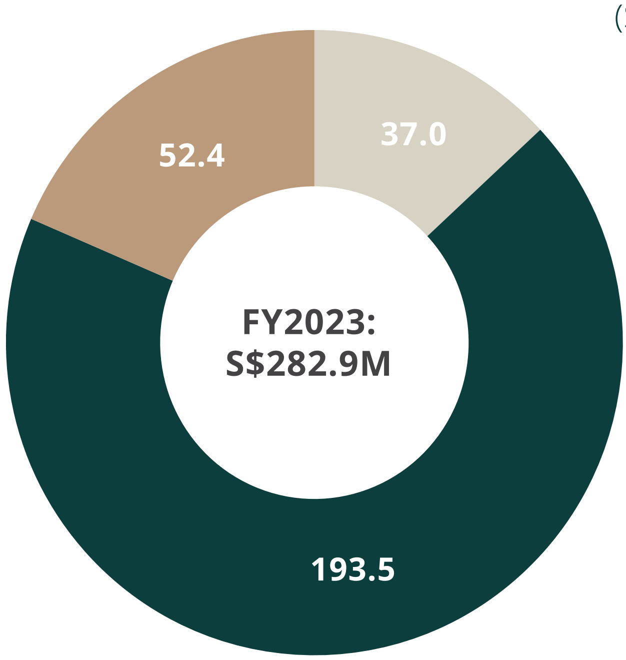
(7) Computed based on net asset value per share adjusted for the full conversion of PCCS and exercise of all warrants to ordinary shares where applicable.

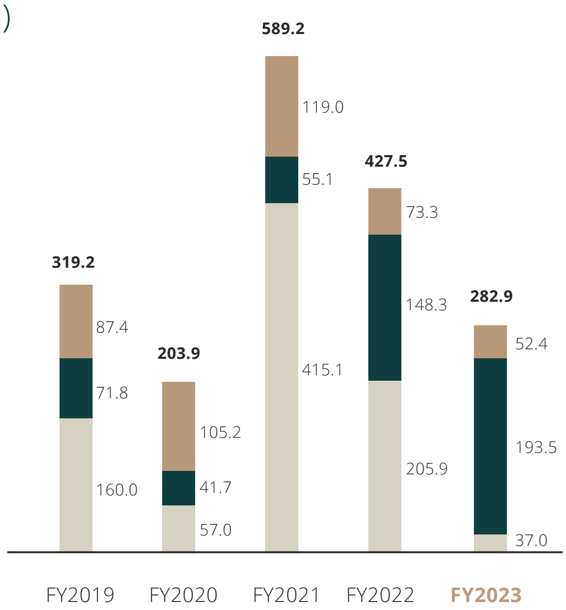
(8) Computed based on the net profit attributable to equity holders of the Company and the weighted average number of ordinary shares for the respective financial year. The weighted average number of ordinary shares excluded 307,682 shares in the Company held by a subsidiary since August 2018 which are accounted for as treasury shares in the consolidated financial statements of the Group in accordance with IAS 32 *Financial Instruments: Presentation*.

(9) For comparative purposes, the number of ordinary shares for the prior years have been adjusted to include the effect of the issue of one bonus share for every ten (10) existing ordinary shares in April 2018.

FINANCIAL **HIGHLIGHTS**

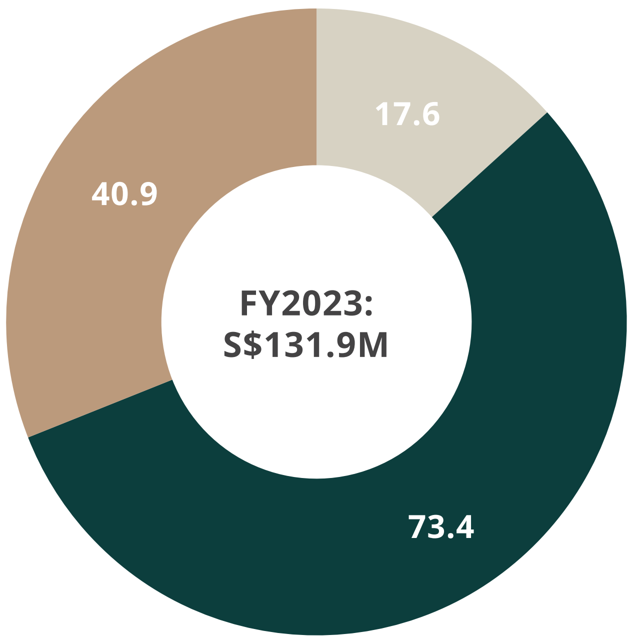
REVENUE BY SEGMENT
(S$'M)



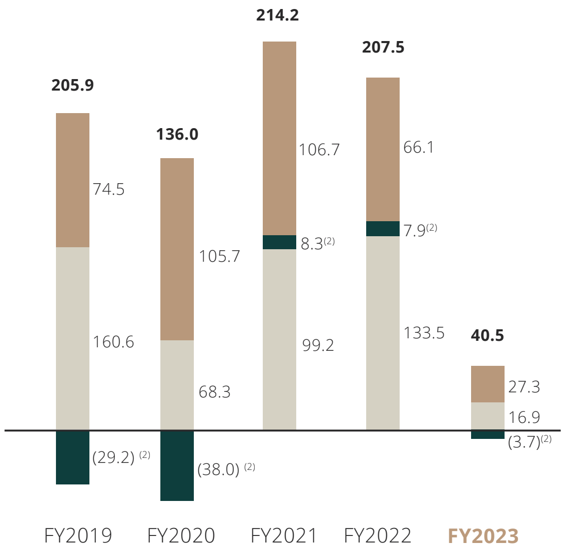


PROPERTY DEVELOPMENT | PROPERTY HOLDING | PROPERTY FINANCING

GROSS PROFIT BY SEGMENT
(S$'M)



SEGMENT PROFIT BEFORE TAX [(1)]
(S$'M)

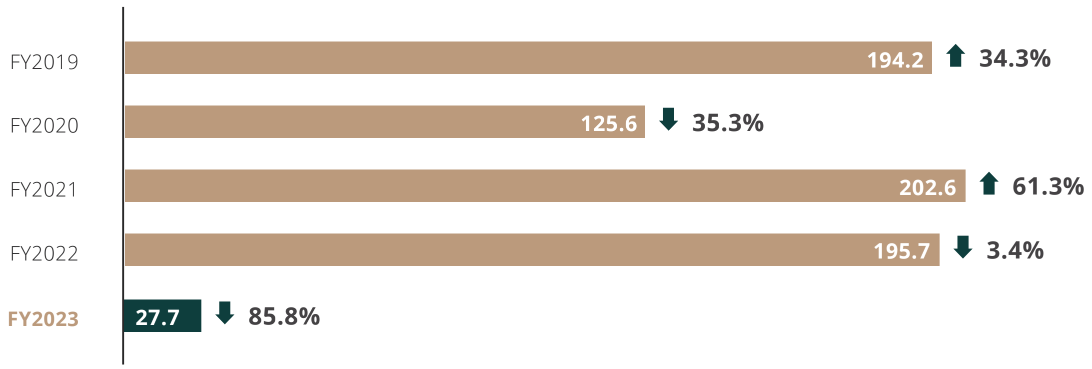


PROPERTY DEVELOPMENT | PROPERTY HOLDING | PROPERTY FINANCING

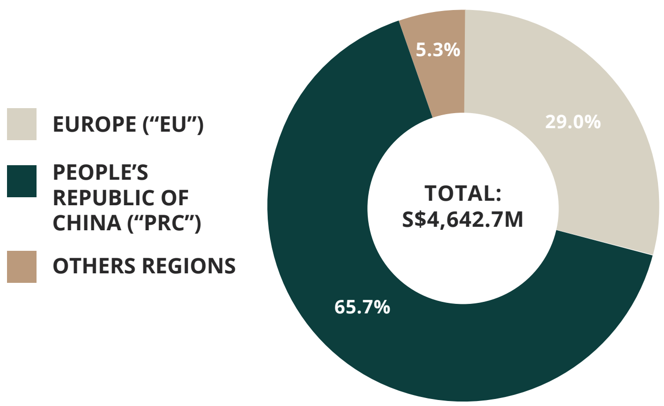
(1) This is excluding unallocated expenses of S$12.8m (FY2022: S$11.8m; FY2021: S$11.6m; FY2020: S$10.4m and FY2019: S$11.7m).

(2) This is net of impairment charge, depreciation charge, hotel pre-opening expenses and base stocks written off, and property, plant and equipment written off, where applicable, amounting to S$18.5m for FY2023 in aggregate (FY2022: S$59.6m; FY2021: S$27.5m; FY2020: S$16.2m and FY2019: S$56.8m).

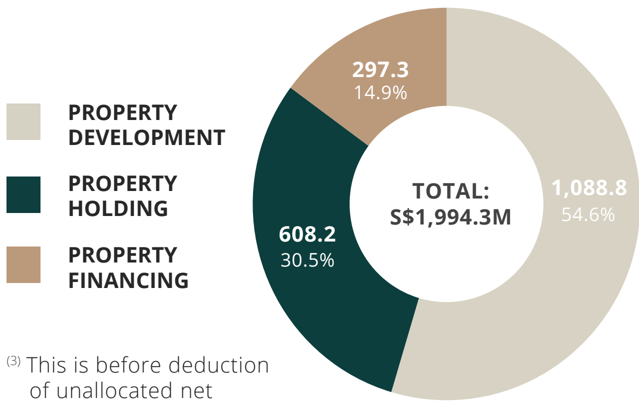
PROFIT BEFORE TAX
(S$'M)



TOTAL ASSETS – BY GEOGRAPHICAL SEGMENTS AS AT 31 DECEMBER 2023

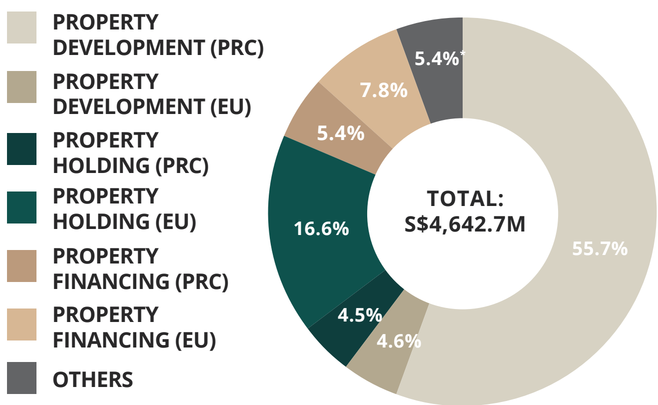


NET ASSETS - BY SEGMENT AS AT 31 DECEMBER 2023 [3]
(S$'M)



[3] This is before deduction of unallocated net assets of S$94.2m.

TOTAL ASSETS – BY BUSINESS SEGMENTS AS AT 31 DECEMBER 2023

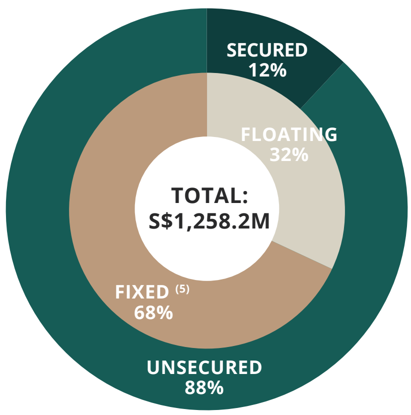


* Includes (i) PD/PH/PF (Australia) and (ii) unallocated cash, equity securities held and tax related items in the various regions.

DEBT [4] COMPOSITION AS AT 31 DECEMBER 2023

[4] Debt represents gross borrowings.

[5] Mainly via cross currency swaps and medium term notes.



***Bilderberg Europa Hotel Scheveningen**, The Hague, The Netherlands*

CHAIRMAN'S **STATEMENT**

Dear Shareholders,

In 2023, the Group navigated a particularly challenging landscape marked by sustained economic headwinds, global inflationary pressures, and escalating geopolitical tensions across its key market. Faced with an environment of high financing cost and capitalisation rates in The Netherlands, Germany and Australia, as well as the weak property market in the PRC, the Group has nevertheless continued to operate profitably although this is the lowest profit level since its IPO in 2014. While the net profit of S$12.5 million for FY2023 was a decrease of 90.5% from FY2022, I am thankful for the hard work and tireless efforts put in by management and all employees to navigate the Group through these difficult times.

Despite the current unfavourable market conditions, the Board remains confident in the Group's long-term prospects, and has recommended a final tax-exempt (one-tier) cash dividend of 3.10 Singapore cents per share. If approved, the total dividend declared for FY2023 will be 4.20 Singapore cents per share, representing a 10.5% growth from FY2022. The Board remains committed to work towards a stable dividend payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions.

Reflecting the general state of the PRC property market, the Group observed weaker buying sentiments for its PRC property development projects during FY2023. Whilst this has adversely affected the Group's ability to capitalise on its expanded footprint in the Greater Bay Area ("GBA"), it has not diminished the Group's commitment to maximise shareholder value. As such, despite slow pre-sales, the Group will continue to adopt a longer-term view as appropriate and continue to sell these development projects with an operating profit margin.

As part of the property holding segment which was a key contributing segment to the Group's performance in FY2023, the Group's European property portfolio remained strong and recorded a total operating income of €46.7 million in FY2023, a 9.5% increase as compared to FY2022. The increase was due mainly to the continued recovery of the European hospitality sector which was underpinned by strong post-Covid-19 travel demand. The Group has been actively managing its European property portfolio, and with the completed renovations of the Bilderberg Europa Hotel Scheveningen and the Bilderberg Hotel De Keizerskroon during FY2023, the ongoing Dreeftoren Amsterdam office and residential redevelopments which would complete in FY2025 and FY2026 respectively, as well as the commencement of the Puccini Hotel Milan, Tapestry Collection by Hilton and Prins Hendrikkade Amsterdam redevelopments in FY2024 due for completion in FY2025, the Group's recurring income from this segment will be further enhanced.

"In 2023, the Group navigated a particularly challenging landscape marked by sustained economic headwinds, global inflationary pressures, and escalating geopolitical tensions across its key markets. Despite an environment of high financing cost and capitalisation rates... the Group has managed to operate profitably. The raising of S$234.6 million of new equity funds... coupled with the substantial unutilised committed credit facilities... well-positions the Group not only to manage any economic challenges arising from the difficult market conditions, but to also capitalise on any favourable business opportunities that may arise."

In light of the weakened PRC economy, the Group has continued to take a prudent and cautious approach with its PRC property financing business. As a result, the property financing revenue shrank 18.9% from S$64.6 million in FY2022 after taking into account certain pro forma adjustments, to S$52.4 million in FY2023, due mainly to a lower average PRC loan book. The PRC property financing loan book stood at approximately RMB1.2 billion as at 31 December 2023 and is expected to further decline in FY2024.

Group Performance

Arising from the challenging year in FY2023, the Group achieved an annual net profit of S$12.5 million, a decrease of 90.5% from FY2022. The decrease in net profit was the result of lower gross profit contribution from the Group's property development and property financing business segments, and a significantly lower foreign exchange gain net of fair value loss on financial derivatives.

As at 31 December 2023, the Group's equity attributable to owners of the Company, consolidated gross borrowings and consolidated net gearing ratio based on book value amounted to approximately S$1,973.1 million, S$1,258.2 million and 0.52 respectively.

The Group continues to adopt a foreign exchange risk management strategy that takes into account the changing business and economic outlook of the various regions that the Group operates in. The Group has sufficiently hedged its € and A$ asset base, whereas it will continue to monitor and hedge its RMB foreign exchange exposure, considering the associated costs of RMB/CNH-denominated borrowings and/or financial derivatives, and take appropriate actions when necessary. During the course of FY2023, the Group further increased its hedge against its RMB asset exposure which remains a key business risk to the Group. As at 31 December 2023, the Group has hedged approximately 80.9% of its RMB-denominated net assets, which is a marked increase from prior years. With respect to all its foreign currency exposure, there is no assurance as to the effectiveness and success of such foreign currency risk exposure management actions that the Group might or might not take. There could be a material adverse financial impact on the Group should the S$ weaken significantly against the €, A$ and/or RMB.

As at 31 December 2023, the Group recorded a cumulative translation loss of S$113.3 million as part of reserves in its shareholders' equity (2022: S$64.1 million), arising mainly from the Group's exposure to RMB which depreciated against S$ in FY2023.

Property Development

In the PRC, despite the slow pre-sales for the Group's development projects which are mainly in Dongguan, owing to the overall weak property market sentiment, the Group has adopted a longer-term view and will focus on maintaining a good operating profit margin instead of turnover speed. A substantial number of the Group's PRC property development projects will be ready to commence handover for at least a part of their respective developments during the course of FY2024.

In The Netherlands, the Group is progressing with the Dreeftoren Amsterdam redevelopment, albeit with a six-month delay due to the bankruptcy of the project's façade contractor. As such, the targeted completion dates have been revised to 2Q2025 for the office tower and 2Q2026 for the residential tower. Upon completion, the project will comprise mainly of a refurbished and enlarged 20-storey office tower with 20,231 square metres ("sqm") of gross floor area ("GFA") and a new 130-metre residential tower with 312 apartment units. As for the freehold Meerparc and Prins Hendrikkade in Amsterdam, the Group is currently in ongoing discussions with the municipality on their respective redevelopments.

In Australia, the construction of the 39.9%-owned City Tattersalls Club ("CTC") project in Sydney is on schedule. The main contractor works are approximately 13% completed as at 31 December 2023 based on the claimed contract works. The completion of the CTC project, which includes 241 residential apartment units and a 110-room hotel, is expected in FY2027. The Group will continue to monitor the residential market conditions in the Sydney central business district ("CBD") and construction progress before determining the appropriate time for the residential pre-sale launch. The Group has increased its equity stake in the hotel component from 70.5% to 90.5%, thereby further enhancing its property holding portfolio.

Skyline Garden, Dongguan, PRC

In December 2023, the 27%-owned Skyline Garden project in Dongguan handed over its last residential apartment block comprising 364 units, which is almost fully sold.

Skyline Garden, Dongguan, PRC

Time Zone, Dongguan, PRC

In December 2023, the 17.3%-owned Humen Time Zone commenced its first handover of two residential apartment blocks (452 units) which were 95.6% sold on average. As Phase 1.1 and Phase 1.2 are at an advanced stage of construction, the various residential and SOHO loft blocks from these two phases are expected to be progressively handed over to the buyers during the course of FY2024 and FY2025.

Discussions are ongoing with the Dongguan local government regarding the potential rezoning of a substantial portion of the originally approved commercial GFA, encompassing three office towers (198,100 sqm) and four SOHO blocks (308,900 sqm, including a 40,000 sqm hotel), into residential GFA.

Time Zone, Dongguan, PRC

Central Mansion, Dongguan, PRC

A total of four residential apartment blocks comprising 386 units of the 36%-owned Central Mansion in Humen, Dongguan, have been launched for pre-sales, with the latest block launched in January 2024. The project has achieved a sales rate of 21% at an average selling price of approximately RMB35,800 per square metre ("psm"). The project is expected to commence the first handover of two residential apartment blocks in late 2024 or early 2025.

Central Mansion, Dongguan, PRC

Fenggang Project, Dongguan, PRC

The completion of the resettlement exercise for the Fenggang project was finalised in June 2023. The next milestone would be the approval for the rezoning exercise which is expected to be obtained in 1H2024, following which the land conversion premium is to be paid in instalments.

Based on the finalised land conversion premium and related costs, the Group's land cost in the project is estimated to be approximately RMB13,400 psm per plot ratio. As the project company is currently negotiating for a lower monetary compensation to the village community, this could lead to a reduction in the estimated land cost.

Primus Bay, Guangzhou, PRC

The 95%-owned Panyu Primus Bay has launched six residential apartment blocks comprising 539 units for pre-sales and achieved a sales rate of 18% at an average selling price of approximately RMB23,400 psm. The project commenced its first handover of the sold residential units for three of the six blocks in January 2024 instead of the initially planned December 2023. All sold units from the remaining three blocks are expected to be handed over in 1H2024.

While the project has been selling at an operating profit, a write-down of S$24.6 million was made in FY2023 on grounds of prudence.

Primus Bay, Guangzhou, PRC

Exquisite Bay, Dongguan, PRC

The 46.6%-owned Exquisite Bay has launched three residential apartment blocks comprising 271 units for pre-sales and achieved a sales rate of 29% at an average selling price of approximately RMB25,300 psm. The project is expected to commence the first handover of the sold residential units from June 2024.

Exquisite Bay, Dongguan, PRC

Egret Bay, Dongguan, PRC

The 27%-owned Egret Bay has launched six residential apartment blocks comprising 311 units for pre-sales, including one block recently launched in December 2023. It has achieved a sales rate of 48% with an average selling price of approximately RMB42,100 psm. The project is expected to commence its first handover of the sold residential units in 1H2025.

Egret Bay, Dongguan, PRC

The Brilliance, Dongguan, PRC

The wholly-owned The Brilliance has launched three residential apartment blocks comprising 323 units for pre-sales, including one block newly launched in December 2023. It has achieved a sales rate of 13% with an average selling price of approximately RMB21,400 psm. The project is expected to commence its first handover of the sold residential units in late 2024.

The Brilliance, Dongguan, PRC

Kingsman Residence, Dongguan, PRC

The 50%-owned Kingsman Residence has launched three residential apartment blocks comprising 308 units for pre-sales in mid-September 2023. It has achieved a sales rate of 17% with an average selling price of approximately RMB19,800 psm. The project is expected to commence its first handover of the sold residential units in late 2024.

Kingsman Residence, Dongguan, PRC

Millennium Waterfront Project, Chengdu, PRC

The wholly owned Millennium Waterfront Plot E1 launched 288 units for pre-sales, out of a total of 2,228 units in two SOHO blocks. 111 SOHO units were sold at an average selling price of RMB7,200 psm. The sold units are expected to be handed over in mid-2024.

Regarding the Plot E1 retail podium, approximately 44% has been leased and negotiations with potential tenants are ongoing.

Millennium Waterfront Project, Chengdu, PRC

CHAIRMAN'S **STATEMENT**

Dreeftoren Redevelopment, Amsterdam Southeast, The Netherlands

Due to the bankruptcy of the façade contractor in late September 2023, the Dreeftoren redevelopment project is expected to be delayed by six months. The targeted completion dates have been revised to 2Q2025 for the office tower and 2Q2026 for the residential tower respectively. The façade contractor has since been taken over by a new investor and the Group has engaged the successor company for the remaining façade works.

Upon completion of construction, the project will comprise mainly a refurbished and enlarged 20-storey office tower with 20,231 sqm of GFA and a new 130-metre residential tower comprising 312 units.

Dreeftoren Redevelopment, Amsterdam Southeast, The Netherlands

Redevelopment of Meerparc, Amsterdam, The Netherlands

The Group is in ongoing discussions with the municipality to redevelop the freehold Meerparc, from a 19,143 sqm (GFA) office cum industrial property, into a 50,000 sqm (GFA) mixed residential (60%) and office (40%) property.

Discussions are ongoing regarding the Group's proposal for a residential composition of 55% mid-rent and 45% free sector (based on the number of units) for the project. Subject to the outcome of this discussion, the Group may have to reassess its redevelopment option if the eventual residential composition imposed by the municipality is financially unviable.

Meerparc, Amsterdam, The Netherlands

Prins Hendrikkade 16-19, Amsterdam, The Netherlands

Following the acquisition of the Prins Hendrikkade property in December 2023, the Group is in discussion with the municipality on the full renovation of the property which entails a predominantly office property with five residential units.

The Group submitted the building permit application on 31 January 2024 after finalising the renovation plan with the municipality. Redevelopment is expected to commence in 2Q2024, with estimated completion in FY2025.

Prins Hendrikkade 16-19, Amsterdam, The Netherlands

CTC Project, Sydney, Australia

Construction on the Group's CTC project commenced in March 2023, shortly after the 39.9%-owned developer trust signed a construction agreement with Richard Crookes Construction Pty Limited as the main contractor in February 2023. The contract price comprised both fixed and variable components.

As at 31 December 2023, the main contractor's works are approximately 13% completed based on the claimed contract works. Upon the expected completion in FY2027, the CTC project will comprise the refurbished City Tattersalls Club, 241 residential apartment units and a 110-room hotel. Regarding the 241 saleable residential units, the Group will continue to monitor the market conditions in Sydney CBD and the construction progress before determining the appropriate time for pre-sale launch. In addition, the Group has increased its equity stake in the 110-room hotel component from the initial 70.5% to 90.5%, thereby further enhancing its property holding portfolio.

The Group, together with Tai Tak as its JV partner, will be providing construction financing to the developer trust as part of its property financing business.

CTC Project, Sydney, Australia

Property Holding

Property holding was the best performing segment for the Group in FY2023, being the only segment to grow its revenue and gross profit line by 30.5% and 29.0% over FY2022 respectively. The increase was due mainly to the full-year contribution from the FS Han Mai Mall in Shanghai which was acquired by the Group via a foreclosure auction in April 2022 as part of the Group's enforcement action on a defaulted loan, and the continued recovery of the European hospitality sector which was underpinned by strong post-Covid-19 travel demand.

Looking at the Group's commercial office property portfolio, the 33%-owned FSMC NL Property Group B.V. has been working on asset enhancement initiatives to upgrade and modernise the entrance areas of the Mondriaan Tower which has a GFA of 24,880 sqm, so as to enhance the leasing potential of the property. These renovation works were completed in December 2023 and the toilets on most of the floors will be undergoing upgrading as the next phase of asset enhancement program. Tenants who have already signed new leases commencing in FY2024 will increase the occupancy of the office building to 86%. In addition, discussions on several potential new leases and lease extensions are currently underway.

On the hospitality front, with the completion of the renovation for the Bilderberg Europa Hotel Scheveningen and Bilderberg Hotel De Keizerskroon during FY2023, the two hotels are expected to contribute positively with full-year operating income from FY2024 onwards. The Group is working to develop the wholly-owned bare-shell Puccini Milan hotel into a 4-star 59-room Puccini Hotel Milan, Tapestry Collection by Hilton, while the Group's 50%-owned Le Méridien Frankfurt will also undergo major renovations involving the complete refurbishment of all 80 rooms in the Palais wing and the addition of 29 new rooms to the current 300-room inventory. Both projects are expected to be completed in FY2025 and will contribute positively to the recurring income of the property holding segment.

In the PRC, the post-Covid-19 recovery also positively impacted the Group's wholly-owned Chengdu Wenjiang hotels. The hotels achieved improved earnings before interest, tax, depreciation and amortisation ("EBITDA") of RMB21.2 million for FY2023, setting a record EBITDA for the two hotels since the commencement of operations in 2016 and achieving significant improvement of close to 80% compared to FY2022's EBITDA of RMB11.9 million. On divestments, the Group's 90%-owned East Sun entered into an agreement to divest its remaining 49% equity interest in the most significant property ("Dalingshan Industrial Property") in the Wan Li Portfolio known as the Dalingshan Industrial Property, valuing the property at RMB135 million, which represents a premium of approximately 78% over its allocated cost. The divestment was successfully completed on 29 November 2023.

CHAIRMAN'S **STATEMENT**

The Netherlands

The 95%-owned Dutch Bilderberg hotel portfolio recorded an EBITDA of €6.0 million in FY2023. The drop from FY2022's EBITDA of €7.8 million was due mainly to business interruption arising from the renovation of the Bilderberg Europa Hotel Scheveningen and Bilderberg Hotel De Keizerskroon as well as the absence of Covid-19 subsidies.

With the renovations of the aforementioned hotels completed during FY2023, the Group is looking forward to the recurring income contribution from these two hotels from FY2024 onwards.

Hotel De Keizerskroon, The Netherlands

The 33%-owned Hilton Rotterdam hotel recorded a slightly improved EBITDA of €3.3 million for FY2023 (FY2022: €3.1 million), and also set the record for the highest average daily rate ("ADR") achieved since its acquisition in 2018 of €167 (FY2022: ADR of €145).

Hilton Rotterdam Hotel, Rotterdam, The Netherlands

The Hampton by Hilton and Crowne Plaza in Utrecht achieved strong trading results in FY2023 with an EBITDA of €5.5 million generated by the two hotels, or approximately 41% higher than the €3.9 million recorded in FY2022. This is attributable to a higher occupancy of 86.1% in FY2023 (FY2022: 73.4%) as well as a higher ADR of €134 for the year (FY2022: €119).

Crowne Plaza Utrecht Centraal Station and Hampton by Hilton Utrecht Centraal Station, Utrecht, The Netherlands

Germany

The recovery of the Dresden hospitality market remained strong in FY2023. The Bilderberg Bellevue Hotel Dresden recorded an EBITDA of €4.0 million for FY2023 (FY2022: €2.7 million). The hotel recorded a higher occupancy of 67.6% in FY2023, compared to the 56.6% achieved in FY2022.

The hotel also saw the completion of its asset enhancement initiatives during 2023. These included the installation of 993 solar cells which are expected to generate over 400MWh annually, approximately 25% of the hotel's average electrical consumption, as well as the construction of an underground parking garage (44 lots) in the East Wing basement of the hotel which was funded by the previous owners amounting to €2.5 million.

Bilderberg Bellevue Hotel Dresden, Dresden, Germany

The 50%-owned Le Méridien Frankfurt hotel recorded an EBITDA of €1.6 million in FY2023 (FY2022: €2.0 million) despite an improved FY2023 occupancy of 59.2% (FY2022: 51.2%). The drop in EBITDA is due mainly to higher labour and other operating cost.

The Group is working on a major renovation of the Palais wing which involves the complete refurbishment of all 80 rooms and addition of 29 new rooms to the current 300-room inventory. Renovation works are expected to start in late 2024 and complete in 1H2025.

Le Méridien Frankfurt Hotel, Frankfurt, Germany

The PRC

Both the Crowne Plaza and Holiday Inn Express hotels in Chengdu recorded significant improvement to their performance in FY2023 as the hotels were not subject to Covid-19 restrictions and were no longer used as quarantine hotels. The hotels recorded an EBITDA of RMB21.2 million in FY2023, a 78.4% improvement over the year before (FY2022: RMB11.9 million), making this a record year for the hotels despite the slowdown and issues faced by the PRC economy.

Property Financing

Given the challenging macro environment coupled with the weak economic sentiment in the PRC, the Group's focus for its property financing arm in 2023 was on the prudent management of its existing loan book instead of its expansion. As a result, the property financing revenue shrank 18.9% from S$64.6 million in FY2022 after taking into account certain pro forma adjustments, to S$52.4 million in FY2023, due mainly to a lower average PRC loan book.

Whilst the current PRC property financing loan book stands at approximately RMB1.2 billion as at 31 December 2023, the PRC loan book is expected to further decline in FY2024 as the Group remains cautious in disbursing new loans in view of the weak property market and certain existing loans will mature during the year.

That said, with the ongoing construction of the CTC project in Sydney, the Group is expected to disburse more loans to the various stakeholders of the project. As such, interest income from the Australian property financing segment is expected to improve over the next few years.

Corporate Social Responsibility

Against the backdrop of global economic challenges and geopolitical tensions, the Group's commitment to Corporate Social Responsibility ("CSR") remains resolute. Whilst the Group remains steadfast in its efforts to give back to the communities in which it serves, it is also cognizant of the ongoing events around the world which have underscored the importance of sustainable practices. For FY2023, CSR activities were undertaken by Hilton Rotterdam, the Hampton by Hilton and Crowne Plaza Utrecht Centraal Station ("Poortgebouw Utrecht hotels"), Bilderberg Bellevue Hotel Dresden, the Dutch Bilderberg hotel portfolio and the Chengdu Wenjiang hotels.

On the social activities front, amongst others, the Hilton Rotterdam team participated in the (i) Ronald McDonald Homerun, a 24-hour running and cycling marathon to raise funds for the Ronald McDonald Foundation, (ii) Stichting NAS project, which saw the team collecting soap bottles for the homeless, (iii) Salvation Army project, where team members voluntarily donated clothes and (iv) Stichting *niet graag een lege maag*, an initiative which saw the team prepare lunch for children of less privileged families. The Poortgebouw Utrecht hotels participated in (i) sending a team to visit the Ronald McDonald Huis Utrecht, a local charity dedicated to supporting families with sick children in their time of need by baking cakes and cookies for family members, (ii) *'mag ik dan bij jou'*, a program by the children's hospital Wilhelmina Kinderziekenhuis ("WKZ") which provides hotel room(s) to accommodate parents whose children are in WKZ if the Ronald McDonald House at the WKZ is full and (iii) the Cliniclowns program which collects and sells used toners from copiers and printers and sells them to raise funds which are then used to send clowns to visit and entertain children in hospitals. The Bilderberg Bellevue Hotel Dresden team hosted 34 vocation school teachers from Kazakhstan in the fields of hospitality and gastronomy to better understand the German dual school system and it also continued its Wunschweihnachtsbaum event, which is organised annually together with Kindervereinigung Dresden e.V. to grant Christmas wishes to socially disadvantaged children.

Further contributing to CSR in 2023 is the Dutch Bilderberg portfolio of hotels. The various hotels hosted many CSR activities during the year and key amongst these include (i) fund-raising for the Ronald McDonald charity via the selling of toys, (ii) support for local projects such as Christmas dinner for the homeless, lunch at school for disadvantaged children, collection of clothing/medicines

CHAIRMAN'S
STATEMENT

for Ukraine and/or disaster-struck areas and (iii) the cooperation with the municipality of Vaals to collect goods for Ukrainian refugees and to provide laundry for Ukrainian families who do not have access to a washing machine.

In Chengdu, the Wenjiang hotels held their annual 12 May charity sale activity in remembrance of the huge earthquake that stuck Wenchuan on 12 May 2008. The funds raised will be used to help children in the area who have lost their normal learning conditions and also to support children's education in impoverished areas. The Chengdu Wenjiang hotels also hosted a charity concert in 2023 to support the visually impaired, by bringing love and hope through music.

Matched by the Group's commitment to its communities, is also the importance of environmentally sustainable practices. The Hilton Rotterdam team continued in its participation of (i) Clean the World initiative which involved the collection and recycling of used soap bars which were then redistributed to children and families in countries with a high death rate due to acute respiratory infection (pneumonia) and diarrhoea diseases (cholera) and (ii) the collection of plastic bottle caps which were exchanged for cash at the local supermarket and donated to the KNGF Geleidehonden charity. The Poortgebouw Utrecht hotels participated in (i) the 'Hotels for Trees' program in which a tree is planted each time hotel guests opt out of their daily room cleaning and (ii) the 'Too-good-to-go' app which allows anyone using the app to purchase clean breakfast leftovers at a discount. The Dutch Bilderberg portfolio of hotels also contributed by only using toilet paper from the 'Good Roll' program, whereby it is 100% tree-friendly and sustainable and the program donates 50% of its net profit to building toilets in Africa.

The Group is dedicated to supporting initiatives that promote community cohesion, social and environmental well-being, and the development of strong business-to-community partnerships.

Future Prospects

In light of the geopolitical tensions and global inflationary pressures, the Group is committed to navigate through this period of economic turbulence, maintaining the delicate balance between financial prudence and seizing good business opportunities.

As a testament to their unwavering support and commitment, the Group's two key shareholders have exercised part of their warrant holdings in October 2023, raising S$234.6 million of new equity funds for the Company. The two key shareholders still hold additional warrants expiring on 21 March 2029 which can potentially raise an additional S$169.3 million. Coupled with the substantial unutilised committed credit facilities, the Group is well-positioned not only to manage any economic challenges arising from the difficult market conditions, but to also capitalise on any favourable business opportunities that may arise.

Appreciation

Despite the numerous challenges we have faced, First Sponsor stands strong today thanks to the unwavering support of our many stakeholders. On behalf of the Board, I extend our deepest gratitude for your dedication and commitment to the Group's success. To my fellow Directors, thank you for your invaluable vision, wisdom, experience, and guidance. To our shareholders, customers, business associates, bankers, and partners, your steadfast support has been instrumental. Your faith in us is truly valued. Let us continue to work together, overcoming obstacles to achieve even greater success in FY2024.

On behalf of the Board and management, I would also like to extend a special thanks to my fellow Directors, Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing, who will be stepping down at the coming 2024 AGM after a tenure of more than nine years. They have been invaluable members to the Board, contributing their expertise, wisdom, and dedication to our organization, seeing the Group's diversification into The Netherlands, Germany and Australia since IPO. Their leadership and insights have been instrumental in bringing First Sponsor to where it is today. They will be sincerely missed, and we wish them all the best in their future endeavours.

As we bid farewell to our retiring directors, I am pleased to welcome Ms Low Beng Lan to the Board. With Ms Low's strong background in hospitality, finance and treasury management, she will be a good complement to the Board.

Ho Han Leong Calvin
Chairman
11 March 2024

Prins Hendrikkade,
Amsterdam, The Netherlands

RECENT MILESTONES

MARCH 2023

Commencement of construction of the CTC project in Sydney, which will comprise the refurbished City Tattersalls Club, 241 residential apartment units for sale and a 110-room hotel.

Launched the pre-sale of the first SOHO block of the 100%-owned Millennium Waterfront Plot E1 in Wenjiang, Chengdu.

Completed the major renovation of the 95-room Bilderberg Hotel De Keizerskroon, which started in January 2023.

APRIL 2023

Launched the pre-sale of the first two residential blocks of each of the 100%-owned The Brilliance in Shilong, Dongguan, and the 46.6%-owned Exquisite Bay in Dalingshan, Dongguan.

JULY 2023

Launched the pre-sale of the first three residential blocks of the 27%-owned Egret Bay in Wanjiang, Dongguan.

SEPTEMBER 2023

Led a consortium of investors to acquire a Grade A office property known as the Allianz Tower located in Rotterdam's central business district for €62 million (S$90.6 million). The Group has an effective 33% equity interest in the joint venture.

Entered into a franchise agreement with Hilton to redevelop and brand the 100%-owned bare shell Puccini Milan hotel, which was acquired in early 2019, as a 4-star 59-room Puccini Hotel Milan, Tapestry Collection by Hilton.

Launched the pre-sale of the first three residential blocks of the 50%-owned Kingsman Residence in Shijie, Dongguan.

RECENT **MILESTONES**

OCTOBER 2023

The two key shareholders of the Company; namely, the Tai Tak Group and the City Developments Limited Group, jointly exercised a total of 185,338,745 warrants, raising gross cash proceeds of approximately S$234.6 million in aggregate.

NOVEMBER 2023

Completed the disposal of the Group's remaining effective 44.1% equity interest in the Wan Li Dalingshan industrial property valued at RMB135 million, a premium of 78% over its cost.

Completed the major renovation of the 178-room Bilderberg Europa Hotel Scheveningen which started in November 2022.

DECEMBER 2023

Completed the acquisition of a 20% equity interest in the ongoing CTC project's 110-room hotel component, thereby increasing the Group's effective equity interest in the hotel to 90.5%.

Commenced the handover of the last residential block of the 27%-owned Skyline Garden in Wanjiang, Dongguan.

Commenced the handover of the first two residential blocks of the 17.3%-owned Time Zone in Humen, Dongguan.

BOARD OF **DIRECTORS**

Mr Ho Han Leong Calvin
Age 72
Non-Executive Chairman

Mr Ho was appointed as the Non-Executive Chairman of the Company on 2 April 2015. Prior to this, Mr Ho served as the Non-Executive Vice-Chairman of the Company since 1 October 2007.

Mr Ho has accumulated extensive experience during his tenure as Chief Executive Officer of Singapore-incorporated Tai Tak Estates Sendirian Berhad ("Tai Tak"), having been involved in its businesses, including in plantations, listed and private equities, and property holding and development. He has also been instrumental in assisting the Group's senior management in the conceptualisation and setting of the strategic direction and corporate values of the Group.

Mr Ho holds a Higher National Diploma in Business Studies from Polytechnic of The South Bank, United Kingdom.

Mr Ho Han Khoon Alvin
Age 62
Alternate Director to Non-Executive Chairman

Mr Ho was appointed as an Alternate Director to Mr Ho Han Leong Calvin on 19 May 2014. He is currently holding the position of Executive Vice-President of Tai Tak, where he is responsible for overseeing Tai Tak group's overall business and financial strategy, investments and operations.

Mr Ho holds a Bachelor of Social Sciences Degree with Honours from the National University of Singapore.

Mr Kingston Kwek Eik Huih
Age 42
Non-Executive Director

Mr Kwek was appointed as a Non-Executive Director of the Company on 5 March 2019.

Mr Kwek is a stock and crypto trader. He had previously worked for Hong Leong Management Services Pte Ltd, a member of the Hong Leong Group Singapore, and currently sits on the boards of various companies within the Hong Leong Group Singapore.

Mr Kwek holds a Masters of Arts Degree from Columbia University, a Bachelor of Science from The Wharton School, and a Bachelor of Arts from University of Pennsylvania.

Mr Neo Teck Pheng
Age 53
Group Chief Executive Officer and Executive Director

Mr Neo was appointed as the Group Chief Executive Officer and Executive Director of the Company on 1 October 2007. He has overall responsibility for management, operations and growth of the Group's businesses.

Mr Neo began his career with KPMG in 1994. In 1996, he joined Hong Leong Group Singapore and held various roles within Hong Leong Group Singapore. He was also previously the board member of various entities within Hong Leong Group Singapore.

Mr Neo holds a Bachelor of Accountancy Degree (First Class Honours) from Nanyang Technological University, Singapore.

Ms Ting Ping Ee Joan Maria
Age 68
Independent Director

Ms Ting was appointed as an Independent Director of the Company on 19 May 2014. She is currently an Independent Director of Grand Union Holdings and Investments Incorporated and will resign as Independent Director with effect from 31 March 2024.

Ms Ting had spent her entire career from 1977 to 2013 at DBS Bank.

Prior to opting for early retirement in June 2013, she held the position of Managing Director, Head Corporate Credit Group with responsibility for the development, organisation and oversight of the credit approval and credit risk management functions of portfolios under Investment Banking, Financial Institutions including banks and Private Banking.

During her career with DBS Bank she had management responsibility and worked in various departments including Corporate Finance, Corporate Banking including Trade Services and Funds Transfer Operations, Global Operations Centre (responsible for the operations of all the overseas branches of DBS Bank including China, India, Taiwan, Indonesia, Malaysia, Seoul, Tokyo, London and USA), Chairman's Office and Group Credit.

Ms Ting graduated with a Bachelor of Accountancy (Honours) from the University of Singapore. She had previously served as a committee member of the Financial Industry Competency Standards Committee (and Chairman of the FICS Corporate banking Sub-Committee), the Association of Banks in Singapore/ Corporate Banking Committee, Singapore Shipping Association and the Singapore Business Federation/ Services Industries Executive Committee. She also held past directorships in Ecobulk Shipping Sdn Bhd, Singapore Petroleum Company, CWT Ltd, Singapore Biotech Ltd and Grandland Shipping Limited.

Mr Yee Chia Hsing
Age 52
Lead Independent Director

Mr Yee was appointed as the Lead Independent Director of the Company on 19 May 2014. He has more than 20 years of experience in the banking and finance industry.

He was until recently the Chief Executive Officer of a Singapore listed company with investments in hospitality assets. Mr Yee is also an Independent Director of Beng Kuang Marine Limited and Zhongmin Baihui Retail Group Ltd, both listed on the Singapore Exchange.

Mr Yee holds a Bachelor of Accountancy Degree (First Class Honours) from the Nanyang Technological University, Singapore. He currently serves on the Audit Committee of Ren Ci Hospital (a Singapore charity).

Mr Yee was previously an elected Member of Parliament for Chua Chu Kang Group Representation Constituency in Singapore.

Mr Wee Guan Oei Desmond
Age 53
Independent Director

Mr Wee was appointed as an Independent Director of the Company on 6 February 2017. He is a partner and head of the Corporate Commercial Practice Group and also co-Head of the Employment Practice Group of Rajah & Tann Singapore LLP specialising in mergers and acquisitions, general commercial law and employment law. Mr Wee also has a particular focus in foreign direct investments into the emerging Asian economies. Mr Wee also has prior experience as a litigator as well as being the group regional legal counsel of a Hong Kong public listed company.

Mr Wee is currently the Non-Executive Director of Spartans Rugby Singapore Limited.

Mr Wee graduated with a Bachelor of Laws (Honours) from the University of Nottingham in 1994 and is admitted as an Advocate and Solicitor of the Supreme Court of Singapore and as a Barrister-at-law, Middle Temple in the United Kingdom.

Ms Tan Yee Peng
Age 50
Independent Director

Ms Tan was appointed as the Independent Director of the Company and Chairperson of the Audit and Risk Committee with effect from 15 March 2023.

Ms Tan has more than 20 years of accounting and auditing experience and previously served as an audit and advisory partner with KPMG LLP from 2003 to 2010. During her service in KPMG LLP, she provided accounting and advisory services to clients in both private and public sectors. Since her retirement as a practising accountant, Ms Tan, at the request of KPMG, served as principal advisor from 2010 to 2011 on matters related to the healthcare industry, and assisted the firm in establishing the AsPAC Healthcare network. She also contributed to academia as an adjunct professor at the Nanyang Technological University from 2009 to 2018 and has also been contributing actively to the non-profit sector through her appointments at various charities and government affiliated organisations.

Amongst others, Ms Tan is currently an Independent Director of Oiltek International Limited, a Singapore listed company and a director of TDCX Inc, a company listed on the New York Stock Exchange. She is also presently a director of Accuron Technologies Limited and Singapore Aerospace Manufacturing Pte. Ltd., both being subsidiaries of Temasek Holdings Limited. Ms Tan is also a council member of Agency for Care Effectiveness, a committee established under the Ministry of Health, and Ren Ci Hospital.

Ms Tan graduated with First Class Honours in Accountancy from Nanyang Technology University, is a Fellow and non-practising member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

Ms Low Beng Lan
Age 60
Independent Director

Ms Low was appointed as an Independent Director of the Company with effect from 15 March 2024. With over 30 years of extensive experience, Ms Low brings a wealth of expertise in various fields, including finance, investments, treasury, fund raising, and asset management.

Ms Low currently holds the position of Managing Director Finance (Part-time) at R Vantage Pte Ltd, an online real estate investment platform. Prior to that, she served as the Chief Financial Officer of Changi Airports International Pte Ltd ("CAI"). During her tenure in CAI, Ms Low served on various CAI's investees' boards. Ms Low has also worked for various multinationals and public listed companies, including DBS Bank.

Ms Low holds a Bachelor of Accountancy from the National University of Singapore and a Bachelor of Laws from the University of London. She has also completed the CoreStates Advanced Management Program for Overseas Bankers from the Wharton School, University of Pennsylvania.

SENIOR **MANAGEMENT**

Ms Lee Sau Hun
Age 53
Group Chief Financial Officer

Ms Lee was appointed as the Group Chief Financial Officer of the Company in May 2011.

Ms Lee began her career at PricewaterhouseCoopers where her last held position was senior manager. Ms Lee then joined Hong Leong Management Services Pte. Ltd. as Vice-President (Investment) between January 2006 and April 2011, where she engaged in corporate advisory services within Hong Leong Group Singapore. She was also a director of various subsidiaries of Hong Leong Group Singapore prior to the listing of the Company.

Ms Lee holds a Bachelor of Accountancy Degree (Second Class Honours) from Nanyang Technological University, Singapore.

Mr Wang Gongyi
Age 68
Chief Executive Officer (Chengdu Operations)

Mr Wang was appointed as the Chief Executive Officer (Chengdu Operations) of the Group in October 2011. He oversees the management and operations of the Group's business in Chengdu, PRC.

Prior to that, from June 1998 to May 2011, Mr Wang held the position of general manager of the former candy business operations of the Group, in charge of its general management and operations.

Mr Wang holds a Bachelor Degree in Machinery Design and Manufacturing from Sichuan Chengdu University, Chengdu, PRC. Mr Wang also achieved several awards, including the Sichuan Provincial Fourth Session of Excellent Entrepreneur award and the Model Worker award granted by the Sichuan Provincial Government.

Mr Shu Zhen
Age 58
Chief Executive Officer (Guangdong Operations)

Mr Shu was appointed as the Chief Executive Officer (Guangdong Operations) of the Group in August 2012. Mr Shu is currently responsible for overseeing the Group's business operations in the Guangdong province, PRC.

Mr Shu first joined the Group in December 2007 as a Director and Vice-President of the Group's subsidiary, First Sponsor (Guangdong) Group Limited.

Mr Shu holds a Graduation Certificate in China Finance and Futures Higher Level Study from Beijing University, School of Economics, PRC.

Ms Zhang Jing
Age 51
Chief Executive Officer (Shanghai Operations)

Ms Zhang was appointed as the Chief Executive Officer (Shanghai Operations) of the Group in November 2011. From her Shanghai office, Ms Zhang is responsible for the management and expansion of the Group's property financing business in the PRC.

Ms Zhang has extensive experience in the PRC financing and leasing operations from her role as general manager in various financing companies prior to joining the Group.

Ms Zhang holds a Bachelor Degree in Economics from the School of Economics, Aoyama Gakuin University, Japan.

Mr Alexander Barentsen
Age 52
Chief Executive Officer (European Hotel Operations and Finance)

Mr Barentsen was appointed as the Chief Executive Officer (European Operations) of the Group in July 2019. He is based in Amsterdam, The Netherlands. With effect from October 2022, following the implementation of a joint-CEO structure, he was re-designated as Chief Executive Officer (European Hotel Operations and Finance), responsible for the hotel management and operations, as well as the finance function of the Group's business in Europe.

Mr Barentsen joined the Group from Queens Bilderberg (Nederland) B.V. ("QBN") which holds the Bilderberg Dutch hotel portfolio, which was acquired by the Group in 2017. Shortly after the acquisition, he was promoted to Managing Director of QBN, after having held the positions of Finance Director and Director of Property & Development in 2012 and 2005 respectively. Prior to this, from 2001, he was in internal audit and carried out several finance and projects roles at Queens Moat Houses plc, the previous owner of QBN.

Mr Barentsen holds an Executive Master of Real Estate (MRE) from TiasNimbas, the business school of Tilburg University (The Netherlands) in association with Eindhoven University of Technology (The Netherlands), a Master of Business Administration in International Hospitality Management from IMHI (France), jointly administered by Cornell University School of Hotel Administration (USA) and The ESSEC Business School (France), and a Bachelor of Business Administration from the School of Hotel Management Maastricht (The Netherlands).

Mr Frans van Toor
Age 53
Chief Executive Officer (European Offices and Residential Operations)

Mr Frans van Toor was appointed as the Chief Executive Officer (European Offices and Residential Operations) of the Group in October 2022. He is responsible to oversee the office and residential operations of the Group's business in Europe.

Mr van Toor previously headed the EMEA Transaction team of CBRE Investment Management and was the International Partner for Capital Markets at Cushman & Wakefield, and Partner for Capital Markets at DTZ Zadelhoff before that.

Mr van Toor is a member of Royal Institution of Chartered Surveyors, holds a Master of Real Estate from Amsterdam School of Real Estate and a Master of Science in Business Economics from Erasmus University Rotterdam.

ABOUT **US**

FIRST SPONSOR GROUP LIMITED

First Sponsor Group Limited was incorporated in the Cayman Islands on 24 September 2007 as an exempted company with limited liability under the Cayman Companies Law. The Company is a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited on 22 July 2014.

KEY CONTROLLING SHAREHOLDERS

The Group is supported by both its established key controlling shareholders, the **Hong Leong group of companies** ("Hong Leong Group Singapore"), through its shareholding interests in City Developments Limited, and **Tai Tak Estates Sendirian Berhad** ("Tai Tak").

Hong Leong Group Singapore is a globally diversified conglomerate. Its core businesses include investment holding, property holding and development, hotel ownership and management, hospitality real estate management, financial services, manufacturing, trading and distribution.

Tai Tak is a private company with a long operating history which was incorporated in Singapore in 1954. It currently invests in a wide range of businesses including plantations, listed and private equities and property holding and development.

CORPORATE **STRUCTURE**

As at 11 March 2024

FIRST SPONSOR GROUP LIMITED
(Cayman Islands)
(including a branch in Singapore)

SINGAPORE

21 Subsidiary Companies (include a Private Trust)

1 Associated Company

3 Joint Ventures

PEOPLE'S REPUBLIC OF CHINA

32 Subsidiary Companies

11 Associated Companies

6 Joint Ventures

EUROPE

THE NETHERLANDS

46 Subsidiary Companies

14 Associated Companies

1 Joint Venture Partnership

GERMANY

3 Subsidiary Companies

1 Associated Company

1 Joint Venture

1 Joint Venture Limited Partnership

ITALY

1 Subsidiary Company

OTHERS

BRITISH VIRGIN ISLANDS

6 Subsidiary Companies

2 Associated Companies

HONG KONG

3 Subsidiary Companies

1 Associated Company

AUSTRALIA

2 Associated Companies (include a Private Trust)

3 Joint Ventures (include a Private Trust)

Note: The above shareholdings include direct and indirect shareholdings.

CORPORATE **DIRECTORY**

BOARD OF DIRECTORS

Mr Ho Han Leong Calvin
Non-Executive Chairman

Mr Ho Han Khoon Alvin
Alternate Director to Mr Ho Han Leong Calvin

Mr Kingston Kwek Eik Huih
Non-Executive Director

Mr Neo Teck Pheng
Group Chief Executive Officer and Executive Director

Ms Ting Ping Ee Joan Maria
Independent Director

Mr Yee Chia Hsing
Lead Independent Director

Mr Wee Guan Oei Desmond
Independent Director

Ms Tan Yee Peng
Independent Director

Ms Low Beng Lan
Independent Director
(With effect from 15 March 2024)

AUDIT AND RISK COMMITTEE

Ms Tan Yee Peng - *Chairperson*

Ms Ting Ping Ee Joan Maria

Mr Ho Han Leong Calvin
(Mr Ho Han Khoon Alvin - *Alternate Director to Mr Ho Han Leong Calvin*)

NOMINATING COMMITTEE

Ms Ting Ping Ee Joan Maria - *Chairperson*

Mr Yee Chia Hsing

Mr Neo Teck Pheng

REMUNERATION COMMITTEE

Mr Wee Guan Oei Desmond - *Chairman*

Ms Ting Ping Ee Joan Maria

Mr Ho Han Leong Calvin
(Mr Ho Han Khoon Alvin - *Alternate Director to Mr Ho Han Leong Calvin*)

COMPANY SECRETARY

Ms Goh Siew Geok

SHARE REGISTRAR & SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
9 Raffles Place
#26-01 Republic Plaza Tower 1
Singapore 048619
Tel: (65) 6236 3333
Fax: (65) 6236 4399

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Grand Cayman, KY1-1205
Cayman Islands

BUSINESS ADDRESS

19 Lorong Telok
Singapore 049031
Tel: (65) 6436 4920
Fax: (65) 6438 3170

AUDITORS

Ernst & Young LLP
One Raffles Quay North Tower,
Level 18
Singapore 048583
(Partner-in-charge: Mr Low Bek Teng, appointment commenced from the audit of the financial statements for the year ended 31 December 2022)

PRINCIPAL BANKERS

Bank of China
Bank of Dongguan Co., Ltd.
China Construction Bank
DBS Bank Ltd
Industrial and Commercial Bank of China
ING Bank N.V.
Oversea-Chinese Banking Corporation Limited
The Bank of East Asia, Limited
The Hong Kong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Artist's impression of
Dreeftoren
Amsterdam Southeast,
The Netherlands

FINANCIAL
REVIEW

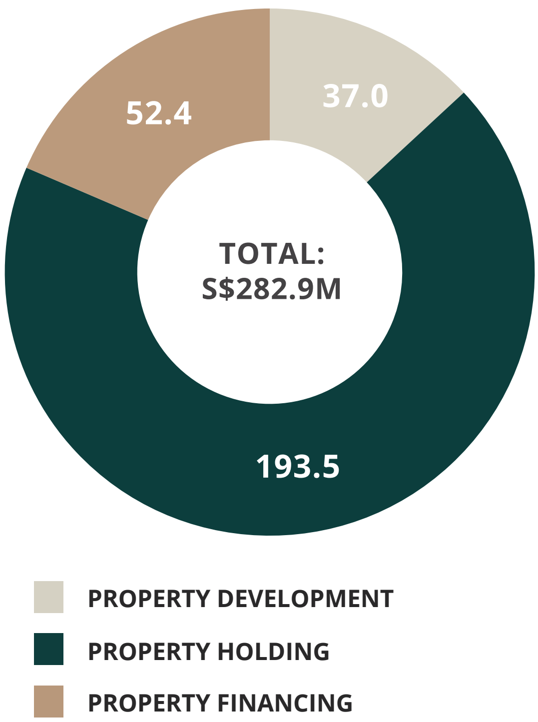
Property Development

Revenue from sale of properties decreased by S$168.9 million or 82.0%, from S$205.9 million in FY2022 to S$37.0 million in FY2023. This was due mainly to the lower volume of handover activity in the current financial year.

Property Holding

Revenue from the property holding segment increased by S$45.2 million or 30.5%, from S$148.3 million in FY2022 to S$193.5 million in FY2023. The increase was attributed largely to the full year contribution by the eleven Bilderberg hotels in The Netherlands which was consolidated by the Group since 2 May 2022, and the continued recovery of the other European hotels in terms of occupancy rates and average daily rates, underpinned by strong post Covid-19 travel demand. Furthermore, 2023 marks a record year for the two Wenjiang hotels in Chengdu despite the slowdown and issues faced by the PRC economy. On the property investment front, the full year rental contribution from FS Han Mai Mall acquired by the Group in April 2022 via a foreclosure auction, coupled with rent indexation from the other investment properties, also contributed to an increase in revenue in FY2023.

FY2023 REVENUE BY SEGMENT
(S$'M)



Property Financing

Revenue from property financing decreased by S$20.9 million or 28.5%, from S$73.3 million in FY2022 to S$52.4 million in FY2023. This was due mainly to the lower average PRC property financing loan portfolio for the year.

Profit Before Tax

The Group reported profit before tax of S$27.7 million, a decrease of S$168.0 million or 85.8% compared to S$195.7 million in FY2022.

This is due mainly to lower gross profit contribution of S$90.7 million from the property development and property financing business segments, lower foreign exchange gain net of fair value loss on financial derivatives of S$82.5 million, higher administrative and selling expenses of S$4.8 million, due mainly to the consolidation of the Dutch Bilderberg hotel portfolio for the full year, higher net finance cost amounting to S$16.5 million due to the effect of rising interest rates and average borrowings, and lower other gain of S$11.2 million resulting from the disposal of the Group's effective 44.1% interest in the Wan Li Dalingshan Industrial Property, as compared to the disposal of the Group's 90% interest in the East Sun Liaobu Factory in FY2022. Weaker results from the Group's associates and joint venture companies in FY2023 also contributed to a S$42.7 million decline in the Group's profit before tax. This was due mainly to the lower share of profit from the 27.0%-owned Skyline Garden project due to lesser handover activity in FY2023, impact of impairment of investment properties held by 33.0%-owned FSMC and the absence of disposal gain recognised by FSMC in FY2022 arising from the sale of its 95% equity interest in the Dutch Bilderberg hotel portfolio to the Group.

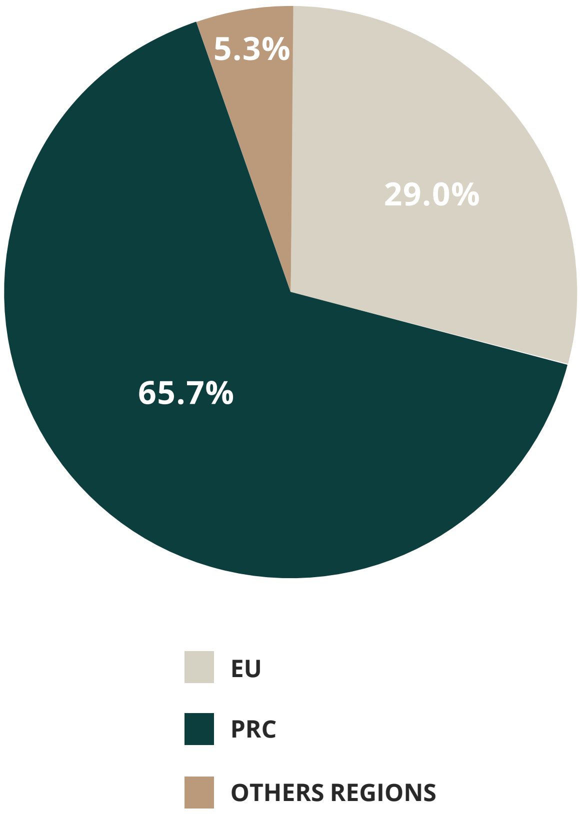
The decrease in the Group's profit before tax was partially mitigated by higher gross profit contribution from the property holding business segment of S$16.5 million, lower non-cash impairment of real estate related assets of S$34.3 million, and the absence of net impairment of loan receivable in relation to the RMB280m defaulted loan in FY2022 amounting to S$26.6 million.

Total Asset Composition

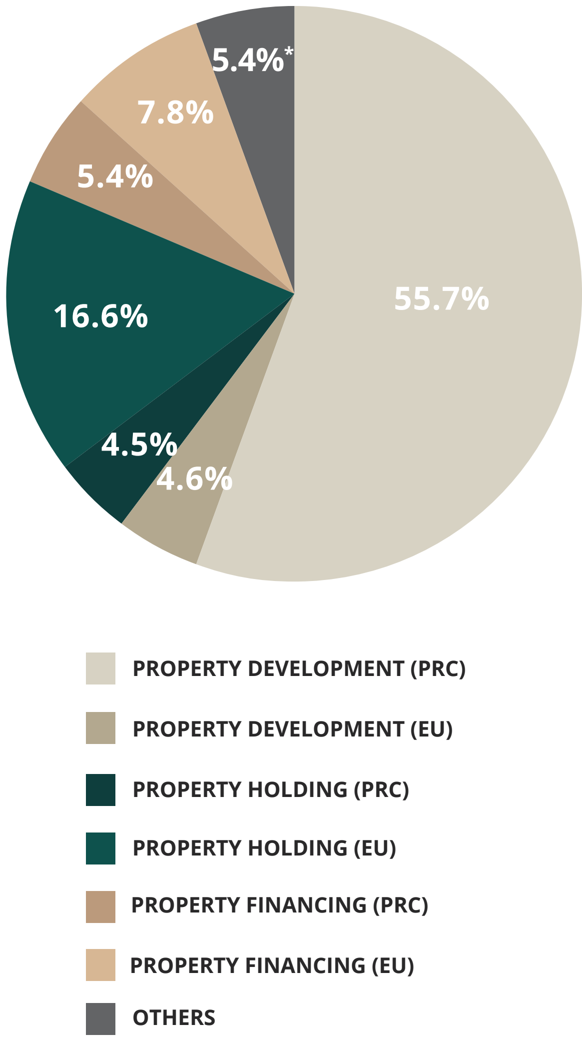
The Group's consolidated assets increased by S$304.6 million or 7.0% from S$4,338.1 million as at 31 December 2022 to S$4,642.7 million as at 31 December 2023. The Group's asset composition by geographic segment and business segment remain substantially unchanged. The PRC constituted 65.7% (2022: 67.2%) of total assets as at 31 December 2023, followed by 29.0% (2022: 29.9%) in Europe mainly in The Netherlands. Business segment wise, the largest segment continues to be the property development segment which contributed 60.3% (2022: 61.5%) to the Group's total assets as at 31 December 2023, followed by the property holding segment at 21.1% (2022: 20.6%).

TOTAL ASSETS AS AT 31 DECEMBER 2023: S$4,642.7M

BY GEOGRAPHICAL SEGMENTS



BY BUSINESS SEGMENTS



* Includes (i) PD/PH/PF (Australia) and (ii) unallocated cash, equity securities held and tax related items in the various regions.

Mondriaan Tower,
Amsterdam, The Netherlands

MAJOR PROPERTIES

As at 31 December 2023

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Approximate Lettable Floor Area (sq m)[(a)]
INVESTMENT PROPERTIES			
PRC			
1) FS Han Mai Mall *No. 160, Beizhong Road, No. 959 Hunan Road, Pudong New District, Shanghai, PRC* Comprising a 5-storey retail mall	100.0	Leasehold interest to year 2056	15,267
2) Banqiao Plywood Market *Dongcheng District, Dongguan, Guangdong Province, PRC* Comprising plywood wholesale market and warehousing space	90.0	Leasehold interest to year 2053	18,681
3) Dongri Building *Guancheng District, Dongguan, Guangdong Province, PRC* Comprising a 10-storey office building	90.0	Leasehold interest to year 2053	10,254
Total for the PRC			**44,202**
GERMANY			
1) Le Méridien Frankfurt *Wiesenhüttenplatz 28, 30, 32 and Wiesenhüttenstraße 36-38, Frankfurt am Main, 60329, Germany* Comprising a 300-room hotel with a heritage status hotel wing	50.0	Freehold	15,602
Total for Germany			**15,602**

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Approximate Lettable Floor Area (sq m)[(a)]
THE NETHERLANDS			
1) Arena Towers *Hoogoorddreef 66 and 68,* *Amsterdam, The Netherlands* Comprising the Holiday Inn Amsterdam and the Holiday Inn Express Amsterdam hotels with 443 hotel rooms in aggregate, and 509 car park lots	100.0	Perpetual leasehold interest with ground rent paid until year 2053	17,396
2) Berg & Bosch *Professor Bronkhorstlaan 4, 4A, 6, 8, 10A – 10M, 12 – 20 (even numbers) and 26,* *Bilthoven, The Netherlands* Comprising several buildings, some of which have heritage status amidst a rich green landscape and 630 car park lots	33.0	Freehold	34,766
3) Mondriaan Tower *Amstelplein 6 and 8,* *Amsterdam, The Netherlands* Comprising a 31-storey office building with 249 car park lots	33.0	Freehold	24,880
4) Oliphant *Haaksbergweg 4-98 (even numbers),* *Amsterdam, The Netherlands* Comprising a 16-storey office building with 216 car park lots	33.0	Perpetual leasehold interest with indexed ground rent payable on an annual basis until year 2048	21,161
5) Allianz Tower *Coolsingel 120,* *Rotterdam, The Netherlands* Comprising a 21-storey office building with 207 car park lots	33.0	Leasehold interest with ground rent paid until year 2087	19,607
6) Zuiderhof I *Jachthavenweg 121,* *Amsterdam, The Netherlands* Comprising an 8-storey office building with 111 car park lots	33.0	Perpetual leasehold interest with ground rent paid until year 2050	12,539
7) Munthof *Reguliersdwarsstraat 50 - 64,* *Amsterdam, The Netherlands* Comprising a 6-storey office building with 57 car park lots	33.0	Freehold	3,515
8) Herengracht 21 *Herengracht 21,* *The Hague, The Netherlands* Comprising 6 residential apartments	33.0	Freehold	409
Total for The Netherlands			**134,273**
Grand Total – Investment Properties			**194,077**

MAJOR **PROPERTIES**

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Approximate Gross Floor Area (sq m)[(b)]
HOTELS			
PRC			
1) Crowne Plaza Chengdu Wenjiang Hotel & Holiday Inn Express Chengdu Wenjiang Hotspring Hotel *No. 619A/B North Phoenix Street, Wenjiang District, Chengdu, Sichuan Province, PRC* Comprising 2 hotels with 608 rooms and an adjoining hotspring facility	100.0	Leasehold interest to year 2051	81,041
Total for the PRC			**81,041**
THE NETHERLANDS			
1) Hampton by Hilton Utrecht Centraal Station & Crowne Plaza Utrecht Centraal Station *3rd floor up to and including the 9th floor of the Poortgebouw Hoog Catharijne, Boven Catharijnepoort 4, 3511 WN, and Catharijne Esplanade 13, 3511 WK, Utrecht, The Netherlands* Comprising 193-room Hampton by Hilton Utrecht Centraal Station and 144-room Crowne Plaza Utrecht Centraal Station	100.0	Leasehold interest to year 2069	13,822
2) Bilderberg Kasteel Vaalsbroek *Vaalsbroek 1 and 5, 6291 NH, Vaals, The Netherlands* Comprising a 130-room heritage status hotel	95.0	Freehold	16,270
3) Bilderberg Parkhotel Rotterdam *Westersingel 70, 3015 LB, Rotterdam, The Netherlands* Comprising a 194-room hotel	95.0	Freehold	12,875
4) Hotel de Bilderberg *Utrechtseweg 261, 6862 AK, Oosterbeek, The Netherlands* Comprising a 146-room hotel	95.0	Freehold	12,685
5) Bilderberg Hotel 't Speulderbos *Speulderbosweg 54, 3886 AP, Garderen, The Netherlands* Comprising a 102-room hotel	95.0	Freehold	10,150

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Approximate Gross Floor Area (sq m)[(b)]
6) Bilderberg Europa Hotel Scheveningen *Zwolsestraat 2, 2587 VJ, Scheveningen, The Hague, The Netherlands* Comprising a 178-hoom hotel	95.0	Temporary leasehold interest with ground rent paid until year 2026	9,950
7) Bilderberg Hotel De Keizerskroon *Koningstraat 7, 7315 HR, Apeldoorn, The Netherlands* Comprising a 95-room hotel	95.0	Freehold	7,588
8) Bilderberg Résidence Groot Heideborgh *Hogesteeg 50, 3886 MA, Garderen, The Netherlands* Comprising a 85-room hotel	95.0	Freehold	7,530
9) Bilderberg Garden Hotel Amsterdam *Dijsselhofplantsoen 7, 1077 BJ, Amsterdam, The Netherlands* Comprising a 124-room hotel	95.0	Perpetual leasehold interest with indexed ground rent payable on semi-annual basis	6,920
10) Bilderberg Hotel De Bovenste Molen *Bovenste Molenweg 12, 5912 TV, Venlo, The Netherlands* Comprising a 82-room hotel	95.0	Freehold	6,575
11) Bilderberg Château Holtmühle *Kasteellaan 10, 5932 AG, Tegelen, The Netherlands* Comprising a 66-room heritage status hotel	95.0	Freehold	5,600
12) Bilderberg Grand Hotel Wientjes *Stationsweg 7, 8011 CZ, Zwolle, The Netherlands* Comprising a 57-room hotel	95.0	Freehold	4,087
13) Hilton Rotterdam *Weena 4-20 (even numbers), 3012 CM, Rotterdam, The Netherlands* Comprising a 254-room hotel	33.0	Freehold	20,800
Total for The Netherlands			**134,852**

MAJOR **PROPERTIES**

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Approximate Gross Floor Area (sq m)[(b)]
GERMANY			
1) Bilderberg Bellevue Hotel Dresden *Große Meißner Straße 15, 01097, Dresden, Germany* Comprising a 340-room heritage status hotel	94.9	Freehold	40,678
Total for Germany			**40,678**
ITALY			
1) Puccini Hotel Milan, Tapestry Collection by Hilton *Corso Buenos Aires No. 33, Milan, Italy* Expected to comprise a 59-room after renovation	100.0	Freehold	2,980
Total for Italy			**2,980**
Grand Total - Hotels			**259,551**

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Project Construction Commencement Date	Expected Project Handover/ Completion Date	Site Area (sq m)	Approximate Gross Floor Area (sq m)[b]
DEVELOPMENT PROPERTIES[d]						
PRC						
1) Millennium Waterfront *Wenjiang District, Chengdu, Sichuan Province, PRC*	100.0	Leasehold interest to year 2051				
Plot E1 Expected to comprise two blocks of 2,228 SOHO units (150,500 sq m), 30,000 sq m of retail space, and 1,368 saleable car park lots			August 2021	Expected handover of Plot E SOHO units in phases from June 2024 onwards	21,421	180,500
Plot E2 Expected to comprise one block of 729 SOHO units (45,300 sq m), one commercial building of 73,300 sq m providing medical/health care services and products, 9,500 sq m of retail space, and 1,080 saleable car park lots			September 2023	To be ascertained	17,437	128,100
Plot F Comprising mainly five floors of retail and commercial space including a cinema, a supermarket and F&B space, and 593 saleable car park lots			February 2018	Completed in March 2021	9,379	28,100
2) The Brilliance *Shilong Town, Dongguan, Guangdong Province, PRC* Comprising seven blocks of 819 saleable residential apartments (93,500 sq m), 1,000 sq m of retail space and 845 saleable car park lots	100.0	Leasehold interest to year 2062 (commercial component); and year 2092 (residential component)	December 2022	Expected handover in phases from late 2024 onwards	32,383	94,500

MAJOR
PROPERTIES

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Project Construction Commencement Date	Expected Project Handover/ Completion Date	Site Area (sq m)	Approximate Gross Floor Area (sq m)[b]
3) Primus Bay *Panyu District, Guangzhou, Guangdong Province, PRC* Comprising 19 blocks of 1,495 residential apartments (160,500 sq m), 2,300 sq m of retail space, 800 sq m of clubhouse and 2,015 saleable car park lots	95.0	Leasehold interest to years 2032 and 2037 (commercial component); and years 2062 and 2067 (residential component)	July 2021	Commenced first handover of sold units in 3 blocks in January 2024	88,814	163,600
4) The Pinnacle *Chang'an Town, Dongguan, Guangdong Province, PRC* *(Completed and partially handed over)* Comprising one block of 145 SOHO units (5,800 sq m), 600 sq m of retail space and 174 saleable car park lots	60.0	Leasehold interest to year 2058 (commercial component); and year 2088 (residential component)	September 2019	Commenced first handover in 2022	n.m.[e]	6,400
5) Kingsman Residence *Shijie Town, Dongguan, Guangdong Province, PRC* Comprising 11 blocks of 1,228 residential apartments (154,900 sq m), 1,000 sq m of retail space and 1,431 saleable car park lots	50.0	Leasehold interest to year 2062 (commercial component); and year 2092 (residential component)	December 2022	Expected handover in phases from late 2024 onwards	50,905	155,900
6) Exquisite Bay *Dalingshan Town, Dongguan, Guangdong Province, PRC* Comprising 12 blocks of 1,240 residential apartments (147,700 sq m), 900 sq m of retail space and 1,132 saleable car park lots	46.6	Leasehold interest to year 2062 (commercial component); and year 2092 (residential component)	August 2022	Expected handover in phases from June 2024 onwards	42,875	148,600

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Project Construction Commencement Date	Expected Project Handover/ Completion Date	Site Area (sq m)	Approximate Gross Floor Area (sq m)[(b)]
7) Central Mansion *Humen District, Dongguan, Guangdong Province, PRC* Comprising seven blocks of 562 residential apartments (82,100 sq m), three blocks of 102 SOHO units (26,200 sq m), 3,400 sq m of retail space and 956 saleable car park lots	36.0	Leasehold interest to year 2061 (commercial component); and year 2091 (residential component)	January 2022	Expected handover in phases from late 2024 onwards	39,038	111,700
8) Star of East River *Wanjiang District and Nancheng District, Dongguan, Guangdong Province, PRC* Comprising a retail mall	30.0	Leasehold interest to year 2054	April 2017	Completed in September 2019 and December 2020	n.m.[(e)]	33,600
9) Skyline Garden *Wanjiang District, Dongguan, Guangdong Province, PRC (Partially completed and handed over)* Comprising seven blocks of 777 SOHO units (66,600 sq m), 4,400 sq m of retail space and 1,654 saleable car park lots; All SOHO units and retail space are required to be kept for a minimum holding period of two years as per land tender conditions	27.0	Leasehold interest to year 2059	November 2019	Expected handover of car park lots from June 2024 onwards, and SOHO units and retail space from December 2024 onwards	42,343	71,000
10) Egret Bay *Wanjiang District, Dongguan, Guangdong Province, PRC* Expected to comprise seven blocks of 383 residential apartments (71,100 sq m), and 695 saleable car park lots	27.0	Leasehold interest to year 2092 (residential component)	November 2022	Expected handover in phases from 2Q2025 onwards	31,071	71,100

MAJOR
PROPERTIES

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Project Construction Commencement Date	Expected Project Handover/ Completion Date	Site Area (sq m)	Approximate Gross Floor Area (sq m)[b]
11) Fenggang Project *Fenggang District Dongguan, Guangdong Province, PRC*	18.0	To be re-zoned	Under planning	- [c]	33,433	- [c]
12) Time Zone *Humen District, Dongguan, Guangdong Province, PRC (Partially completed and handed over)* Expected to comprise 11 blocks of 1,918 residential apartments (245,800 sq m), eight blocks of 5,820 SOHO units (367,400 sq m), a 40,000 sq m hotel, three office towers with 198,100 sq m of office space, a 99,400 sq m shopping mall, 19,600 sq m of retail space, 4,101 saleable car park lots, and other general amenities to be built for the municipal as per the land tender conditions	17.3	Leasehold interest to year 2060 (commercial component); and year 2090 (residential component)	January 2021	Expected handover in phases from 2Q2024 onwards	183,010	970,300
Total for the PRC					**592,109**	**2,163,400**
THE NETHERLANDS						
1) Meerparc *Amstelveenseweg 638-710, Amsterdam, The Netherlands* Comprising approximately 13,357 sq m of office space, 5,786 sq m industrial space and 218 car park lots	100.0	Freehold	Under planning	- [c]	9,744	- [c]

Name of Property/Location and Brief Description	Effective Group Interest (%)	Title/Year of Expiry of Land Use Rights	Project Construction Commencement Date	Expected Project Handover/ Completion Date	Site Area (sq m)	Approximate Gross Floor Area (sq m)[(b)]
2) Dreeftoren *Haaksbergweg 3-73 (odd numbers), Amsterdam, The Netherlands* Expected to comprise a 20-storey office tower (20,231 sq m, including a commercial plinth), a new 130-metre high residential tower with 312 apartments (27,890 sq m) and 136 car park lots	100.0	Perpetual leasehold interest with ground rent paid until year 2039	June 2022	Expected to be completed in 2Q2025 (office) and 2Q2026 (residential)	5,740	48,121
3) Prins Hendrikkade 16-19 *Amsterdam, The Netherlands* Comprising four adjacent monumental buildings	100.0	Freehold	2Q2024	Expected to be completed in 2025	870	3,712
Total for The Netherlands					**16,354**	**51,833**
AUSTRALIA						
1) City Tattersalls Club Project *194-204 Pitt Street, Sydney, NSW 2000, Australia* Expected to comprise the revitalised City Tattersalls Club, a 110-room hotel and 241 residential apartments	39.9	Freehold	March 2023	Expected to be completed in 2027	2,337	34,400
Total for Australia					**2,337**	**34,400**
Grand Total – Development Properties					**610,800**	**2,249,633**

Notes:

a. Lettable floor area excludes car park space.

b. Gross floor area ("GFA") excludes underground GFA and/or car park area.

c. Yet to be ascertained as the development plan relating to this project is currently at the preliminary stage.

d. Excludes development properties for which 75% or more of the GFA of the respective property types (residential, SOHO or retail) has been handed over.

e. Not meaningful.

Bilderberg Hotel De Keizerskroon,
Apeldoorn, The Netherlands

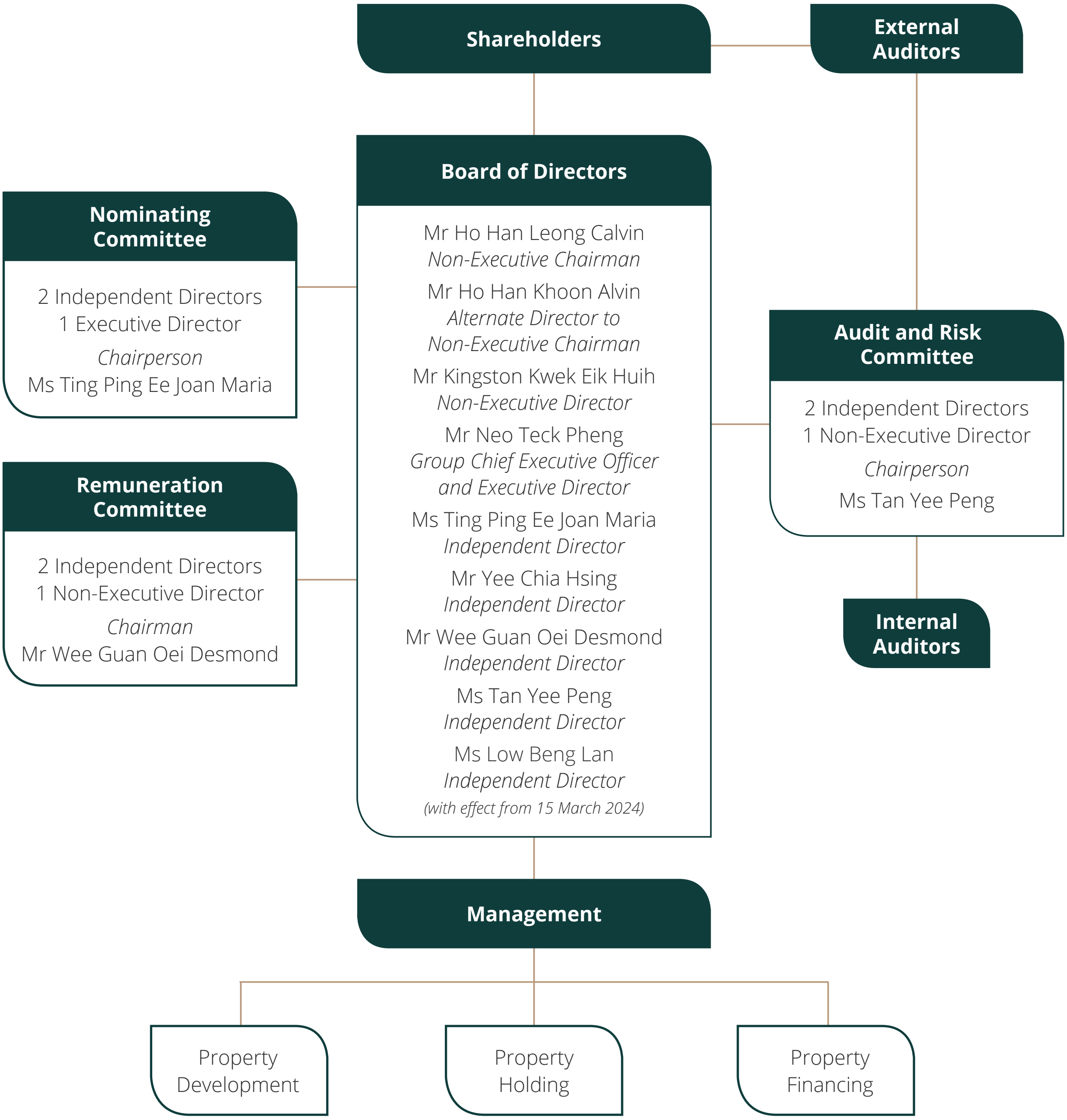
Egret Bay,
Dongguan, PRC

CORPORATE **GOVERNANCE**

First Sponsor Group Limited ("**Company**", and together with its subsidiaries, "**Group**") is committed to maintaining high standards of corporate governance to protect and enhance shareholder value. In compliance with Rule 710 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX**"), the corporate governance report ("**Report**") sets out the Company's key corporate governance practices for the financial year ended 31 December 2023 ("**FY2023**") with reference to the Code of Corporate Governance 2018 ("**Code**"). The Company has complied, in all material respects, with the principles and provisions of the Code. In so far as any provision has not been complied with, the reason has been provided.

A summary of the Company's compliance with the express disclosure requirements of the Code is provided on pages 86 to 87.

CORPORATE GOVERNANCE FRAMEWORK



BOARD MATTERS

The Board's Conduct of Affairs

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

Board's Duties and Responsibilities

The Company is headed by an effective Board which oversees the strategic direction, performance and affairs of the Group and provides overall guidance to Management.

The duties and responsibilities of the Board include:

(a) approving the strategic direction of the Group and monitoring its progress;

(b) approving the financial plan (including annual budgets) and monitoring the financial performance of the Group;

(c) reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework in relation to financial, operational, compliance and information technology ("**IT**") controls, and safeguarding shareholders' interests and the Group's assets;

(d) deliberating on and accepting recommendations by the Audit and Risk Committee ("**ARC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**"); and

(e) considering sustainability issues such as environmental and social factors as part of the Group's strategic formulation.

Matters requiring the Board's decision and approval include:

(a) interim financial results announcements and annual audited financial statements;

(b) appointment of directors and key management personnel, including review of their performance and remuneration packages;

(c) corporate or financial restructuring, major acquisitions and divestments;

(d) share issuances and funding proposals;

(e) interested person transactions ("**IPTs**"); and

(f) declarations of interim dividends, proposals of final dividends and other returns to shareholders.

The Board also sets the tone for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group. The Company has in place an internal code of business conduct and ethics ("**Code of Business Conduct and Ethics**") to provide guidance to all officers and employees of the Group in resolving ethical questions that may arise in the course of their work for the Group. Please refer to the section titled "Code of Business Conduct and Ethics, Anti-Corruption Policy & Guidelines and Fraud Policy & Guidelines" on pages 82 to 83 for further information.

Board Meetings

The Board holds at least four scheduled meetings each year and may also hold ad hoc meetings as and when warranted by circumstances. The quarterly meetings will typically be scheduled before the start of the financial year to enable the Directors to plan ahead to attend them and to coincide with the half-year and year-end financial results reporting as well as the voluntary business updates for the first and third quarters in order to facilitate a review of the financial statements and announcement of the unaudited semi-annual financial results/voluntary business updates.

During every quarterly meeting:

(a) where applicable, the chairperson of each Board committee provides an update on significant matters discussed at the Board committee meetings which are typically scheduled before the quarterly Board meeting;

(b) the Group Chief Financial Officer ("**Group CFO**") and her team present the financial performance for that quarter and significant financial highlights; and

(c) the Group Chief Executive Officer ("**Group CEO**") and his team give an update on the Group's business and operations and/or a macro perspective on the relevant markets and developments.

In addition, senior executives may give presentations in relation to specific business areas. External professionals or in-house subject matter experts may also be invited to present key topics to the Board as well as updates on corporate governance, risk management, tax, accounting and other regulations, which may have an impact on the Group's affairs. This allows the Board to develop a better understanding of the progress of the Group's business as well as the issues and challenges facing the Group and promotes active engagement with Management.

Where exigencies prevent a Director from attending a Board meeting in person, the Company's Articles of Association permit the Director to participate via teleconferencing or video conferencing. The Board and Board committees may also make decisions by way of resolutions in writing. Except where a Director is required to abstain from participating in the deliberation on a transaction or proposed transaction due to a potential conflict of interest situation, in each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations, and resolutions in writing are circulated to all Directors for their consideration and approval. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision-making process.

Management may communicate with the Directors through email or telephone to brief or update the Directors on prospective transactions and potential developments. Management may also seek in-principle approval for such transactions from the Directors through email or telephone. Such approvals given by the Directors through email or telephone will, as appropriate, be noted and recorded in the minutes of meeting held subsequently by the Board.

There were four Board meetings held in FY2023. The attendance of the Directors at meetings of the Board and Board committees, and the frequency of such meetings, are set out below:

Attendance Record of Meetings of Shareholders, Board and Board Committees in FY2023

	Board	ARC	RC	NC	AGM
Number of Meetings Held	4	4	1	1	1
Board Members					
Mr Ho Han Leong Calvin	3	–	–	–	1
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)	4	4	1	–	1
Mr Kingston Kwek Eik Huih	4	–	–	–	1
Mr Neo Teck Pheng	4	4[1]	1[2]	1	1
Ms Ting Ping Ee Joan Maria	4	4	1	1	1
Mr Yee Chia Hsing[3]	4	1	–	1	1
Mr Wee Guan Oei Desmond	4	–	1	–	1
Ms Tan Yee Peng[4]	3	3	–	–	1
Ms Low Beng Lan[5]	–	–	–	–	–

Notes:

1. Mr Neo Teck Pheng is not a member of the ARC but was present at the ARC meetings in his capacity as Group CEO.
2. Mr Neo Teck Pheng is not a member of the RC but was invited by the RC to attend the RC meeting to give his views on the performance of certain key management personnel. For the avoidance of doubt, he was neither involved in any deliberation nor decision on his own remuneration.
3. Mr Yee Chia Hsing resigned as the ARC Chairman with effect from 15 March 2023, and his attendance at the ARC meetings excludes meetings held after his resignation.
4. Ms Tan Yee Peng was appointed as an Independent Director and the ARC Chairperson with effect from 15 March 2023, and her attendance at the Board and ARC meetings excludes meetings held before her appointment.
5. Ms Low Beng Lan was appointed as an Independent Director with effect from 15 March 2024, and her attendance at the Board meetings excludes meetings held before her appointment.

Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Group CEO and/or the Group CFO.

Off-Site Visits

The Company organises overseas trips by the Directors to countries where the real estate projects of the Group, its associated companies and joint venture companies are located. On such occasions, the Board will meet with the Group's key management personnel in those countries and conduct site visits. This will allow the Board to have a good understanding of the Group's businesses and progress of the projects as well as promote active engagement with key management personnel in those countries. The Directors made trips to the People's Republic of China ("**PRC**") in FY2017, FY2018 and FY2019 and to the Netherlands in FY2017. A trip by the Directors to the Netherlands and Germany, which was planned to take place in FY2020, was cancelled due to the Coronavirus Disease 2019 ("**Covid-19**") pandemic. In view of the Covid-19 situation and the travel restrictions then, no trips were arranged in FY2021 and FY2022. In April 2023, the Directors visited the Group's properties in Dresden and Frankfurt, accompanied by senior management and key local management personnel from Amsterdam. The Directors then proceeded to the Netherlands, where they visited the Group's office as well as several of the Group's properties across various cities. In FY2024, the Company plans to arrange for a trip by the Directors to the PRC.

Director Development

All newly appointed Directors are provided with information about the Group's history and core values, principal businesses and strategic direction as well as industry specific knowledge. Meetings are also arranged with Management to allow the new Directors to be acquainted with Management and to facilitate their independent access to Management in the future. In line with best practices in corporate governance, new Directors are required to sign a letter of appointment from the Company stating clearly the roles of the Board and Non-Executive Directors, the time commitment that the Director would be expected to allocate and other relevant matters. The terms of reference of all Board committees are also provided to each newly appointed Director.

Unless the NC assesses that training is not required for a newly appointed Director because he or she has other relevant experience (which basis of assessment will be disclosed in accordance with the Listing Manual), newly appointed Directors with no prior experience as a director of a listed company are required to undergo training in the roles and responsibilities of a director of a listed issuer within one year of his or her appointment to the board of directors ("**Mandatory Training**"). In order to fulfil the Mandatory Training requirements, a director must either attend the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors or the Board of Directors Masterclass ("**BODM**") Programme conducted by the Institute of Singapore Chartered Accountants and SAC Capital in order to acquire relevant knowledge of what is expected of a listed company director, and the additional module(s) relevant to his or her appointment to any of the Board committees. Completion of the LED Programme or the BODM Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide first time Directors with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Listing Manual and the Code. Further, newly appointed Directors with no expertise in sustainability matters are required to attend the training on sustainability matters as prescribed by SGX.

As a newly appointed Director, Ms Low Beng Lan will be provided with briefings from Management on the Group's objectives, strategic plans, businesses, operations and processes. Ms Low Beng Lan will be attending the trip by the Directors to the PRC in FY2024 to gain a better understanding of the Group's businesses and progress of the projects and to engage with key management personnel in the PRC. Although Ms Low Beng Lan has been a director and audit committee member of both Singapore and overseas private companies, she does not have prior listed company directorship experience and is therefore required to undergo either the LED Programme or the BODM Programme within one year of her appointment.

In compliance with Rule 720(7) of the Listing Manual, all Directors other than Ms Low Beng Lan had undergone training on sustainability matters conducted by the Singapore Institute of Directors as prescribed by SGX in FY2023. The Company will arrange for Ms Low Beng Lan to undergo training on sustainability matters in FY2024.

All Directors are provided with relevant information on the Company's policies, procedures and practices relating to governance issues, including disclosure of interests in securities, restrictions on disclosure of price-sensitive and trade-sensitive information and disclosure of interests relating to the Group's businesses. They are also informed about matters such as the code of dealings in the Company's securities as they are privy to price-sensitive and trade-sensitive information.

The Directors are given updates and/or briefings relating to any matters that fall within the responsibility of the Board or key developments in the Group's industry or operations including changes in regulatory requirements, corporate governance and accounting standards. Such updates are given at Board meetings and where necessary via presentations by the Company's external professionals, auditors and Management.

The Directors are encouraged to undergo continual professional development (including attending external workshops, conferences, presentations and seminars conducted by regulatory bodies) during the term of their appointment. The Company funds the training of its Directors as appropriate. In FY2023, two Directors attended the "Climate Reporting Fundamentals for Listed Companies" conducted by the SGX.

Access to Information

The Company recognises the importance of providing the Board with relevant, complete, adequate and timely information prior to Board meetings and on an ongoing basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities. The Board is provided with reports on the Group's operational and financial performance, as well as budget variances, on a regular basis. Board papers are distributed in advance of Board meetings (as a general rule, at least one week in advance) so that the Directors have sufficient time to understand the matters to be discussed at the Board meetings. The Directors are entitled to request from Management and be provided with additional information as needed to make informed decisions. Management and senior executives attend Board meetings to answer any query from the Directors.

Where appropriate, ad hoc meetings are also held for Management to brief the Directors on prospective transactions and potential developments in the early stages before formal Board approval is sought. As stated in the section titled "Board Meetings", Management may communicate with the Directors through email or telephone to brief or keep the Directors updated on such deals and developments. The Directors may, at any time, request for further explanations, briefings, informal discussions or updates on any aspect of the Group's operations or business issues from Management through email, telephone or face-to-face meetings.

The Directors have separate and independent access to Management and the company secretary at all times. The Directors also have direct access to the Company's professional advisors and have the discretion to engage their own professional advisers at the Company's expense.

Role of the Company Secretary

Under the direction of the Chairman, the company secretary ensures good information flow within the Board and Board committees and between Management and Non-Executive Directors. She advises the Board on all governance matters as well as facilitates the orientation of newly appointed Directors and assists with the professional development of all Directors. The company secretary plays a role in ensuring that Board procedures as well as relevant rules and regulations are complied with. In FY2023, the company secretary attended all Board and Board committee meetings.

The appointment and the removal of the company secretary are subject to the approval of the Board.

Delegation of Authority

To optimise operational efficiency, the Board has established financial authorisation and approval limits for capital expenditure, the procurement of goods and services, acquisitions and disposals, bank borrowings as well as debt and equity fund raising. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board committees and Management.

The Non-Executive Directors participate actively in the meetings of the Board. They are always available to provide guidance to Management on any business issues and in areas in which they specialise and to provide strategic guidance to the Company based on their professional knowledge, in particular, assisting to constructively develop proposals on strategy. They also review and monitor Management's performance. To facilitate this, they are kept informed of the Company's businesses and performances through regular reporting from Management, and have full access to Management. The Non-Executive Directors would also confer among themselves without the presence of Management as and when the need should arise. The chairperson of such meetings provides feedback to the Board and/or the Chairman as appropriate.

To achieve an appropriate balance between risks and business performance, the Board established, and delegated its authority to, a credit committee comprising the Chairman of the Board, the Group CEO and the Group CFO, to approve PRC property financing ("**PRC PF**") loans without having to seek the Board's approval provided that the aggregate loan exposure to a single counterparty and its related parties shall not exceed RMB500 million, the loan tenure shall not exceed three years, the loan-to-value ratio is capped at 60%, and the Group does not have an equity interest in the relevant property or property development. Any PRC PF loans approved by the credit committee is submitted to the Board for review on a quarterly basis. The above parameters are reviewed by the Board on an annual basis.

Board Committees

To assist the Board in their duties and to ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board committees, which would submit their recommendations or decisions to the Board. The Board has established three Board committees, namely:

(a) the ARC;
(b) the RC; and
(c) the NC.

Each Board committee operates under delegated authority from the Board with the Board retaining overall oversight and has its own written terms of reference. The Board regularly undertakes a review of its Board committees including their membership and terms of reference. All Board committees are chaired by an Independent Director.

A record of each Director's attendance at Board committee meetings during FY2023 is set out in the section titled "Attendance Record of Meetings of Shareholders, Board and Board Committees in FY2023" on page 52.

AUDIT AND RISK COMMITTEE

MEMBERSHIP

- Ms Tan Yee Peng, ARC Chairperson (succeeded Mr Yee Chia Hsing with effect from 15 March 2023)
- Ms Ting Ping Ee Joan Maria, ARC Member and Independent Director
- Mr Ho Han Leong Calvin, ARC Member and Non-Executive Chairman of the Board
- Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)

KEY OBJECTIVE

- Assist the Board in discharging its responsibilities relating to financial and accounting matters, compliance, business and financial risk management and internal controls

The ARC comprises three Non-Executive Directors, two of whom, including the ARC Chairperson, are Independent Directors. The ARC Chairperson and at least one other member of the ARC, being the majority of the ARC, possess the relevant accounting or related financial management expertise or experience, while the remaining member of the ARC possesses business and financial background. With the current composition, the NC believes that the ARC has the relevant accounting and related financial management expertise and experience to discharge its functions within its written terms of reference.

None of the members of the ARC are former partners or directors of the Company's existing external or internal audit firms (a) within a period of two years commencing on the date of their ceasing to be a partner of the external or internal audit firm and in any case, (b) for so long as they have any financial interest in the external or internal audit firm.

The ARC has the authority to investigate any matter within its terms of reference. The ARC has full access to, and the cooperation of, Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARC also has full access to the external and internal auditors, and to facilitate a more effective check on Management, the ARC meets (a) with the external auditors and (b) with the internal auditors, in each case without the presence of Management at least annually (except for the FY2019 meeting between the ARC and the internal auditors which was re-scheduled to February 2020 due to the availability of the partner-in-charge). Similarly, both the external and internal auditors are given full access to the ARC.

Under its terms of reference, the ARC's scope of duties and responsibilities is as follows:

(a) reviewing the audit plan of the Company's external auditors, their evaluation of the system of internal accounting controls, their letter to Management, if any, and Management's response, and results of the Company's audit conducted by the internal and external auditors;

(b) reviewing the reports of the Company's external auditors including key audit matters ("**KAMs**"), as well as the adequacy, effectiveness, independence, objectivity, scope and results of the external audit;

(c) reporting to the Board on the ARC's assessment of the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors;

(d) reviewing the co-operation given by the Company's officers to the external auditors;

(e) reviewing and discussing with the external auditors, where applicable, any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material adverse impact on the Group's operating results or financial position, and Management's response;

(f) making recommendations to the Board on proposals to shareholders, on the appointment, re-appointment and removal of external auditors, and approving the remuneration and terms of engagement of the external auditors;

(g) ensuring co-ordination between the external auditors and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of Management, where necessary);

(h) approving the Company's internal audit plans;

(i) monitoring the implementation of internal controls over outstanding internal control weaknesses highlighted by the auditors;

(j) deciding on the appointment, termination and remuneration of the internal auditors;

(k) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function, reporting to the Board on the ARC's assessment of the adequacy, effectiveness and independence of the internal audit function and commenting on whether the internal audit function is independent, effective and adequately resourced;

(l) reviewing the interim and annual financial statements, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(m) reviewing significant financial reporting issues so as to ensure integrity of the financial statements of the Company and any announcements relating to the Company's financial performance and reporting to the Board on such issues (including how these issues were addressed);

(n) reviewing the material internal control procedures addressing financial, operational, compliance and IT risks;

(o) commissioning an independent audit on internal controls and risk management systems if it deems necessary for its assurance, or where it is not satisfied with the systems of internal controls and risk management;

(p) reviewing IPTs falling within the scope of Chapter 9 of the Listing Manual above certain thresholds;

(q) reviewing the grant of any entrusted loans to interested persons prior to such loans being entered into, to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include, but are not limited to, the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and shareholders;

(r) reviewing potential conflicts of interest, if any;

(s) reviewing and considering transactions in which there may be potential conflicts of interests between the Company and interested persons and recommending whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or from voting on resolutions of the Board or shareholders in relation to such transactions as well as ensuring that proper measures to mitigate such potential conflicts of interest have been put in place;

(t) monitoring investments in the Group's customers, suppliers and competitors made by the Directors, controlling shareholders and their respective associates who are involved in the management of the Company or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests and ensuring that proper measures to mitigate such conflicts of interests have been put in place;

(u) reviewing and assessing from time to time the prevailing processes put in place to manage any material conflicts of interest in relation to the controlling shareholders as described in the section titled "Interested Person Transactions and Conflicts of Interest – Conflicts of Interest – Conflict of Interests in relation to First Sponsor Capital Limited and First Sponsor Management Limited" in the prospectus registered by the Monetary Authority of Singapore on 10 July 2014 in relation to the Company's initial public offering and listing of its shares on the Main Board of SGX on 22 July 2014 and considering, where appropriate, additional measures for the management of such conflicts;

(v) reviewing the Group's key financial risk areas with a view to providing an independent oversight of the Group's financial reporting;

(w) reviewing and recommending hedging policies and instruments, if any, to be implemented by the Company to the Directors;

(x) reviewing the suitability of the Group CFO;

(y) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the ARC;

(z) reviewing the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up and reporting to the Board any significant issues raised through such channels;

(aa) generally undertaking such other functions and duties as may be required by statute or the Listing Manual or by such amendments as may be made thereto from time to time; and

(bb) apart from the abovementioned duties, commissioning and reviewing the findings of internal investigations in the event of any suspected fraud, irregularity, failure of internal controls or infringement of any applicable law, rule or regulation which has or is likely to have a material adverse impact on the Group's operating results and/or financial position.

The ARC will bring to the Board's attention immediately, any significant issues (such as significant adjustments) raised by the external auditors in their review or audit of the Company's year-end financial statements which have a material impact on the interim financial statements or financial updates previously announced by the Company. The Board will then consider whether an immediate announcement is required under the Listing Manual. The ARC will also advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates. Such changes, if any, will be disclosed in the Annual Report.

The ARC held four ARC meetings in FY2023. Management, including the Group CEO and Group CFO, was present at the meetings. In addition, the ARC met with the external auditors and the internal auditors, without the presence of Management in FY2023.

In FY2023, the ARC reviewed the quarterly financial statements, the financial results announcements for the half-year and full-year as well as the accompanying press releases and presentation packs highlighting key developments of the Group, and the voluntary business updates for the first and third quarters prior to approving or recommending to the Board their release, the auditors' evaluation of the system of internal accounting controls, the adequacy and effectiveness of the Company's internal controls, the annual audit plans of the external and internal auditors and the results of the audits performed by them, as well as IPTs. It also reviewed the scope, results and effectiveness of the internal audit and external audit functions, the independence and objectivity of the external auditors and the non-audit services rendered by the external auditors.

The ARC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. The following KAMs were discussed with Management and the external auditors:

KAMs	How the ARC reviewed these matters and what decisions were made
Valuation of investment properties	The ARC reviewed the outcome of the annual valuation process and discussed the details of the valuation, including the valuers' assessment of the appropriateness of valuation methodologies used as well as the reasonableness of the estimates and underlying key assumptions applied in the valuation of the investment properties, taking into account the rapid changes in market and economic conditions, with Management and the external auditors. The ARC considered the findings of the external auditors, including their assessment of the appropriateness of the valuation methodologies used as well as the reasonableness of the estimates and underlying key assumptions applied, in the valuation of investment properties. The ARC is satisfied with the valuation methodologies used as well as estimates and key assumptions applied in assessing the fair values of the Group's investment properties.
Impairment assessment of goodwill and property, plant and equipment	The ARC reviewed the approach and methodology used by Management in determining the recoverable amount of goodwill and property, plant and equipment. The ARC considered the findings of the external auditors including their assessment as to the reasonableness of the key assumptions applied in the impairment assessment, taking into account rapid changes in market and economic conditions and geopolitical tension, and the appropriateness and reasonableness of the valuation methodologies and key assumptions used, including the reasonableness of the discount and terminal growth rates adopted. The ARC is satisfied with the approach and methodology used in determining the recoverable amount of goodwill and property, plant and equipment.

The ARC concluded that the Group's accounting treatment and estimates in the KAMs were appropriate. All the KAMs that were raised by the external auditors for FY2023 have been addressed by the ARC and covered in the above commentary. Details on the KAMs can be found in the auditors' report for FY2023 on pages 95 to 96 of this Annual Report.

REMUNERATION COMMITTEE

MEMBERSHIP

- Mr Wee Guan Oei Desmond, RC Chairman and Independent Director
- Ms Ting Ping Ee Joan Maria, RC Member and Independent Director
- Mr Ho Han Leong Calvin, RC Member and Non-Executive Chairman of the Board
- Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)

KEY OBJECTIVES

- Oversee the remuneration of the Board and Management
- Set appropriate remuneration framework and policies to deliver annual and long-term performance of the Group

The RC comprises three Non-Executive Directors, two of whom, including the RC Chairman, are Independent Directors.

Under its terms of reference, the RC's scope of duties and responsibilities is as follows:

(a) recommending to the Board a framework of remuneration for the Directors and key management personnel of the Group, comprising the Group CEO, Group CFO and CEOs of the respective regions;

(b) determining specific remuneration packages for Executive Directors, including the Group CEO;

(c) reviewing all aspects of remuneration of employees (including, among others, employees who are related to the Directors and relatives of the Directors and controlling shareholders, if any), including directors' fees, salaries, allowances, bonuses and other benefits-in-kind;

(d) reviewing and ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution by them, taking into account factors such as effort and time spent, and responsibilities of the Directors;

(e) recommending employee share option schemes or any long-term incentive scheme which may be set up from time to time and doing all acts necessary in connection therewith; and

(f) reviewing the Company's obligations arising in the event of termination of any Executive Director's and key executive's contract of services to ensure that such contracts of services contain fair and reasonable clauses which are not overly generous.

In FY2023, the RC met once and discussed various remuneration matters such as Directors' fees as well as the remuneration package of the Group CEO and key management personnel for FY2022. The RC also conducted separate reviews in FY2024 of the remuneration of employees who are related to the Directors and controlling shareholders for FY2022 and FY2023. No member of the RC was involved in the fixing of his or her own remuneration, or in the review of remuneration matters for any employee who may be related to him or her.

NOMINATING COMMITTEE

MEMBERSHIP

- Ms Ting Ping Ee Joan Maria, NC Chairperson and Independent Director
- Mr Yee Chia Hsing, NC Member and Lead Independent Director
- Mr Neo Teck Pheng, NC Member, Group CEO and Executive Director

KEY OBJECTIVES

- Establish and review the profile of Board members
- Make recommendations to the Board on the appointment and re-nomination of Directors
- Review the independence of Directors
- Assist the Board in evaluating the performance of the Board, Board committees and Directors

The NC comprises three members. Two members are Independent Directors, one of whom is the Lead Independent Director.

Under its terms of reference, the NC's scope of duties and responsibilities is as follows:

(a) reviewing and assessing the appointment of any proposed new Directors (including alternate Directors if applicable) before recommending the proposed new Directors for approval by the Board;

(b) reviewing and recommending to the Board the re-election and re-appointment of any Directors (including alternate Directors if applicable) who are retiring by rotation or appointed during the year at the next Annual General Meeting ("**AGM**");

(c) reviewing the effectiveness of the Board annually;

(d) reviewing annually whether the size and composition of the Board are appropriate to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities;

(e) reviewing and determining annually, and as and when circumstances require, if a Director is independent;

(f) reviewing and determining whether a Director is able to and has been adequately carrying out his or her duties as Director where a Director has multiple board representations or other principal commitments;

(g) reviewing succession plans for the Directors and Management and recommending to the Board for approval;

(h) reviewing and recommending to the Board the employment of related persons and their proposed terms of employment;

(i) assessing whether any individual member of the Board dominates the Board's decision-making process; and

(j) reviewing training and professional development programs for the Board.

The NC oversees leadership and succession planning for key management personnel. This includes overseeing the process that supports the Board in making a decision regarding the appointment of key management personnel. While the Group CEO takes charge of succession planning for key management personnel, the NC reviews the plans that the Group CEO has made and presents its recommendations to the Board. The NC also reviews the mechanism for identifying strong candidates and developing them to take on senior positions in the future, as well as how key talent is managed within the Group. Potential candidates for leadership succession are reviewed for their readiness in the immediate, medium and long term.

The NC met once in FY2023 to discuss various matters, including the composition of the Board and the Board committees, as well as the re-election of Mr Ho Han Leong Calvin, Mr Neo Teck Pheng, Mr Wee Guan Oei Desmond and Ms Tan Yee Peng as Directors at the 2023 AGM.

During FY2022, the NC reviewed and recommended changes to the Board Diversity Policy, which were adopted by the Board on 30 November 2022. Hence, the NC did not review the Board Diversity Policy in FY2023, but will conduct an annual review from FY2024 onwards in accordance with the terms of the Board Diversity Policy. Please refer to the sections titled "Board Diversity" on pages 62 to 64 and "Selection of New Directors" on pages 65 to 66 for further information.

Board Composition and Guidance

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

Board Composition

As at 31 December 2023, the Board consisted of seven Directors of whom six are Non-Executive Directors comprising four Independent Directors and two non-Independent Directors. With the appointment of Ms Low Beng Lan, the Board consists of eight Directors of whom seven are Non-Executive Directors comprising five Independent Directors and two non-Independent Directors as at the date of this Annual Report. The Executive Director is the Group CEO.

Independence

As at 31 December 2023, the Independent Directors constituted 57.1% of the Board. With the appointment of Ms Low Beng Lan, the Independent Directors will constitute 62.5% of the Board as at the date of this Annual Report. Hence, the composition of the Board currently aligns with the recommendation under Provision 2.2 of the Code which provides that Independent Directors should make up a majority of the Board where the Chairman is not independent.

Other than the Group CEO, none of the Directors is a former or current employee of the Company or its subsidiaries.

Currently, matters requiring the Board's approval are discussed and deliberated with the participation of each Director (save for any Director who has a conflict of interest), and decisions are made collectively without any individual influencing or dominating the decision-making process. The NC and the Board are therefore of the view that the current composition of the Board is sufficient for the Board to exercise objective and balanced judgement. As the Chairman is not independent, the Company appointed a Lead Independent Director. A summary of the role of the Lead Independent Director is set out in the section titled "Role of the Lead Independent Director" on page 65.

The Board, taking into account the views of the NC, assesses the independence of each Director annually in accordance with the guidance in the Code. In accordance with the Code, a Director is considered independent if he or she is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The Board also takes into account the existence of relationships or circumstances, including those identified by the Listing Manual and related Practice Guidance to the Code ("**Practice Guidance**") that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include relationships (whether familial, business, financial, employment or otherwise) with the Company, its related corporations, substantial shareholders or officers, the employment of a Director or his/her immediate family member by the Company or any of its related corporations for the current or any of the past three financial years, a Director or his/her immediate family member providing to or receiving from the Company or any of its subsidiaries significant payments or material services during the current or previous financial year, other than compensation for Board service, and a Director or his/her immediate family member being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the current or previous financial year.

The NC and the Board assessed the independence of each Director in FY2023. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into account the guidance in the Code, the Listing Manual and (where relevant) the Practice Guidance, the Board has determined that Ms Ting Ping Ee Joan Maria, Mr Yee Chia Hsing, Mr Wee Guan Oei Desmond, Ms Tan Yee Peng and Ms Low Beng Lan are independent.

Ms Low Beng Lan declared that, for the period from July 2008 to November 2012, she was based in London as the Senior Vice-President of Finance of Millennium & Copthorne Hotels Plc, a subsidiary of City Developments Limited ("**CDL**") which is a controlling shareholder of the Company. Apart from this, Ms Low Beng Lan does not have any other relationships and is not faced with any of the circumstances identified in the Code, the Listing Manual and the Practice Guidance that may affect her independent judgement. The NC and the Board have determined that Ms Low Beng Lan is independent.

The remaining Directors are considered non-independent for the following reasons:

(a) Mr Ho Han Leong Calvin and his alternate, Mr Ho Han Khoon Alvin, are controlling shareholders of the Company;

(b) Mr Kingston Kwek Eik Huih is the son of Mr Kwek Leng Beng, the Executive Chairman of CDL; and

(c) Mr Neo Teck Pheng is the Group CEO, the Executive Director and a controlling shareholder of the Company.

Each member of the NC and the Board recused himself or herself from the NC's and the Board's deliberations respectively on his or her own independence.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual, a director will not be independent if he or she has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). As at the date of this Annual Report, Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing have served the nine years tenure as Independent Directors and would be retiring and will not be seeking re-election at the 2024 AGM. Pursuant to Transitional Practice Note 4 Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing may continue to be considered independent until the conclusion of the 2024 AGM.

Conflicts of Interest

Directors as fiduciaries are collectively and individually obliged to act honestly and with due diligence, and in the best interests of the Company. Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, will declare the nature of their interests, and also abstain from participating in the deliberation of the Board and/or the Board committees on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the committees.

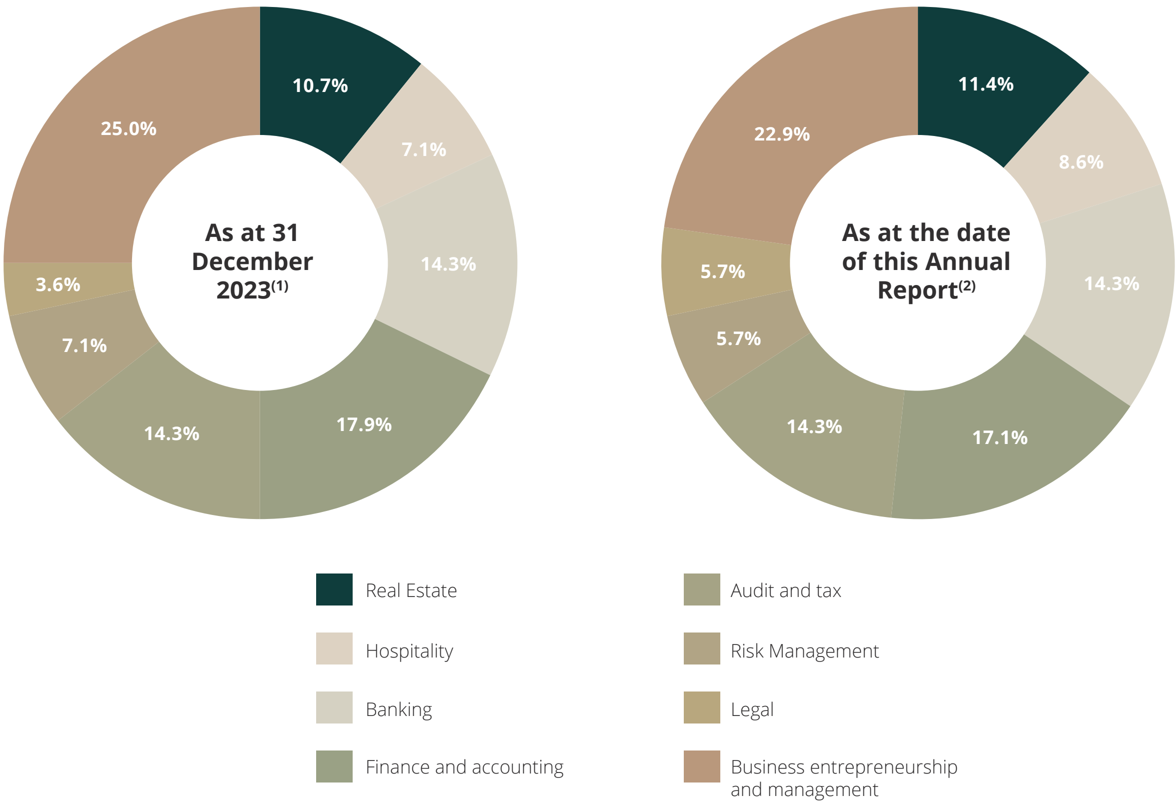
Board Diversity

The Company recognises the benefits of diversity in terms of skills, knowledge and experience, as well as broader aspects of diversity such as gender and age, and believe that an appropriate balance of diversity will raise the level of Board discussions, enhance the decision-making process and better support the Group in achieving its strategic objectives.

The Board currently comprises business leaders and professionals with real estate, hospitality, banking, financial (including audit and accounting), legal, risk management and business management backgrounds. The Board includes Directors of both genders, varying age profiles ranging from 40s to 70s and varying tenure profiles ranging from less than 1 year to more than 15 years. The profiles and qualifications of the Directors are set out in the section titled "Board of Directors" on pages 25 to 26 and directorships held by the Directors as at the date of this Annual Report and over the preceding three years are set out in the section titled "Directors' Time Commitment" on pages 66 to 69.

The following Directors' Expertise and Experience Matrix shows a breakdown of the diverse expertise and experience of the Directors as at 31 December 2023 and as at the date of this Annual Report.

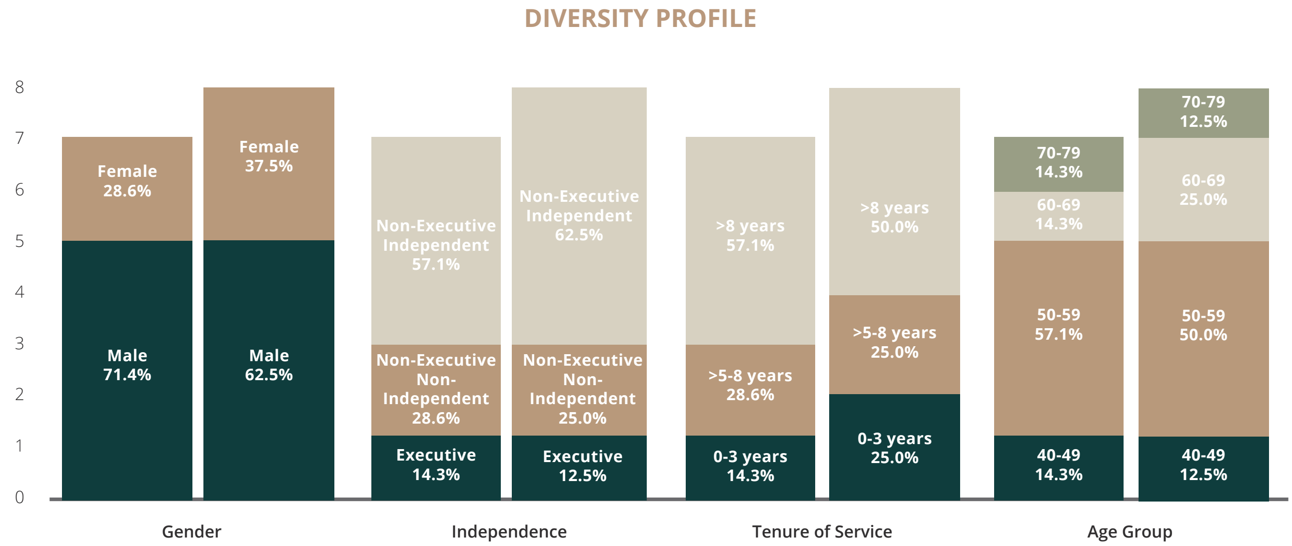
EXPERTISE AND EXPERIENCE MATRIX



Notes:

1. Percentages as at 31 December 2023 are based on 7 Board members (excluding alternate Director).
2. Percentages as at the date of this Annual Report are based on 8 Board members (excluding alternate Director).

As at 31 December 2023, the Board comprised four Independent Directors and three non-Independent Directors, and included two female Directors. Ms Low Beng Lan was appointed as an Independent Director with effect from 15 March 2024. With the appointment of Ms Low Beng Lan, the Board's diversity in terms of independence, gender and tenure was enhanced as the proportion of Independent Directors increased from 57.1% to 62.5% of the Board and the proportion of female Directors increased from 28.6% to 37.5%. In addition, the Board now comprises a higher proportion of Directors who have served a shorter tenure in office. The following chart shows the diversity profile of the Board as at 31 December 2023 and as at the date of this Annual Report.



Notes:

1. The left column of each diversity aspect shows the position as at 31 December 2023 which is based on 7 Board members (excluding alternate Director).
2. The right column of each diversity aspect shows the position as at the date of this Annual Report which is based on 8 Board members (excluding alternate Director).

The Board has adopted a formal Board Diversity Policy, setting out its policy for promoting diversity on the Board. The Board Diversity Policy is available on the Company's corporate website at www.1st-sponsor.com.sg. The Board Diversity Policy provides, among other things, that:

(a) The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, tenure of service and other distinguishing qualities of the Directors.

(b) In particular, the Company values diversity of the Board in aspects such as skillset and experiences, business background and industry knowledge, international experiences, age, gender, tenure and independence.

(c) The NC will assist the Board to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition. Taking into consideration the scope and nature of the operations of the Group, the requirements of the business, the need for succession and progressive refreshing of the Board and the need to avoid undue disruptions from unnecessary changes to the composition of the Board and Board committees, the NC will consider the above criteria (as applicable and practicable) when reviewing and assessing the size and composition of the Board, determining the independence of Directors, evaluating performance of the Board as a whole, that of each Board committee as well as that of each Director, and making recommendations to the Board on the selection, appointment and re-appointment of Directors, as appropriate.

(d) In the process of sourcing for qualified candidates to serve on the Board, the NC will strive for the inclusion of diverse groups and viewpoints. As gender is an important aspect of diversity, the NC will strive to ensure that:

    (i) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates;

    (ii) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be fielded for consideration;

    (iii) female representation on the Board be continually improved over time based on the set targets of the Board; and

    (iv) at least one female Director be appointed to the NC.

(e) The final decision on the selection of Directors will be based on merit against an objective criteria that complements and expands the skills and experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board.

(f) The NC will annually discuss and agree on the relevant measurable targets and timelines for promoting and achieving diversity on the Board and make its recommendations with accompanying plans and timelines for approval by the Board. The targets may involve at any given time, one or more aspects of Board diversity with different timelines for achievement.

(g) The NC will assist the Board to ensure that the Board Diversity Policy is implemented in an effective and practical manner and will report to the Board annually on the progress made towards achieving the targets set for promoting diversity.

In view of the Group's key operating segments in property development, property holding and property financing, the NC and the Board are of the view that the current composition of the Board encompasses a good balance and diversity of skills, experience, knowledge and competencies that are critical, particularly with regard to property financing and financial instruments, the hospitality industry, commercial leasing, as well as residential and commercial property industries, in providing strategic leadership to and oversight of the Group. In arriving at this view, the NC and the Board have taken into account the appointment of Ms Low Beng Lan as part of the Board renewal process. Ms Low Beng Lan has significant experience in finance, investments, treasury, fund raising and asset management across different industries and countries, and adds further diversity and depth to the Board in terms of skills and experience. Please refer to the section titled "Selection of New Directors" on pages 65 to 66 for further information. At the same time, her appointment has resulted in a higher proportion of Directors who have served a shorter tenure in office. The NC and Board further noted that female representation on the Board stands at 37.5%, which exceeds the target of 25% of female representation by 2025 set by the Council for Board Diversity. Further, two-thirds of the ARC is currently represented by female Directors and each of the NC and the RC remains represented by one female Director. The Chairpersons of two out of the three Board committees, the ARC and the NC, are female.

The NC and the Board have taken into account the skills, experience and diversity that Ms Low Beng Lan will bring to the Board in considering that after the retirement of Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing as Independent Directors at the 2024 AGM, the Board composition of six Directors of whom half will be Independent Directors and two will be female Directors, would be optimal. The Board will also continue to consider diversity in relation to any future changes to the composition of the Board, taking into account the Board Diversity Policy.

Chairman and Chief Executive Officer

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

The Chairman and the Group CEO

The roles and responsibilities of the Chairman and the Group CEO are held by separate individuals, in keeping with the principle that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decisions-making. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board while the Group CEO is responsible for implementing the Group's strategies and policies, and for management, operations and growth of the Group's businesses.

The separation of the roles of the Chairman and the Group CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, and facilitate robust deliberations on the Group's business activities and the exchange of ideas and views to help shape the strategic process.

The Non-Executive Chairman is Mr Ho Han Leong Calvin and the Group CEO is Mr Neo Teck Pheng. They do not share any family ties.

Role of Chairman

The Chairman provides leadership to the Board and facilitates the conditions for overall effectiveness of the Board, Board committees and individual Directors. He leads all the Board meetings and ensures that meetings are held on a timely basis to deliberate or approve matters which require the Board's attention. He is also responsible for promoting and maintaining high standards of corporate governance, ensuring effective communication with shareholders and facilitating effective contribution from the Non-Executive Directors.

The Chairman provides clear oversight, advice and guidance to the Group CEO and Management on the strategy and growth of the Group's businesses. The Chairman also provides support and advice to, and acts as a sounding board for, the Group CEO, while respecting executive responsibility.

Role of the Lead Independent Director

As the Chairman is not an Independent Director, the Board appointed Mr Yee Chia Hsing as the Lead Independent Director. The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to ensure effective corporate governance in managing the affairs of the Board and the Company.

The role of the Lead Independent Director includes meeting with the Independent Directors at least annually. He provides feedback on the meeting(s) to the Board and/or the Chairman as appropriate. He will also be available to shareholders if they have concerns relating to matters that contact through the normal channels of communication with the Chairman, Group CEO or Group CFO are inappropriate or inadequate. No query or request on any matter which requires the Lead Independent Director's attention was received from shareholders in FY2023.

Board Membership

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

The NC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment and re-nomination of Directors. Details on the composition and scope of duties and responsibilities of the NC are set out in the section titled "Nominating Committee" on pages 59 to 60.

The evaluation of the appointment and re-nomination of a Director takes into consideration, among others, the composition and progressive renewal of the Board, the factors described in the Board Diversity Policy and each Director's independent status, competencies, commitment, contribution and performance.

Selection of New Directors

The Company has in place a process for selecting and appointing new Directors. This process includes, among others, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board.

The NC identifies the Company's needs and prepares a shortlist of candidates with the appropriate profile for nomination. The NC may have recourse to both internal sources (for example, recommendations by Directors and Management) as well as external sources (for example, search consultants) to draw up the shortlist. Short-listed candidates will be required to furnish their curriculum vitae stating in detail their qualification, working experience and employment history to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines. The NC will take an active role in screening and interviewing short-listed candidates before assessing the candidate's suitability and recommending him or her for nomination to the Board. To satisfy itself of the candidate's suitability to be appointed as a Director, the NC will perform a stringent due diligence on the candidate which extends to whether he or she has fully discharged his or her duties and obligations during his or her previous directorship of any listed company, has previously served on the board of any company with an adverse track record or a history of irregularities, has been under investigation by any professional association or regulatory authority, or has resigned from the board of any such company for any reason that may cast doubt on his or her ability to act as a Director.

In FY2023, the NC continued its search for potential candidates who could be appointed as Directors. The NC considered various candidates recommended by other Board members and their networking contacts. No search consultant was appointed. Diversity was one of the key considerations in the Board renewal process to ensure that the Board is appropriately balanced to support the long-term success of the Group. Other key considerations included (a) whether the skillsets of the candidates would replace the skillsets of the long-serving Directors, and/or would supplement the collective skillsets of the Directors and bring different perspectives to the Board; (b) the independence status of the candidate; and (c) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director.

Ms Low Beng Lan was appointed as an Independent Director of the Company with effect from 15 March 2024. The Board approved the appointment of Ms Low Beng Lan, who has significant experience in finance, investments, treasury, fund raising and asset management across different industries and particularly in real estate and hospitality. The appointment of Ms Low Beng Lan would also enhance the diversity of the Board in terms of independence, gender, age and tenure. Additional information on Ms Low Beng Lan is set out in the section titled "Board of Directors" on page 26, directorships held by the Directors as at the date of this Annual Report and over the preceding three years on page 69 and Appendix 7.4.1 of the Listing Manual on pages 203 to 206 of this Annual Report.

Re-nomination of Directors

The Articles of Association of the Company requires each Director to retire at least once every three years and subject himself or herself to re-election by shareholders. In addition, any Director appointed by the Board shall retire at the next AGM and shall then be eligible for re-election at that meeting.

The Group CEO, as an Executive Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. His role as Group CEO is separate from his position as a Board member, and does not affect the ability of shareholders to exercise their right to select all Board members.

With regard to the re-election of existing Directors each year, the NC advises the Board of those Directors who are retiring or due for consideration to retire in accordance with the Company's Articles of Association, and makes recommendations to the Board as to whether the Board should support the re-election of a Director who is retiring. In making its recommendations, the NC will undertake a review of the retiring Director's performance and contribution during the period in which he or she was a member of the Board. The NC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contribution of a Director when making its recommendations to the Board. Each member of the NC will abstain from deliberations on his or her own re-election.

Under Article 85 of the Company's Articles of Association, Ms Low Beng Lan is required to retire and stand for re-election at the 2024 AGM as this is the first AGM after her appointment. Ms Low Beng Lan will, upon re-election, be appointed as a member of the ARC and the RC. The Board has considered the NC's recommendation and assessment of Ms Low Beng Lan's qualifications and experience, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that Ms Low Beng Lan will be able to contribute to the Board and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Group. At the recommendation of the NC and as approved by the Board, Ms Low Beng Lan will be standing for re-election at the 2024 AGM. Ms Low Beng Lan was not involved in the Board's deliberations on the re-elections as the Board meeting took place prior to her appointment. Additional information on Ms Low Beng Lan as prescribed in Appendix 7.4.1 of the Listing Manual may be found on pages 203 to 206 of this Annual Report.

Directors' Time Commitment

In view of the responsibilities of a Director, the Board is cognisant of the need for Directors to be able to devote sufficient time and attention to adequately perform their roles. However, the Board has not imposed any limit on the number of listed company directorships that an individual may hold as it is of the view that this should be considered on a case-by-case basis as a person's available time and attention may be affected by different factors, such as whether he or she is in full-time employment and the nature of his or her other responsibilities. The Company also does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board. While having a limit on the number of listed company directorships may be considered by some other companies to be suitable for their circumstances, at present, the Company considers that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contribution and devotion of appropriate time and attention to the Company.

A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Company. The Directors are also required to consult the Chairman and the NC Chairperson before accepting new appointments as directors or full-time executives. The Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence.

The NC conducts a review of the commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director. All Directors are required to confirm on an annual basis, and for FY2023, have confirmed that they were able to devote sufficient time and attention to their duties as Directors. For FY2023, having regard to each Director's attendance record for Board meetings and, where applicable, Board committee meetings, and his or her ability to contribute effectively thereat, the NC is of the view that each Director has devoted sufficient time and attention to the affairs of the Company and has been able to discharge his or her duties as a Director effectively. In FY2023, other than Mr Yee Chia Hsing and Ms Tan Yee Peng, none of the Directors had other listed company board representations and the Board experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance of the meeting dates. Accordingly, the NC is satisfied that in FY2023, where a Director had other listed company board representations and/or other principal commitments, the Director adequately carried out his or her duties as Director. As at the date of this Annual Report, other than Mr Yee Chia Hsing and Ms Tan Yee Peng, none of the Directors has other listed company board representations.

The table below shows the directorships and principal commitments of each Director (including past directorships and principal commitments over the preceding three years):

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Ho Han Leong Calvin • Non-Executive Chairman • ARC Member • RC Member	1 October 2007	27 April 2023	–	• Director of Tai Tak Estates Sendirian Berhad ("**Tai Tak**")
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)[1]	19 May 2014	–	–	• Director of Tai Tak
Mr Kingston Kwek Eik Huih[2] • Non-Executive Director	5 March 2019	26 April 2022	–	• Director of Beijing Fortune Hotel Co., Ltd. • Governor of Hong Leong Foundation • Alternate Director of Welland Investments Limited
Mr Neo Teck Pheng • Group CEO and Executive Director • NC Member	1 October 2007	27 April 2023	–	–
Ms Ting Ping Ee Joan Maria • Independent Director • NC Chairperson • ARC Member • RC Member	19 May 2014	23 April 2021	–	• Independent Director of Grand Union Holdings and Investments Pte. Ltd. (formerly known as Grand Union Holdings and Investments Incorporated) up to 31 March 2024

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Yee Chia Hsing • Lead Independent Director • Stepped down as ARC Chairman with effect from 15 March 2023 • NC Member	19 May 2014	23 April 2021	• Director of Corporate Affairs and General Manager of the nutraceutical business of iX Biopharma Ltd, listed on SGX • Head of Catalist, CIMB Bank Berhad, Singapore Branch • Independent Director of Ezion Holdings Limited • Executive Director and Chief Executive Officer of Datapulse Technology Limited, listed on SGX	• Independent Director, Nominating Committee Chairman, Audit Committee Member and Remuneration Committee Member of Beng Kuang Marine Limited, listed on SGX • Independent Director, Audit Committee Chairman, Nominating Committee Member and Remuneration Committee Member of Zhongmin Baihui Retail Group Ltd, listed on SGX • Audit Committee Member of Ren Ci Hospital
Mr Wee Guan Oei Desmond • Independent Director • RC Chairman	6 February 2017	27 April 2023	• Non-Executive Chairman, Independent Director and Audit Committee Member of Popular Holdings Limited	• Partner, Head of Corporate Commercial Practice Group and Co-Head of Employment Practice Group of Rajah & Tann Singapore LLP • Non-Executive Director of Spartans Rugby Singapore Limited
Ms Tan Yee Peng • Independent Director • ARC Chairperson	15 March 2023	27 April 2023	• Lead Independent Director, Audit and Risk Committee Chairperson, Nominating Committee Member and Remuneration Committee Member of Dutech Holdings Limited • Honorary Treasurer of Viriya Community Services	• Council Member of Ministry of Health, Agency for Care Effectiveness • Member of Vanguard Healthcare Medifund Committee • Director of Vanguard Health Fund Limited • Director of 1FSS Private Limited • Director of Dutech Holdings Pte Ltd • Chief Executive Officer and Executive Director of Hercules Pte Ltd • Audit and Risk Committee Member of MOH Holdings Pte Ltd • Director and Audit and Risk Committee Chairperson of Singapore Aerospace Manufacturing Pte Ltd

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
				• Director and Audit Committee Chairperson of Ren Ci Hospital • Director and Treasurer of TTSH Community Fund • Director of Tri Star Security Pte Ltd • Independent Director and Audit Committee Chairperson and Compensation Committee Member of TDCX Inc., listed on the New York Stock Exchange • Independent Director, Audit and Risk Committee Chairperson, Nominating Committee Member and Remuneration Committee Member of Oiltek International Limited, listed on SGX • Director and Audit and Risk Committee member of Accuron Technologies Limited • Director of Hupsteel Pte Ltd • Director of Hup Seng Huat Land Pte Ltd • Director of Hoe Seng Huat Pte Ltd • Director of Sheares Healthcare International Holdings Pte Ltd • Director of Sheares Healthcare China Holdings Pte Ltd • Director and Audit Committee Chairperson of VIVA Foundation for Children with Cancer • Audit and Risk Committee Member of Resilience Collective, a mental health charity
Ms Low Beng Lan[3] • Independent Director	15 March 2024	–	• Director of Aerodynamics LLC	–

Notes:

1. An alternate Director bears all the duties and responsibilities of a Director.
2. Mr Kingston Kwek Eik Huih is the son of Mr Kwek Leng Beng, the Executive Chairman of CDL.
3. Ms Low Beng Lan who was appointed by the Board on 15 March 2024 will retire and stand for re-election at the 2024 AGM.

Succession Planning

The Board believes in carrying out succession planning for itself to ensure continuity of leadership. Board renewal is a continual process and in this regard, the NC reviews annually the composition of the Board and Board committees and recommends to the Board, among other things, the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to maintaining an optimal Board composition bearing in mind the Group's strategic priorities and the factors affecting the long-term success of the Group, and by considering the trends affecting the Group, reviewing the skills needed and identifying any gaps (which includes considering whether there is an appropriate level of diversity of thought). The NC would use these considerations in setting the appointment criteria for successors. The Board would be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

Board renewal was a significant focus for the Board in FY2023 as Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing would have served the nine years tenure as Independent Directors on 19 May 2023 and will be stepping down as Directors at the conclusion of the 2024 AGM. With the NC's recommendation, the Board approved that with effect from the 2024 AGM, Mr Wee Guan Oei Desmond would be appointed as the Lead Independent Director in succession to Mr Yee Chia Hsing, and would also be appointed as the Chairman of the NC in place of Ms Ting Ping Ee Joan Maria. The Board also approved that with effect from the 2024 AGM, Ms Tan Yee Peng would be appointed as a member of the NC in place of Mr Yee Chia Hsing.

Please refer to the sections titled "Board Diversity" on pages 62 to 64 and "Selection of New Directors" on pages 65 to 66 for further information. With regard to succession planning for key management personnel, please refer to the section titled "Nominating Committee" on pages 59 to 60 for further information.

Board Performance

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

While Board performance is ultimately reflected in the long-term performance of the Group, the Board believes that engaging in a regular process of assessment and evaluation of Board performance in order to identify key strengths and areas for improvement is essential to effective stewardship and to attaining success for the Company.

Board and Board Committee Evaluation Process

Each year, the NC undertakes a formal annual process to assess the effectiveness of the Board as a whole and the Board committees.

The NC uses objective and appropriate criteria to assess the performance of the Board and effectiveness of Board committees. Assessment parameters include evaluation of Board structure, conduct of meetings, corporate strategy, corporate planning, risk management, internal controls, measuring and monitoring performance, compensation, financial reporting and communication with shareholders.

As part of the process, each Director is required to complete an appraisal form with the above assessment parameters. The completed appraisal forms are collated by the company secretary who then presents the results to the NC Chairperson who in turn presents a report to the NC and the Board. The feedback, comments and recommendations by the Directors are reviewed and discussed constructively by the NC and the Board to identify areas for improvement and follow up action to be taken by the Board and Management.

The NC is satisfied that for FY2023, the Board and the Board committees were effective in the conduct of their respective duties. The results of the NC's assessment were communicated to and accepted by the Board. No external facilitator was used in FY2023.

Individual Director Evaluation Process

The Company has in place a formal process to evaluate the performance of individual Directors.

As part of the process, each Director (including the Chairman) is requested to complete a self-evaluation form. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings, industry and business knowledge, commitment and dedication. The completed self-evaluation forms are collated by the company secretary who then presents the results to the NC, which assesses the performance of the individual Directors, and will discuss with each individual Director if necessary. Each member of the NC will recuse himself or herself from the NC's deliberations on his or her own performance.

The performance of individual Directors is taken into account in their re-appointment or re-election. Specific needs which arise from time to time are taken into account in any appointment of new Directors.

The NC is satisfied that for FY2023, each Director contributed to the effectiveness of the Board and, if applicable, Board committee(s). The results of the NC's assessment were communicated to and accepted by the Board. No external facilitator was used in FY2023.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

Disclosure on Remuneration

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

The Board established the RC to oversee the remuneration of the Board and Management. In carrying out this role, the RC also aims to set the appropriate remuneration framework and policies to deliver annual and long-term performance of the Group. Details on the composition and scope of duties and responsibilities of the RC are set out in the section titled "Remuneration Committee" on pages 58 to 59.

The broad principles that guide the RC in its administration of fees, benefits, remuneration and incentives for the Board and Management are set out below.

Remuneration of Non-Executive Directors

The Group CEO is an Executive Director and is therefore remunerated as part of Management. He does not receive Directors' fees.

The RC recommends the Non-Executive Directors' fees for the Board's endorsement and approval by shareholders. The Company seeks shareholders' approval at the AGM so that Directors' fees can be paid on a quarterly basis in arrears. No Director decides his or her own fees.

The remuneration packages of Non-Executive Directors comprise base Directors' fees and additional fees for services rendered on the various Board committees (depending on whether he/she served in the capacity as the Chairperson or as a member of the relevant Board committee). Non-Executive Directors who cease to be a Director during any part of the financial year are paid pro-rated fees for the term of their office. No attendance fees for Board or Board committee meetings or travel allowance are payable to Non-Executive Directors. In reviewing the structure and level of such fees, the RC takes into consideration factors such as the roles and responsibilities of, and effort and time spent by, the Directors, changes in the business, corporate governance practices and regulatory rules, and the interval since the last fee review. The RC also compares the Company's fee framework against industry practices.

The Company established the First Sponsor Employee Share Option Scheme on 19 May 2014. However, no options were granted under the scheme as at the date of this Annual Report. Details of the First Sponsor Employee Share Option Scheme can be found in the Directors' Statement on page 93 of this Annual Report. The First Sponsor Employee Share Option Scheme allows for participation by Non-Executive Directors.

FY2023

The RC recommended and the Board approved that the scale of fees under the framework for the Non-Executive Directors' fees for FY2023 remain the same as the previous financial year. Accordingly, the scale of fees for FY2023 is as set out below:

Base Directors' Fee	FY2022 scale of Directors' fees	FY2023 scale of Directors' fees
Board Chairman	$52,500 per annum[1]	$52,500 per annum[1]
Director	$52,500 per annum	$52,500 per annum
Fee for appointment to ARC		
Committee Chairman	$60,500 per annum	$60,500 per annum
Committee Member	$36,500 per annum	$36,500 per annum
Fee for appointment to RC		
Committee Chairman	$19,000 per annum	$19,000 per annum
Committee Member	$13,000 per annum	$13,000 per annum
Fee for appointment to NC		
Committee Chairperson	$19,000 per annum	$19,000 per annum
Committee Member	$13,000 per annum	$13,000 per annum

Note:

1. Mr Ho Han Leong Calvin and Mr Ho Han Khoon Alvin elected not to receive Directors' fees.

No remuneration consultant was appointed in FY2023.

The aggregate Directors' fees paid to Non-Executive Directors for FY2023 was $413,000, details of which are set out in the table below:

Name of Director	Directors' Fees ($)
Mr Ho Han Leong Calvin[1]	–
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)	–
Mr Kingston Kwek Eik Huih	52,500
Ms Ting Ping Ee Joan Maria[2]	121,000
Mr Yee Chia Hsing[3]	77,600
Mr Wee Guan Oei Desmond[4]	71,500
Ms Tan Yee Peng[5]	90,400
Total	**413,000**

Notes:

1. Mr Ho Han Leong Calvin and Mr Ho Han Khoon Alvin elected not to receive Directors' fees.
2. In addition to the base Directors' fee, Ms Ting Ping Ee Joan Maria received additional fees as the NC Chairperson and a member of the ARC and the RC.
3. In addition to the base Directors' fee, Mr Yee Chia Hsing received additional pro-rated fees as the ARC Chairman up to 14 March 2023 and additional fees as a member of the NC.
4. In addition to the base Directors' fee, Mr Wee Guan Oei Desmond received an additional fee as the RC Chairman.
5. In addition to the base Directors' fee, Ms Tan Yee Peng received additional pro-rated fees as the ARC Chairperson from 15 March 2023.

The increase of $42,000 in Directors' fees from $371,000 in FY2022 to $413,000 in FY2023 was due to the effect of the additional independent director appointed on 15 March 2023. The payment of the Directors' fees of $413,000 was approved by shareholders as a lump sum at the 2023 AGM.

None of the Directors received any fee or remuneration from the Company's subsidiaries.

FY2024

For FY2024, it is proposed that aggregate fees of $393,438 be paid to the Non-Executive Directors. The scale of fees under the framework for the Non-Executive Directors' fees for FY2024 is the same as that for FY2023. No remuneration consultant was appointed in FY2024. The decrease of $19,562 in Directors' fees from $413,000 in FY2023 to $393,438 in FY2024 is due to the retirement of Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing as Independent Directors that is proposed to take place at the 2024 AGM, and the pro-rated Directors' fees payable to an additional Independent Director, Ms Low Beng Lan, who was appointed on 15 March 2024.

Details of the proposed Directors' fees to be paid to Non-Executive Directors for FY2024 are set out in the table below:

Name of Director	Directors' Fees ($)
Mr Ho Han Leong Calvin[1]	–
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)	–
Mr Kingston Kwek Eik Huih	52,500
Ms Ting Ping Ee Joan Maria[2]	38,123
Mr Yee Chia Hsing[3]	20,637
Mr Wee Guan Oei Desmond[4]	84,514
Ms Tan Yee Peng[5]	121,904
Ms Low Beng Lan[6]	75,760
Total	**393,438**

Notes:

1. Mr Ho Han Leong Calvin and Mr Ho Han Khoon Alvin elected not to receive Directors' fees.
2. In addition to the base Directors' fee, Ms Ting Ping Ee Joan Maria will receive additional fees as the NC Chairperson and a member of the ARC and the RC, pro-rated up to 25 April 2024.
3. In addition to the base Directors' fee, Mr Yee Chia Hsing will receive an additional fee as a member of the NC, pro-rated up to 25 April 2024.
4. In addition to the base Directors' fee, Mr Wee Guan Oei Desmond will receive an additional fee as the RC Chairman and an additional pro-rated fee as NC Chairman from 25 April 2024 to 31 December 2024.
5. In addition to the base Directors' fee, Ms Tan Yee Peng will receive an additional fee as the ARC Chairperson and an additional pro-rated fee as a member of the NC for the period from 25 April 2024 to 31 December 2024.
6. In addition to the pro-rated base Directors' fee, Ms Low Beng Lan will receive additional pro-rated fees as a member of the ARC and RC from 25 April 2024 to 31 December 2024.

The proposed Directors' fees of $393,438 are subject to shareholders' approval as a lump sum at the 2024 AGM.

No fee or remuneration is payable by the Company's subsidiaries to any of the Directors.

Remuneration of Management

In reviewing the remuneration packages of the Group CEO and key management personnel, the RC considers the level of remuneration based on the Company's remuneration policy which comprises the following distinct objectives:

(a) to ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Company's needs;

(b) to reward employees for achieving corporate performance targets in a fair and equitable way; and

(c) to ensure that the remuneration reflects the employees' duties and responsibilities.

Link to Corporate and Individual Performance

Remuneration for the Group CEO and key management personnel comprises fixed and variable components. The level and mix of the variable component are structured to ensure that the total remuneration for the Group CEO and key management personnel is strongly aligned to the financial performance and returns delivered to shareholders.

Fixed components comprise base salary and, where applicable, fixed allowances and other benefits-in-kind determined by the Company's human resource policies. The base salary is determined based on the responsibilities, experience and competencies that the individual brings to the role, individual performance and market competitiveness. This is approved by the Board based on the RC's recommendation and reviewed annually. Fixed allowances and other benefits-in-kind provided are in line with local market practices and legislative requirements, and are not directly linked to performance.

The variable component comprises the annual variable bonus. The annual variable bonus is intended to recognise the performance and contribution of the individual, while driving the achievement of key business results for the Company and enhancement of shareholder value.

For FY2023, the RC reviewed and is satisfied that, where applicable, adjustments made to the salaries as well as the variable bonuses granted to the Group CEO and key management personnel were reflective of their performance and the contribution made by them.

The RC recognises that long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. The RC will consider granting long-term incentives as a performance-related component to the Group CEO and key management personnel at the appropriate time. This may include the grant of employee share options under the First Sponsor Employee Share Option Scheme and awards under any proposed performance share plans that may be approved by shareholders in the future. The RC will also consider the implementation of contractual provisions to reclaim long-term incentives from the Group CEO and key management personnel in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the Company, only after the introduction of long-term incentives.

Remuneration of Group CEO

Details of the remuneration of the Group CEO and Executive Director for FY2023 are set out below:

Group CEO and Executive Director	Salary[1] ($)	Variable Bonus[2] ($)	Benefits[3] ($)	Total ($)
Mr Neo Teck Pheng	792,579	–	14,513	807,092
% of total remuneration	98.2%	–	1.8%	100.0%

Notes:

1. Salary refers to base salary, allowances and employer's central provident fund contributions.
2. Variable bonus includes employer's central provident fund contributions.
3. Benefits refer to car benefits.

Mr Neo Teck Pheng did not receive any fee or remuneration from the Company's subsidiaries.

Remuneration of Other Key Management Personnel

The top six key management personnel (excluding the Group CEO) in FY2023 are:

(a) Ms Lee Sau Hun, Group CFO;

(b) Mr Shu Zhen, CEO (Guangdong Operations);

(c) Mr Wang Gongyi, CEO (Chengdu Operations);

(d) Ms Zhang Jing, CEO (Shanghai Operations);

(e) Mr Alex Barentsen, CEO (European Hotel Operations and Finance); and

(f) Mr Frans van Toor, CEO (European Office and Residential Operations).

The aggregate remuneration paid/payable in respect of FY2023 to the abovementioned top six key management personnel was $2.9 million. This includes a full-year remuneration paid to Mr Frans van Toor, CEO (European Office and Residential Operations), who joined the Group from 1 October 2022.

As set out above, the Company continues to identify its key management personnel and provided disclosure of the aggregate remuneration paid to the abovementioned top six key management personnel for FY2023. The Company however maintains its view that it is not in its interest to disclose the remuneration of each of its key management personnel in bands no wider than $250,000 as recommended under Provision 8.1 of the Code. Having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues. There would be negative impact to the Group if members of the experienced and qualified senior management team are poached, which may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership needed for the achievement of the strategic objectives of the Group. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the remuneration for each of the Group's key management personnel, and with the Company's disclosure on the aggregate remuneration of the identified top six key management personnel, shareholders are provided an insight into the level of remuneration paid to the identified top six key management personnel.

For FY2023, there were no termination, retirement or post-employment benefits granted to the Directors, the Group CEO and key management personnel.

Other than the Group CEO who is a controlling shareholder of the Company, there was no employee of the Group who is a substantial shareholder of the Company, or an immediate family member of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeded $100,000 during FY2023.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board has overall responsibility for the governance of risk, including the determination of the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The ARC assists the Board in carrying out the Board's responsibility of overseeing the Group's risk management and internal controls. Having considered the Group's business and operations, as well as its existing risk management and internal controls systems, the Board is of the view that, currently, a separate Risk Committee is not required.

The Group has in place a risk management framework which identifies the key risks within the Group's business, along with mitigating measures. The categories of risks identified in the risk management framework include strategic, operational, financial and treasury, IT and compliance risks. The risk management framework is reviewed on an ongoing basis.

The identification and day-to-day management of risks rest with Management. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business objectives within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. The systems of risk management and internal controls are reviewed by Management regularly in order to ensure that sufficient checks and balances exist within the system to safeguard the Company's assets and ensure maintenance of proper accounting records and compliance with relevant legislation and best practices. The Board reviews and approves the processes for managing risks recommended by Management.

The risk management and internal controls systems are reviewed at least annually by Management, the ARC and the Board. The Group's external auditors highlight any material internal control weaknesses that come to their attention in the course of their audit. The Group's internal auditors, PricewaterhouseCoopers LLP ("**PwC**"), reviews the Group's internal controls and reports directly to the ARC. Please refer to the section titled "Internal Audit" on pages 78 to 79 for further information on the internal audit function carried out by PwC. All audit findings and recommendations made by the external auditors and PwC are reported to and discussed with the ARC during its meetings. This gives the ARC the opportunity to comment on the effectiveness and adequacy of internal controls and to submit its findings to the Board so as to reassure the Board that sufficient checks have been put in place and enable the Board to comment on the adequacy and effectiveness of the internal controls.

In FY2023, the Group's risk management framework was revised to include enhanced mitigating measures and Management actions to address, among other things, (a) the risk relating to joint venture partners taking actions that are not in line with the joint venture agreements; (b) the liquidity risk associated with the Group's inability to meet its short-term liabilities; (c) the insolvency risk of main contractors arising from increasing cost pressures; and (d) interest rate risks.

Assurance from Key Management Personnel

The Board received assurance from the Group CEO and the Group CFO that:

(a) the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of the Company's operations and finances; and

(b) the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) in the context of the current scope of the Group's business operations as at 31 December 2023.

Based on its assessment of the work performed by PwC and the external auditors as well as the assurance from the Group CEO and Group CFO, the Board, with the concurrence of ARC, is of the opinion that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Group considers to be relevant and material in the context of the current scope of the Group's business operations as at 31 December 2023. During FY2023, no material weakness was identified in the Group's risk management or internal controls systems.

While the Board notes that the systems of risk management and internal controls established by Management provide reasonable assurance that the Group, as it strives to achieve its business objective, will not be significantly affected by any event that can be reasonably foreseen or anticipated, the Board acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of human and system errors, poor judgement in decision-making, losses, fraud or other irregularities. The Board, together with the ARC and Management, will continue to enhance and improve the existing risk management and internal controls frameworks to identify and mitigate these risks.

In FY2023, Management provided assurance to the Board on the integrity of the half-year unaudited financial results and the Board in turn provided a negative assurance confirmation in respect of such results to shareholders as required by Rule 705(5) of the Listing Manual.

Audit Committee

Principle 10 : The Board has an audit committee which discharges its duties objectively.

Details on the composition and scope of duties and responsibilities of the ARC are set out in the section titled "Audit and Risk Committee" on pages 55 to 57.

External Auditors

The Board is responsible for the initial appointment of the external auditors. Shareholders then approve the appointment at the Company's AGM. The external auditors hold office until their removal or resignation. The ARC assesses the external auditors based on factors such as the performance and quality of their audit and the independence and objectivity of the external auditors, and recommends their appointment to the Board. Pursuant to the requirements of SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The Company has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

The ARC reviewed the non-audit services provided by the external auditors, Ernst & Young LLP ("**EY**") (including other member firms of EY International), during FY2023 and the fees paid for such services. The ARC is satisfied that the independence and objectivity of EY were not affected by the provision of those services. EY also provided confirmation of its independence to the ARC. The total fees paid/payable to EY (including other member firms of EY International) for FY2023 are disclosed in the table below:

External Auditor Fees for FY2023	Total Audit Fees	Total Non-Audit Fees	Total Fees Paid/ Payable
$'000	678.4	4.5	682.9
% of total audit fees	–	0.66%	–

At the recommendation of the ARC and as approved by the Board, the re-appointment of EY as the external auditors is subject to shareholders' approval at the 2024 AGM.

Internal Audit

The ARC's responsibilities over the Group's risk management and internal controls are complemented by the work of the internal audit.

The Company has in past years outsourced its internal audit function to PwC. At the recommendation of the ARC, the Board approved the re-engagement of PwC as the internal auditors of the Group for FY2023. In FY2023 and as in past years, the ARC assessed the adequacy and effectiveness of the internal audit function by reviewing the audit plan submitted by PwC at the start of the year and the quality of its reports during the year. PwC has unfettered access to the ARC, the Board and Management as well as the Group's documents, records, properties and personnel, and has appropriate standing within the Company. PwC's primary line of reporting is to the ARC Chairperson. The ARC has unfettered access to PwC and meets with PwC without the presence of Management at least annually (except for the FY2019 meeting between the ARC and PwC which was re-scheduled to February 2020 due to the availability of the partner-in-charge at PWC).

The Company's internal audit function is independent of the external audit. PwC is a corporate member of the Institute of Internal Auditors Singapore, and is staffed by professionals with relevant qualifications and experience. The Group's engagement with PwC stipulates that its work shall comply with the PricewaterhouseCoopers Global Internal Audit Services Methodology, which is aligned to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

At the beginning of each year, an annual internal audit plan entailing the review of selected functions or business units of the Group is developed and agreed to by the ARC. The audit plan is devised in such a way that all major functions or business units will be audited within an internal-audit cycle. The ARC directs PwC, as and when deemed necessary and important, to focus on certain aspects of an audit to be conducted, as well as to audit any operational or business aspects.

In FY2023, PwC conducted an internal audit review of the Group's Dutch operations, covering FS NL Holdings B.V. ("**FSNL**"), which is the Company's Dutch-incorporated wholly-owned subsidiary and key investment holding company of its European entities ("**Dutch Ops Review**"), as well as a follow-up review of the implementation of the FY2022 review conducted by PwC (the "**Follow Up Review**"). The Dutch Ops Review included the assessment of the effectiveness of controls over sub-processes applicable to human resources management, payroll management and general controls environment. As at the date of this Annual Report, all recommendations by PwC from the Dutch Ops Review have been implemented by the Group, except for one non-critical recommendation which is expected to be implemented by 30 September 2024, and all recommendations by PwC from the Follow Up Review have been implemented by the Group, except for two non-critical recommendations which are expected to be implemented by 30 June 2024.

In compliance with Rule 711B(3) of the Listing Manual, PwC also conducted an internal audit review of the sustainability reporting process of the Group ("**SR Process Review**"). The SR Process Review included an assessment of the effectiveness of the controls over sub-processes such as governance structure and application of existing frameworks. As at the date of this Annual Report, all recommendations by PwC have been implemented (except those recommendations which are expected to be implemented by 30 April 2024, being the due date of the issuance of the FY2023 Sustainability Report).

Having reviewed the audit plans and the concluding reports of PwC in relation to the Dutch Ops Review and the SR Process Review, the ARC is satisfied that the Company's internal audit function was adequately resourced to perform the work for the Group.

For FY2023, the ARC reviewed the adequacy of the internal audit function to ensure that the internal audits were conducted effectively and that Management provided the necessary cooperation to enable PwC to perform its internal audit function. After reviewing the PwC reports and remedial actions implemented by Management, the ARC is satisfied that the internal audit function was independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Engagement with Shareholders

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

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Shareholder Rights

The Company is fully committed to treating all shareholders fairly and equitably. All shareholders enjoy specific rights under the Company's Articles of Association and the relevant laws and regulations. The Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, also posted on the Company's corporate website at www.1st-sponsor.com.sg.

The Company recognises that the release of timely, regular and relevant information regarding the Group's performance, progress and prospects aids shareholders in their investment decisions.

Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively in and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). A shareholder who is a relevant intermediary (as defined in the Companies Act 1967) may appoint more than two proxies each. This enables indirect investors to be appointed as proxies to participate at general meetings. Shareholders are also informed of the rules, including the voting procedures, that govern the general meetings.

Conduct of General Meetings

Shareholders are informed of general meetings through notices sent to all shareholders. All shareholders of the Company will typically receive the notice of AGM, proxy form and request form to request for hard copies of the Annual Report, at least 21 days in advance. Shareholders may download the Annual Report and notice of AGM from the Company's corporate website. The notice of AGM is also advertised in either The Straits Times or The Business Times for the benefit of shareholders.

The general meeting procedures provide shareholders the opportunity to raise questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage and openly communicate their views on matters relating to the Company to the Directors.

Shareholders or their appointed proxies are given the opportunity to vote at general meetings. The Company has been conducting electronic poll voting for all resolutions passed at general meetings for greater transparency in the voting process. An independent scrutineer is also appointed for the electronic poll voting process. Prior to the commencement of the general meeting, the independent scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Votes cast for or against and the respective percentages on each resolution are tallied and displayed 'live' on-screen to shareholders immediately at the general meetings. The outcome of the general meeting (including total numbers of votes cast for or against the resolutions and the respective percentages) is also promptly announced on SGXNET after the general meetings. Each share is entitled to one vote. Provision has been made under Article 60 of the Company's Articles of Association allowing for shareholders to vote in absentia. Examples of absentia voting are voting via telephone or electronic means at general meetings. The Company has not previously implemented voting in absentia by telephone or electronic means due to concerns relating to the authentication of shareholder identity and other related security and integrity issues.

All Directors (including the chairpersons of the respective Board committees) and Management are in attendance at general meetings to address any queries that shareholders may have. The external auditors attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The Directors and Management also interact with shareholders after general meetings.

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. "Bundling" of resolutions will be avoided unless the resolutions are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. Detailed information on each resolution in the notice of AGM is in the explanatory notes to the notice of AGM in the Annual Report.

The company secretary prepares minutes of the general meetings, which capture the essence of the comments or queries from meeting attendees and responses from the Board and Management. These minutes are available on the Company's corporate website.

2023 AGM

The 2023 AGM was held in a wholly physical format and there was no option for shareholders to participate virtually. Shareholders were able to participate in the 2023 AGM by (a) attending the 2023 AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or live at, the 2023 AGM; and (c) voting at the 2023 AGM themselves or through duly appointed proxy(ies). All Directors (including the Group CEO who is also a Director) attended the 2023 AGM. A record of the Directors' attendance at the 2023 AGM can be found in the section titled "Attendance Record of Meetings of Shareholders, Board and Board Committees in FY2023" on page 52.

2024 AGM

Pursuant to the Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Act 2023, as read with Listing Rule 730A of the SGX-ST Listing Manual and recent practice guidance amendment by the SGX-ST on the conduct of general meetings on or after 1 July 2023, listed companies are required to hold their general meetings either at a physical location in Singapore, or at a physical location in Singapore and using virtual meeting technology. Continuing from the 2023 AGM, the 2024 AGM will be held in a wholly physical format and there will be no option for shareholders to participate virtually. Shareholders may participate in the 2024 AGM by (a) attending the 2024 AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or live at, the 2024 AGM; and (c) voting at the 2024 AGM themselves or through duly appointed proxy(ies).

Disclosure of Information on a Timely Basis

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET.

The Company adopts half-yearly announcements of its financial results. In accordance with the Listing Manual, the Company reports its financial results for the first half of the financial year, within the prescribed forty-five days from the end of the half-year, and its financial results for the full financial year, within the prescribed sixty days from the end of the financial year. The financial results and all other information (including a presentation pack highlighting key developments of the Group) are published through SGXNET, via media releases and on the Company's corporate website, to ensure fair dissemination to shareholders. With respect to the financial performance of the Group for the first and third quarters of each financial year and in line with the recommendation by the Corporate Governance Advisory Committee, the Company provides voluntary business updates to keep shareholders informed on various matters considered useful and relevant to enable shareholders to have a better understanding of the Company's performance in the context of the current business environment. The voluntary business updates include a discussion of the significant factors that affected the Company's interim performance, relevant market trends including the risks and opportunities that may have a material impact on the Company's prospects.

Briefings for analysts and other interested investors will be held immediately after the release of its half-year financial results and full-year financial results. In FY2023, the Company held briefings for analysts and other interested investors immediately after the release of its FY2022 results and half year financial results. The analysts and investors were invited to attend the briefings face-to-face and were also given the option to attend by way of conference call. The Company does not practise selective disclosure. Price-sensitive or trade-sensitive information is first publicly released through SGXNET, either before the Company meets with any analysts or investors or simultaneously with such meetings.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, financial position, results of operations, capital needs, plans for expansion and other factors which the Board may deem appropriate. The Board will work towards a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions. Any payout is clearly communicated to shareholders via an announcement on SGXNET when the Company discloses its financial results.

The Company has been declaring dividends at half-year and final year-end. For FY2023, the Board recommended a final tax exempt (one-tier) dividend of 3.10 Singapore cents per ordinary share for shareholders' approval at the 2024 AGM. If approved, the total dividend for FY2023 would be 4.20 Singapore cents per ordinary share. This is 10.5% higher than the 3.80 Singapore cents per ordinary share paid for FY2022. If approved, the proposed dividend shall be paid on 27 May 2024. The Company will continue to aim for a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions.

Corporate Website

The Company adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. The Company aims to provide clear and continuous disclosure of its corporate governance practices through efficient use of technology. The following information is made available on the Company's corporate website at www.1st-sponsor.com.sg:

(a) Board and Management profiles;

(b) Notices of general meetings, results of general meetings and minutes of general meetings;

(c) Annual Reports;

(d) Letters/Circulars to shareholders;

(e) Company announcements;

(f) Press releases;

(g) Financial results;

(h) Company policies; and

(i) Milestone events.

The latest Annual Report, financial results (including the presentation pack highlighting key developments of the Group) and company announcements are posted on the Company's corporate website following their release to the market, to ensure fair dissemination to shareholders.

Managing Stakeholders Relationships

An investor relations contact is provided on the Company's corporate website, which shareholders can use to voice their concerns or feedback. The Company has in place a formal Investor Relations ("**IR**") Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The IR Policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The IR Policy is available on the Company's corporate website.

The Group will be publishing its standalone FY2023 Sustainability Report ("**SR**") on SGXNET and the Group's corporate website by 30 April 2024 in compliance with Rule 711A of the Listing Manual.

ADDITIONAL INFORMATION

Dealings in Securities

The Group has adopted an internal compliance code which provides guidance to its Directors and officers with regard to dealings in the Company's securities.

Under the internal compliance code, the Directors and officers of the Group are required to refrain from dealing in the Company's securities (a) while in possession of material unpublished price-sensitive or trade-sensitive information, (b) during the two weeks immediately preceding and up to the time of the announcement of the Company's voluntary business updates for the first and third quarters and (c) during the one month immediately preceding and up to the time of the announcement of the Company's financial statements for the half-year and full financial year. Prior to the commencement of each relevant period, an email would be sent to all Directors and officers of the Group to inform them of the duration of the period. They are also advised not to deal in the Company's securities on short-term or speculative considerations. Further, the Directors and officers of the Group are prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities. There has not been any incidence of non-compliance.

Any dealings by the Directors in securities of the Company are disclosed, in accordance with the requirements of the Securities and Futures Act 2001.

Code of Business Conduct and Ethics, Anti-Corruption Policy & Guidelines and Fraud Policy & Guidelines

The Board and Management are committed to conducting business with integrity and consistent with high standards of business ethics and in compliance with all applicable laws and regulatory requirements. The Company has in place the Code of Business Conduct and Ethics crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code, which provides a communicable and understandable framework for officers and employees to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees, have been disseminated to officers and employees of the Group.

The Code of Business Conduct and Ethics provides guidance on issues such as:

(a) conflicts of interest and the appropriate disclosures to be made;

(b) the Company's stance against corruption and bribery;

(c) compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;

(d) compliance with the Company's policies and procedures, including those on internal controls and accounting;

(e) safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties; and

(f) competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees.

In line with the Board's commitment to maintain high ethical standards which are integral to the Group's corporate identity and business, the Company has also put in place the following two corporate policies:

(a) Anti-Corruption Policy & Guidelines which set out the responsibilities of the Group companies and of each employee in observing and upholding the Company's 'zero-tolerance' position against all forms of corruption, bribery and extortion and provide information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work; and

(b) Fraud Policy & Guidelines which provide guidance on actions which may constitute fraudulent conduct and highlight the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.

These policies are available on the Company's corporate website and have also been disseminated to officers and employees of the Group. These policies have been translated into Mandarin for dissemination to employees of the Group in the PRC.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy which sets out the procedures for a whistle-blower to make a report to the Company on any misconduct or wrongdoing relating to the Group, its officers and employees, in confidence, whether anonymously or otherwise, without fear of reprisals in any form. Anonymous complaints may be considered, taking into account the severity and credibility of the issues raised and the likelihood of confirmation of the allegation from attributable sources and information provided. The misconduct or wrongdoing that is reportable under the policy includes (a) criminal offences, (b) breaches of laws and regulations, for example fraud, theft, bribery, corruption, insider trading or money laundering, (c) irregularities in financial reporting, accounting or other financial matters, (d) conduct that is in violation of the Company's policies, procedures or guidelines, (e) unauthorised disclosure of confidential information whether within or outside the Group, (f) undeclared conflicts of interest in business dealings, (g) endangerment of the health and safety of an individual and (h) concealment of any of the above. The ARC is responsible for overseeing and monitoring the whistle-blowing.

Reporting Mechanism

A mechanism for the submission of issues and concerns has been established where whistle-blowers will have direct access to the ARC and may report any issue or concern by mail or email to the ARC. Any report involving any member(s) of the ARC may be submitted by email to the Group CEO, who shall refer the report to the remaining member(s) of the ARC.

Investigations

The ARC has the authority to conduct independent investigations into any complaints and to determine the manner in which the complaint should be investigated. To ensure the independence and effectiveness of the investigations of a report, any investigation will be conducted in a timely manner and will be fair and independent from the whistle-blower as well as the persons involved in the complaint. In determining the appropriate approach to each investigation, the ARC may consider, among other things:

(a) whether an internal or external investigator should lead the investigation;

(b) whether the matter should be referred to the external auditors;

(c) whether the matter should be referred to law enforcement agencies or regulatory authorities; and

(d) the nature of any technical, financial or legal advice that may be required to support an investigation.

The ARC will consider the investigation report to determine what, if any, actions are to be taken.

Confidentiality and No Reprisal

The policy is aimed at encouraging the reporting of misconduct or wrongdoing and the Company is committed to ensuring that whistle-blowers will be treated fairly, and protected from reprisals or any other detrimental or unfair treatment. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. The policy sets out:

(a) the steps that the Company will take to protect confidentiality and to protect the whistle-blower against reprisals or any other detrimental or unfair treatment;

(b) the recourse that is available to the whistle-blower if he or she suffers any reprisals or other detrimental or unfair treatment; and

(c) the disciplinary action that may be taken against anyone shown to have subjected a whistle-blower to detrimental or unfair treatment.

The policy is available on the Company's corporate website and has also been disseminated to officers and employees of the Group. This policy has been translated into Mandarin for dissemination to employees of the Group in the PRC.

IPTs

The Company has adopted an internal policy in respect of IPTs. The Directors are required to disclose their interest and any conflict of interest in such transactions, and will accordingly abstain from the deliberation and voting on resolutions relating to these transactions. For each material IPT, key information pertaining to the IPT together with the identification of the relationship of each party is provided to the ARC for review and evaluation. The ARC will review the IPT to ensure that the IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. In the event that the relevant threshold as stipulated in the Listing Manual is met, the IPT including the interested person(s) and its or their relationship with the Company, will be announced via SGXNET or put to vote by disinterested shareholders at the Company's general meeting as the case may be.

The ARC reviewed IPTs entered into by the Group during FY2023. During FY2023, there were no IPTs with an aggregate value of $100,000 or more, except for the following:

	Aggregate value of all IPTs entered into during FY2023 (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate[15] pursuant to Rule 920 of the Listing Manual) ($'000)	Aggregate value of all IPTs conducted under shareholders' mandate[15] pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000) ($'000)
Transaction with Chengdu Tianfu Properties Ltd ("CDTF")[1]		
(1) Assumption by FS NL Property 18 B.V. ("**FSNL**")[2] from FSCT DE Property 1 Real Estate GmbH & Co KG ("**FSCT**")[3] of a loan repayment obligation to CDTF.	487[4]	–
(2) Assignment by FSNL to CDTF of a loan repayment obligation from Tai Tak Frankfurt B.V. ("**TTFB**")[5].	14,166[6]	–
Transaction with Wideachieve Holdings Limited ("Wideachieve")[7]		
(1) Assumption by FSNL from FSCT of a loan repayment obligation to Wideachieve.	487[8]	–
(2) Assignment by FSNL to Wideachieve of a loan repayment obligation from CDL Properties B.V. ("**CDLP**")[9].	14,166[10]	–

	Aggregate value of all IPTs entered into during FY2023 (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate[15] pursuant to Rule 920 of the Listing Manual) ($'000)	Aggregate value of all IPTs conducted under shareholders' mandate[15] pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000) ($'000)
Transaction with Tai Tak Industries Pte Ltd ("TTIPL")[11]		
Provision of a loan from FS Australia Holdings Pte. Ltd. ("**FSAH**")[12] to FS Pitt Street Pte. Ltd. ("**FSPS**")[13].	1,694[14]	–

Notes:

1. CDTF is a wholly-owned subsidiary of Tai Tak, a controlling shareholder of the Company.
2. FSNL is a wholly-owned subsidiary of the Company.
3. FSCT is a joint venture entity which is 25%, 25% and 50% owned by CDPL, TTFB and FSNL respectively.
4. The amount of interest payable on the loan.
5. TTFB is a wholly-owned subsidiary of Tai Tak, a controlling shareholder of the Company.
6. The amount of principal and interest payable on the loan.
7. Wideachieve is a wholly-owned subsidiary of CDL, a controlling shareholder of the Company.
8. The amount of interest payable on the loan.
9. CDLP is a wholly-owned subsidiary of CDL, a controlling shareholder of the Company.
10. The amount of principal and interest payable on the loan.
11. TTIPL is a wholly-owned subsidiary of Tai Tak, a controlling shareholder of the Company.
12. FSAH is a wholly-owned subsidiary of the Company.
13. FSPS is a joint venture entity which is 50%-50% owned by TTIPL and FSAH.
14. The aggregate amount of the loan.
15. The Company does not have a shareholders' mandate for IPTs.

The above IPTs were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

Material Contracts

Since the end of the previous financial year ended 31 December 2022, no material contracts involving the interest of the Group CEO, any Director or controlling shareholder has been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 December 2023, save as may be disclosed on SGXNET or herein.

SUMMARY OF DISCLOSURES OF CODE

Rule 710 of the Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports. This summary of disclosures describes the Company's corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the Code.

Principles and provisions of the Code	Page reference in this Annual Report
Provision 1.2 The induction, training and development provided to new and existing Directors	Pages 53 to 54
Provision 1.3 Matters that require Board approval	Page 51
Provision 1.4 Names of the members of the Board committees, the terms of reference of the Board committees, any delegation of the Board's authority to make decisions, and a summary of each Board committee's activities	Pages 54 to 60, 71 to 79
Provision 1.5 The number of meetings of the Board and Board committees held in the year, as well as the attendance of every Board member at these meetings	Pages 52 to 53
Provision 2.4 The Board diversity policy and progress made towards implementing the Board diversity policy, including objectives	Pages 62 to 64
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates	Pages 65 to 70
Provision 4.4 Where the Board considers a Director to be independent notwithstanding the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent	Pages 60 to 61
Provision 4.5 The listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties	Pages 67 to 69
Provision 5.2 How the assessments of the Board, the Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors	Pages 70 to 71
Provision 6.4 The engagement of any remuneration consultants and their independence	Pages 71 to 76
Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation	Pages 71 to 76

Principles and provisions of the Code	Page reference in this Annual Report
Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel	For Non-Executive Directors, pages 71 to 74 For Group CEO and key management personnel, pages 74 to 76
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000, stating clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder	Page 76
Provision 8.3 All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and details of employee share schemes	For Non-Executive Directors, pages 71 to 74 For Group CEO and key management personnel, pages 74 to 76 For employee share option scheme, page 72
Provision 9.2 Whether the Board has received assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems	Pages 76 to 77
Provision 10.1(f) The existence of a whistle-blowing policy and procedures for raising such concerns	Page 83
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year	Pages 52 and 80
Provision 11.6 The Company's dividend policy	Page 81
Provision 12.1 The steps taken to solicit and understand the views of shareholders	Pages 79 to 80
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	Page 82

USE OF PROCEEDS FROM **THE EXERCISE OF WARRANTS**

The Company issued:

(a) 192,797,846 warrants which are exercisable into new ordinary shares in the capital of the Company ("**Shares**") during the period from 31 May 2019 to 30 May 2024 at an exercise price of $1.30 for each new Share, pursuant to a rights issue and bonus issue undertaken in 2019 ("**Warrants (2019)**"); and

(b) 227,618,864 warrants which are exercisable into new Shares during the period from 24 March 2021 to 21 March 2029 at an exercise price of $1.08 for each new Share, pursuant to a bonus issue undertaken in 2020 ("**Warrants (2020)**").

As at 11 March 2024:

(a) an aggregate of 165,603,472 Warrants (2019) were exercised, raising gross proceeds of approximately $215.3 million; and

(b) an aggregate of 39,270,783 Warrants (2020) were exercised, raising gross proceeds of approximately $42.4 million.

As at 11 March 2024, the Company has utilised approximately $239.4 million out of the above-mentioned aggregate gross proceeds of $257.7 million, with the remaining $18.3 million held as cash in banks, pending utilisation of such proceeds. Details of the warrants exercise proceeds utilised are set out as follows:

Warrants (2019)			Amount
(a)	Partial repayment of borrowings incurred by the Group to fund the acquisition of shares in Double Wealthy Company Limited and Guangzhou Kaixiang Property Management Co., Ltd. ("**Acquisitions**")		$0.3 million
(b)	To fund the Group's property development activities in the PRC, specifically on equity injections to fund The Brilliance and Exquisite Bay in Dongguan, Primus Bay in Panyu, and Millennium Waterfront Plot E Phase 1 in Chengdu		$115.2 million
(c)	To fund the Group's property development activities in Australia, specifically on equity injections into the 39.9%-held developer trust for the trust to fund the CTC development project in Sydney		$12.3 million
(d)	To fund the Group's property financing activities in Europe, specifically on junior loans extended to NL Coolsingel Property 21 B.V.		$68.7 million
(e)	To fund the Group's property investment activities in Europe, specifically on the acquisition of 33.0% interest in NL Coolsingel Property 21 B.V. (formerly known as Rotali B.V.), which owns the Allianz Tower in Rotterdam		$7.5 million
(f)	To fund the following general working capital purposes:		
	(i)	Payment of part of the Company's final cash dividend for FY2019; and	$7.5 million
	(ii)	Payment of payroll expenses of the Group	$2.4 million
Sub-total			**$213.9 million**

USE OF PROCEEDS FROM **THE EXERCISE OF WARRANTS**

Warrants (2020)			Amount
(a)	To fund the Group's property financing activities in Australia, specifically loans granted to the 39.9%-owned developer trust and certain joint venture partners of the above-mentioned trust		$13.4 million
(b)	To fund the Group's property financing activities in Europe, specifically on junior loans extended to NL Coolsingel Property 21 B.V.		$0.7 million
(c)	Partial repayment of borrowings incurred by the Group to fund the Acquisitions		$7.8 million
(d)	To fund the following general working capital purpose:		
	(i)	Payment of transaction costs and interest expense related to bank borrowings	$3.6 million
Sub-total			**$25.5 million**
Total			**$239.4 million**

The above utilisation of proceeds is in accordance with the intended use of proceeds from the exercise of Warrants (2019) and Warrants (2020) as stated in the offer information statement dated 7 May 2019 lodged with the Monetary Authority of Singapore and the announcement dated 23 July 2020 issued by the Company respectively.

As at 11 March 2024, there were 27,194,374 outstanding Warrants (2019) and 188,348,081 outstanding Warrants (2020).

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DIRECTORS'
STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of First Sponsor Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statements of financial position of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statements of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year then ended; and

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

Directors

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

Ho Han Leong Calvin
Ho Han Khoon Alvin (Alternate Director to Ho Han Leong Calvin)
Kingston Kwek Eik Huih
Neo Teck Pheng
Ting Ping Ee Joan Maria
Yee Chia Hsing
Wee Guan Oei Desmond
Tan Yee Peng

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests

According to the register of directors' shareholdings kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

	Holdings in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
The Company				
Ordinary shares				
Ho Han Leong Calvin	7,500,000	7,700,000	422,226,131	538,237,263
Ho Han Khoon Alvin (Alternate Director to Ho Han Leong Calvin)	3,900,000	4,090,000	286,764,270	344,121,000
Neo Teck Pheng	11,176,907	11,176,907	307,110,419	364,467,149
Ting Ping Ee Joan Maria	233,837	233,837	–	–
Yee Chia Hsing	690,900	690,900	–	–
Warrants (2019)				
Ho Han Leong Calvin	–	800,000	87,330,829	–
Ho Han Khoon Alvin (Alternate Director to Ho Han Leong Calvin)	–	300,000	28,676,427	–
Neo Teck Pheng	–	–	28,676,427	–
Yee Chia Hsing	28	28	–	–
Warrants (2020)				
Ho Han Leong Calvin	–	–	103,896,152	75,215,849
Ho Han Khoon Alvin (Alternate Director to Ho Han Leong Calvin)	–	–	71,691,067	43,010,764
Neo Teck Pheng	5,750	5,750	71,691,067	43,010,764
Yee Chia Hsing	–	–	–	–
$100.0 million 3.29% Fixed Rate Notes due 2025 ($)				
Ho Han Leong Calvin	–	–	13,000,000	13,000,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Except as disclosed under the "Share options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

Employee share option scheme

On 19 May 2014, the shareholders of the Company adopted a share option scheme known as the First Sponsor Employee Share Option Scheme (the "Share Option Scheme").

The Share Option Scheme provides eligible participants (which include the Non-Executive Directors) with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

The Share Option Scheme is administered by the Administration Committee, comprising members of the Remuneration Committee and the Nominating Committee. The exercise price of the options that are granted under the Share Option Scheme shall be determined at the discretion of the Administration Committee and may be:

(a) set at a discount to a price (the "Market Price") equal to the average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five consecutive market days immediately preceding the relevant date of grant of the relevant option (subject to a maximum discount of 20.0%), in which event, such options may be exercised after the second anniversary from the date of grant of the options; or

(b) fixed at the Market Price in which event, such options may be exercised after the first anniversary of the date of grant of the options.

The aggregate number of shares which may be offered by way of grant of options to all controlling shareholders of the Company and their respective associates under the Share Option Scheme shall not exceed 25.0% of the total number of shares available under the Share Option Scheme, with the number of shares which may be offered by way of granting options to each controlling shareholder of the Company and his respective associate not exceeding 10.0% of the total number of shares available under the Share Option Scheme.

During the financial year, no options have been granted under the Share Option Scheme.

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Audit and Risk Committee

The members of the Audit and Risk Committee during the financial year and at the date of this statement are:

Tan Yee Peng	(Appointed as Chairperson on 15 March 2023)
Yee Chia Hsing	(Resigned as Chairman on 15 March 2023)
Ting Ping Ee Joan Maria	(Member)
Ho Han Leong Calvin	(Member)
Ho Han Khoon Alvin (Alternate Director to Ho Han Leong Calvin)	

The Audit and Risk Committee performs the functions specified in the SGX-ST Listing Manual and the Code of Corporate Governance.

The Audit and Risk Committee has held 4 meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

Audit and Risk Committee (cont'd)

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the external and internal auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit & Risk Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the board of directors of the Company that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming annual general meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 718 of the SGX-ST Listing Manual.

Auditor

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Ho Han Leong Calvin
Director

Neo Teck Pheng
Director

Singapore
11 March 2024

INDEPENDENT
AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of First Sponsor Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the statements of changes in equity, the consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards (the "IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "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 ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

The Group owns a portfolio of investment properties comprising hotels and commercial properties in China and The Netherlands. As at 31 December 2023, the fair value of the investment properties amounted to $169.9 million, which is approximately 3.7% of the Group's total assets.

The investment properties are stated at their fair values based on independent external valuations.

The valuation process was significant to our audit due to significant judgement involved in determining the appropriate valuation methodology used, and in estimating the underlying assumptions to be applied. The valuations are also highly sensitive to key assumptions applied such as market growth and discount rates. Further, there was increased level of judgement and estimation uncertainty involved in determining the appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied arising from the rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

Key Audit Matters (cont'd)

Valuation of investment properties (cont'd)

As part of our audit, we:

- evaluated the independence, objectivity and competence of the external valuers;
- involved our internal real estate and valuation specialists to assist us in assessing the appropriateness of the valuation models and the reasonableness of the significant assumptions, such as market growth and discount rates, by reference to historical rates and market data; and
- discussed with the external valuers and obtained explanations to support the selection of valuation techniques and basis for the significant assumptions used, including key valuation adjustments made in response to the changes in market and economic conditions.

We also assessed the adequacy of the disclosures related to investment properties in Note 5 to the financial statements.

Impairment assessment of goodwill and property, plant and equipment

As at 31 December 2023, the carrying amount of goodwill and property, plant and equipment amounted to $23.3 million and $603.8 million respectively, which is approximately 0.5% and 13.0% respectively, of the Group's total assets. Property, plant and equipment includes the Group's operating hotels in China and Europe. The Group's policy is to carry property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses and goodwill at cost less impairment losses if any.

Management has identified impairment indicators in the hotels of the Group. Accordingly, management has estimated the recoverable amounts of these assets based on value-in-use calculations.

The impairment assessment was significant to our audit due to significant judgement involved in identification of impairment indicators, the determination of the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Further, there was increased judgement involved in making various assumptions for the underlying calculations due to rapid changes in market and economic conditions and geopolitical tension. Accordingly, we have determined this as a key audit matter.

As part of our audit, we:

- carried out procedures to understand management's process for identifying impairment indicators;
- validated the key cash flow assumptions used in the value-in-use calculations by management and corroborated these key assumptions, such as the occupancy rate, average daily rate and revenue growth rate, by comparing them to internal forecasts, current market data and historical trend analyses;
- involved our internal valuation specialists to review the appropriateness of the valuation methods and assumptions used in the valuations carried out by management, including the review of the reasonableness of the discount and terminal growth rates adopted; and
- involved our internal valuation specialists to review and perform comparative computations to test the reasonableness of the significant assumptions in the impairment test.

We also assessed the adequacy of the disclosures relating to property, plant and equipment in Note 4 to the financial statements.

Other Information

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 IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- 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.

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

- 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.

- 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.

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

Auditor

The engagement partner on the audit resulting in this independent auditor's report is Low Bek Teng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

11 March 2024

STATEMENTS OF
FINANCIAL POSITION
As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Property, plant and equipment	4	**603,837**	573,132	**1,126**	789
Investment properties	5	**169,858**	175,334	**–**	–
Goodwill	6	**23,315**	22,874	**–**	–
Subsidiaries	7	**–**	–	**1,759,602**	1,636,191
Interests in associates and joint ventures	8	**1,256,002**	1,120,067	**9,680**	9,680
Derivative assets	9	**57,016**	113,440	**57,016**	113,440
Other investments	10	**27,115**	135,294	**–**	–
Deferred tax assets	11	**30,336**	40,414	**–**	–
Trade and other receivables	12	**366,957**	370,017	**–**	–
		2,534,436	2,550,572	**1,827,424**	1,760,100
Current assets					
Development properties	13	**1,168,686**	932,949	**–**	–
Inventories		**1,550**	1,345	**–**	–
Trade and other receivables	12	**650,197**	527,043	**1,202,602**	989,190
Derivative assets	9	**70,090**	55,942	**70,090**	55,942
Other investment	10	**39,963**	–	**–**	–
Cash and cash equivalents	14	**177,799**	270,263	**45,976**	15,305
		2,108,285	1,787,542	**1,318,668**	1,060,437
Total assets		**4,642,721**	4,338,114	**3,146,092**	2,820,537
Equity					
Share capital	15	**144,176**	118,802	**144,176**	118,802
Share premium	16	**506,058**	296,772	**506,270**	296,984
Reserves	17	**1,322,899**	1,394,691	**1,056,994**	1,106,711
Equity attributable to owners of the Company		**1,973,133**	1,810,265	**1,707,440**	1,522,497
Non-controlling interests		**115,356**	115,722	**–**	–
Total equity		**2,088,489**	1,925,987	**1,707,440**	1,522,497

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current liabilities					
Loans and borrowings	18	**999,848**	906,755	**870,049**	928,755
Derivative liabilities	9	**2,870**	354	**2,870**	354
Other payables	19	**21,212**	17,219	**–**	–
Lease liabilities	20	**97,228**	87,940	**69**	217
Deferred tax liabilities	11	**58,108**	59,250	**–**	–
		1,179,266	1,071,518	**872,988**	929,326
Current liabilities					
Loans and borrowings	18	**250,705**	101,631	**250,705**	101,631
Current tax payable		**19,329**	65,633	**4,085**	3,450
Trade and other payables	19	**1,032,807**	1,150,928	**304,393**	263,408
Contract liabilities	21	**61,357**	16,334	**–**	–
Receipts in advance	22	**1,306**	3,407	**–**	–
Lease liabilities	20	**3,128**	2,596	**147**	145
Derivative liabilities	9	**6,334**	80	**6,334**	80
		1,374,966	1,340,609	**565,664**	368,714
Total liabilities		**2,554,232**	2,412,127	**1,438,652**	1,298,040
Total equity and liabilities		**4,642,721**	4,338,114	**3,146,092**	2,820,537

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS

Year Ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	23	**282,928**	427,493
Cost of sales		**(151,056)**	(221,402)
Gross profit		**131,872**	206,091
Administrative expenses		**(47,708)**	(45,667)
Selling expenses		**(17,312)**	(14,519)
Other (expenses)/income (net)		**(12,306)**	6,235
Other gains (net)	24	**3,873**	15,091
Results from operating activities		**58,419**	167,231
Finance income		**53,254**	36,859
Finance costs		**(81,347)**	(48,431)
Net finance costs	25	**(28,093)**	(11,572)
Share of after-tax (loss)/ profit of associates and joint ventures		**(2,630)**	40,057
Profit before tax	26	**27,696**	195,716
Tax expense	27	**(14,617)**	(57,843)
Profit for the year		**13,079**	137,873
Attributable to:			
Equity holders of the Company		**12,522**	131,256
Non-controlling interests		**557**	6,617
Profit for the year		**13,079**	137,873
Earnings per share			
- Basic (cents)	28	**1.29**	14.21
- Diluted (cents)	28	**1.08**	9.90

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

Year Ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Profit for the year		**13,079**	137,873
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences realised on disposal of a subsidiary		**(93)**	–
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	8	**(42,396)**	(103,926)
Translation differences on financial statements of foreign subsidiaries, net of tax		**(11,053)**	(65,959)
Total other comprehensive income for the year, net of tax		**(53,542)**	(169,885)
Total comprehensive income for the year		**(40,463)**	(32,012)
Total comprehensive income attributable to:			
Equity holders of the Company		**(36,685)**	(24,518)
Non-controlling interests		**(3,778)**	(7,494)
Total comprehensive income for the year		**(40,463)**	(32,012)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Year Ended 31 December 2023

Group	Share capital $'000	Share premium $'000	Statutory reserve $'000	Capital reserve $'000	Distributable reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2023	**118,802**	**296,772**	**59,204**	**245**	**655,029**	**(64,103)**	**744,316**	**1,810,265**	**115,722**	**1,925,987**
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	12,522	12,522	557	13,079
Other comprehensive income										
Translation differences realised on disposal of a subsidiary	–	–	–	–	–	(84)	–	(84)	(9)	(93)
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	–	–	–	–	–	(42,396)	–	(42,396)	–	(42,396)
Translation differences on financial statements of foreign subsidiaries, net of tax	–	–	–	–	–	(6,727)	–	(6,727)	(4,326)	(11,053)
Total other comprehensive income	–	–	–	–	–	(49,207)	–	(49,207)	(4,335)	(53,542)
Total comprehensive income for the year	–	–	–	–	–	(49,207)	12,522	(36,685)	(3,778)	(40,463)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Group	Share capital $'000	Share premium $'000	Statutory reserve $'000	Capital reserve $'000	Distributable reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid to the owners of the Company	–	–	–	–	–	–	(35,107)	(35,107)	–	(35,107)
Issuance of new shares pursuant to exercise of warrants	25,374	209,286	–	–	–	–	–	234,660	–	234,660
Transfer from statutory reserve	–	–	(6,087)	–	–	–	6,087	–	–	–
Total contributions by and distributions to owners	25,374	209,286	(6,087)	–	–	–	(29,020)	199,553	–	199,553
Changes in ownership interests in subsidiaries										
Capital contribution by non-controlling interests	–	–	–	–	–	–	–	–	3,412	3,412
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	3,412	3,412
Total transactions with owners of the Company	25,374	209,286	(6,087)	–	–	–	(29,020)	199,553	3,412	202,965
At 31 December 2023	144,176	506,058	53,117	245	655,029	(113,310)	727,818	1,973,133	115,356	2,088,489

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Year Ended 31 December 2023

Group	Share capital $'000	Share premium $'000	Statutory reserve $'000	Capital reserve $'000	Distributable reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022	118,357	293,645	57,276	245	655,029	91,671	646,859	1,863,082	115,772	1,978,854
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	131,256	131,256	6,617	137,873
Other comprehensive income										
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	–	–	–	–	–	(103,926)	–	(103,926)	–	(103,926)
Translation differences on financial statements of foreign subsidiaries, net of tax	–	–	–	–	–	(51,848)	–	(51,848)	(14,111)	(65,959)
Total other comprehensive income	–	–	–	–	–	(155,774)	–	(155,774)	(14,111)	(169,885)
Total comprehensive income for the year	–	–	–	–	–	(155,774)	131,256	(24,518)	(7,494)	(32,012)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Group	Share capital $'000	Share premium $'000	Statutory reserve $'000	Capital reserve $'000	Distributable reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid to the owners of the Company	–	–	–	–	–	–	(31,871)	(31,871)	–	(31,871)
Issuance of new shares pursuant to exercise of warrants	445	3,127	–	–	–	–	–	3,572	–	3,572
Transfer to statutory reserve	–	–	1,928	–	–	–	(1,928)	–	–	–
Total contributions by and distributions to owners	445	3,127	1,928	–	–	–	(33,799)	(28,299)	–	(28,299)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests	–	–	–	–	–	–	–	–	5,006	5,006
Capital contribution by non-controlling interests	–	–	–	–	–	–	–	–	2,438	2,438
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	7,444	7,444
Total transactions with owners of the Company	445	3,127	1,928	–	–	–	(33,799)	(28,299)	7,444	(20,855)
At 31 December 2022	118,802	296,772	59,204	245	655,029	(64,103)	744,316	1,810,265	115,722	1,925,987

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year Ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Profit for the year		**13,079**	137,873
Adjustments for:			
Depreciation of property, plant and equipment	4, 26	**20,343**	18,710
Fair value loss/(gain) on:			
- derivative assets/liabilities (net)	26	**51,046**	(146,364)
- investment properties	5, 26	**(2,512)**	(1,271)
- other investments (net)	26	**3,127**	1,290
Finance income	25	**(53,254)**	(36,859)
Finance costs	25	**81,347**	48,431
(Gain)/loss on disposal of:			
- a joint venture	24	**(4,364)**	–
- assets and liabilities held-for-sale	24	**–**	(15,158)
- investment properties	24	**–**	(80)
- property, plant and equipment (net)	24	**(53)**	1
- a subsidiary	24	**508**	–
Loss on dilution of interest in a subsidiary	24	**–**	3
Impairment loss on:			
- financial assets – third party trade receivables (net)	26	**–**	26,557
- property, plant and equipment	4, 26	**–**	27,390
- goodwill	26	**–**	15,763
Reversal of impairment loss on financial assets – loan receivable from a joint venture	26	**(6,098)**	–
Reversal of impairment loss on financial assets – third parties (net)	26	**(33)**	–
Goodwill on acquisition of a subsidiary written off	25	**–**	114
Write-down of development properties	13, 26	**25,326**	16,441
Property, plant and equipment written off	24	**36**	29
Share of after-tax loss/(profit) of associates and joint ventures		**2,630**	(40,057)
Tax expense	27	**14,617**	57,843
		145,745	110,656
Changes in:			
Contract liabilities		**46,359**	(150,822)
Development properties		**(372,440)**	(168,519)
Inventories		**(182)**	(79)
Loans and borrowings		**(18,809)**	(60,598)
Other investments		**80,819**	65,424
Trade and other receivables		**(185,978)**	507,310
Trade and other payables		**(32,279)**	78,611
Cash (used in)/generated from operations		**(336,765)**	381,983
Interest received		**5,612**	3,746
Interest paid		**(11,051)**	(14,408)
Tax paid		**(55,293)**	(85,904)
Net cash (used in)/generated from operating activities		**(397,497)**	285,417

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year Ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	29	**–**	6,800
Advances to associates (net)		**–***	(16,781)
Repayment from/(advances to) joint ventures (net)		**744**	(412,187)
Interest received		**49,522**	31,810
Payment for acquisition of other investments		**(15,653)**	(17)
Payment for additions to property, plant and equipment		**(34,084)**	(12,184)
Payment for additions to investment property		**(69)**	(59,421)
Payment for investments in associates and joint ventures (net)		**(135,695)**	(50,023)
Proceeds from disposal of:			
- a joint venture		**25,117**	–
- assets and liabilities held-for-sale		**–**	23,900
- property, plant and equipment		**779**	3
- investment properties		**–**	528
- a subsidiary, net of cash received	30(a)	**4,129**	–
Net cash used in investing activities		**(105,210)**	(487,572)
Cash flows from financing activities			
Advances from associates (net)		**5,546**	212,426
Advances from joint ventures (net)		**39,646**	14,015
(Repayment to)/advances from non-controlling interests of subsidiaries (net)		**(6,711)**	3,887
Capital contribution by non-controlling interests		**3,412**	2,439
Dividends paid to the owners of the Company		**(35,107)**	(31,871)
Interest paid		**(77,017)**	(35,108)
Issuance of ordinary shares		**234,660**	3,574
Payment of lease liabilities	33	**(6,411)**	(9,767)
Payment of transaction costs related to borrowings		**(2,816)**	(4,050)
Proceeds from bank borrowings		**2,058,313**	1,367,480
Repayment of bank borrowings		**(1,798,381)**	(1,372,893)
Net cash from financing activities		**415,134**	150,132
Net decrease in cash and cash equivalents		**(87,573)**	(52,023)
Cash and cash equivalents at the beginning of the year		**270,263**	343,967
Effect of exchange rate changes on balances held in foreign currencies		**(4,891)**	(21,681)
Cash and cash equivalents at the end of the year		**177,799**	270,263

* Amount less than $1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year Ended 31 December 2023

Significant non-cash transactions

During the financial year ended 31 December 2023, the loans and interest receivable thereon due from a joint venture amounting to $54,757,000 (€37,714,0000) were capitalised as additional equity investment in the joint venture. Advances to a joint venture amounting to $10,756,000 (RMB56,731,000) were also capitalised as additional equity into the joint venture.

During the financial year ended 31 December 2022,

(i) advances to joint ventures amounting to $131,151,000 in aggregate were capitalised as additional equity investment in the respective joint ventures;

(ii) advances to an associate amounting to $15,413,000 (A$15,960,000) were capitalised as additional investment in the associate;

(iii) in relation to the acquisition of 95% equity interest in Queens Bilderberg (Nederland) B.V. ("QBN") by the Group from FSMC NL Property Group B.V. ("FSMC"), an indirect 33%-owned associate of the Company on 2 May 2022. Out of the total purchase consideration of $244,019,000 (€162,451,000), an amount of $243,823,000 (€162,322,000) was settled by the Group via a set off against loans and interest receivable owing by FSMC to the Group of an equivalent amount. Refer to Note 29(a) for more details;

(iv) the purchase consideration for a 70% beneficial interest in Chengdu Fuqing Commercial Operation Management Co., Ltd., ("CDFQ") amounting to $144,000 (RMB700,000) on 1 August 2022, was set off against a receivable due from the third-party seller of the same amount. Refer to Note 30(c) for more details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate and Group information

First Sponsor Group Limited ("FSGL" or the "Company") is incorporated in the Cayman Islands and has its registered office at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The principal place of business of the Company is 19 Lorong Telok, Singapore 049031.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are those relating to investment holding, property development and sales, property investment, hotel ownership and operations and provision of property financing services.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"), and the Group's interests in equity-accounted investees.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis, except for the assets and liabilities identified in Note 2.10 which have been measured at fair value. The consolidated financial statements are presented in Singapore Dollars ("$") and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments have no impact on the Company's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its annual revenue is less than €750 million.

2. Material accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

<u>Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2</u>

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards which have been issued but not yet effective:

Description	***Effective for annual periods beginning on or after***
Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*	1 Jan 2024
Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*	1 Jan 2024
Amendments to IAS 1: *Non-current Liabilities with Covenants*	1 Jan 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 Jan 2024
Lack of Exchangeability – Amendments to IAS 21	1 Jan 2025
Amendments to IFRS 10 and IAS 28: *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

2. Material accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value on date of loss of control.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group measures the non-controlling interests at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2. Material accounting policies (cont'd)

2.5 Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of (i) the consideration transferred, (ii) the amount recognised for non-controlling interests, and (iii) any previous interest held in a business combination achieved in stages, over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

2.7 Foreign currency

The Group's financial statements are presented in Singapore Dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

<u>Transactions and balances</u>

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

2. Material accounting policies (cont'd)

2.7 Foreign currency (cont'd)

Transactions and balances (cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The functional currencies of certain subsidiaries, associates and joint ventures are currencies other than the Singapore Dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Singapore Dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore Dollars at the average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries with functional currencies other than the Singapore Dollar, are translated into Singapore Dollars at the exchange rates ruling at the dates of the transactions. Frequently recurring cash flows of such subsidiaries which arise throughout the year are translated into Singapore Dollars at the average exchange rates for the year.

2.8 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee as defined in Note 2.4.

In the Company's statements of financial position, investments in subsidiaries are accounted for at cost less any impairment losses.

2.9 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of these policies.

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

The Group's investment in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture from the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

2. Material accounting policies (cont'd)

2.9 Associates and joint ventures (cont'd)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests of the associate or joint venture. When the Group's share of losses of its associate and joint venture exceeds its cost of investment, the carrying amount of that interest in the associate and joint venture, together with any long-term interests that, in substance, form part thereof, is reduced to $1, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of associates and joint ventures' in the statement of profit or loss.

Upon loss of power over an associate or joint control over a joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of power or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.10 Fair value measurement

The Group measures its derivative financial instruments, equity investments and non-financial assets such as investment properties at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Material accounting policies (cont'd)

2.10 Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

● Disclosures for valuation methods, significant estimates and assumptions	Note 3
● Investment properties	Note 5
● Financial instruments	Note 32

2.11 Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that an asset, other than goodwill and intangible assets with infinite useful life, may be impaired. If such an indication exists, the Group makes an estimate of the asset's recoverable amount.

Goodwill and intangible assets with infinite useful life are tested for impairment annually on 31 December and more frequently when circumstances indicate that the carrying value may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a CGU).

An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to the statement of profit or loss in the year in which it arises. Impairment loss relating to goodwill cannot be reversed in future periods.

2. Material accounting policies (cont'd)

2.12 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than construction in progress, are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. No depreciation is recognised on construction-in-progress.

Depreciation is recognised from the date that property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

No depreciation is provided on freehold land.

The estimated useful lives for the current year are as follows:

Interest in leasehold land and leased assets	2 to 35 years
Buildings	
● Core component of hotel and hotspring buildings	35 to 50 years
● Other buildings	3 to 50 years
● Surface, finishes and services of hotel and hotspring buildings	30 to 35 years
Plant and machinery	5 to 15 years
Equipment and furniture	1 to 10 years
Motor vehicles	5 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year-end.

Residual values ascribed to the core component of hotel and hotspring buildings depend on the nature, location and tenure of the hotels and hotspring properties. No residual values are ascribed to building surface, finishes and services of hotel and hotspring buildings. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2. Material accounting policies (cont'd)

2.12 Property, plant and equipment and depreciation (cont'd)

Construction-in-progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.13 Investment properties

Investment properties are properties (including interests in leasehold land under operating leases) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use and the fair value at the date of transfer becomes its initial cost as an investment property. Subsequent to initial recognition, investment properties are stated at fair value.

2.14 Development properties

(a) Properties under development for sale

Properties under development are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The cost of properties under development for sale comprises specifically identified costs, including prepaid land lease payments, acquisition costs, development expenditure, capitalised borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property not ready for sale are capitalised, on a specific identification basis, as part of the cost of the properties under development for sale until the completion of development properties or date of repayment of the borrowings if earlier. When completed, the properties under development are classified as completed properties for sale.

2. Material accounting policies (cont'd)

2.14 Development properties (cont'd)

(b) Completed properties for sale

Completed properties for sale are measured at the lower of cost or net realisable value. Cost is determined by apportionment of the total land costs, development costs and capitalised borrowing costs if any, based on floor area of the unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or is estimated by management in the absence of comparable transactions after taking into consideration prevailing market conditions.

The aggregated costs are presented as development properties while progress billings are recorded in contract liabilities in the statements of financial position.

2.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 *Impairment of non-financial assets.*

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Material accounting policies (cont'd)

2.15 Leases (cont'd)

(a) As lessee (cont'd)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.16 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out in Note 2.25 to the financial statements below.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2. Material accounting policies (cont'd)

2.16 Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity and debt investments which the Group had not irrevocably elected to classify at FVOCI. Such derivative instruments which are initially recognised at FVPL, are subsequently remeasured at FVPL with net fair value changes recognised in the statement of profit or loss at the reporting date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Dividends on equity investments classified as financial assets at FVPL are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at FVOCI are not subject to impairment assessment.

2. Material accounting policies (cont'd)

2.16 Financial assets (cont'd)

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.17 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held).

2. Material accounting policies (cont'd)

2.17 Impairment of financial assets (cont'd)

General approach (cont'd)

The Group determined that its financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and lease receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.18 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash.

2. Material accounting policies (cont'd)

2.19 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group or the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the Group or the Company measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. Material accounting policies (cont'd)

2.20 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to an expense item, it shall be recognised to profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Borrowing costs are capitalised until the assets are substantially completed for their intended use or first hand over. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.23 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.24 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

The Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution scheme.

2. Material accounting policies (cont'd)

2.24 Employee benefits (cont'd)

(b) Defined contribution plans (cont'd)

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the PRC subsidiaries of the Group ("PRC Subsidiaries") have participated in central pension schemes (the "Schemes") operated by local municipal governments whereby the PRC Subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC Subsidiaries. The only obligation of the PRC Subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are accounted for as contributions to defined contribution plans as described above.

In each of the Netherlands and Germany, the Group participates in a compulsory industry scheme for all eligible employees. The compulsory industry scheme is a defined contribution plan which is administered by an insurance company. This means that the Group is only required to pay the agreed contributions to the insurance company which bears the full actuarial risk. Contributions to the scheme are accounted for as contributions to defined contribution plans as described above. Contributions payable and refunds receivable are included under current liabilities and current assets respectively. Industry fund pension expenditure is based on an annually renewed premium percentage over the pension base as defined in the related scheme.

(c) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

2.25 Revenue

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of properties

The Group develops and sells residential and commercial properties before the completion of construction of the properties. Revenue is recognised when control over the property has been transferred to the customer.

For the contracts to sell residential properties and commercial properties, the Group assessed that revenue is recognised at a point in time when (a) the construction of the relevant property has been completed; (b) the property is ready for handover to the purchasers; and (c) collectability of the proceeds is reasonably assured and the Group has present right to the proceeds.

Where contracts relate to the sale of completed properties, revenue is recognised when collectability of the proceeds is reasonably assured and the Group has present right to the proceeds.

2. Material accounting policies (cont'd)

2.25 Revenue (cont'd)

(a) Sale of properties (cont'd)

Significant financing component

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of a significant financing component when the period between the transfer of control of goods or service to a customer and the payment date is one year or less.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The contract liabilities will be increased by the amount of interest expense being accrued by the Group to reflect the effect of any significant financing benefit obtained from the customers during the period between the payment date and the date of delivery of property to customers. As this accrual increases the amount of the contract liabilities during the period of development, it therefore increases the amount of revenue recognised when control of the completed property is transferred to the customer.

(b) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

(c) Hotel income

Hotel revenue from accommodation, sales of food and beverages and other ancillary services is recognised when the Group satisfies a performance obligation by transferring control of a promised good or services to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

(d) Interest income on entrusted loans, vendor financing arrangements and loans to third parties, associates and joint ventures

Interest income on entrusted loans made via entrustment banks and from vendor financing arrangements with selected buyers of the Group's development properties, and on loans to third parties, associates and joint ventures are recognised as it accrues in profit or loss, using the effective interest method.

2.26 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty to related income taxes, if any.

2. Material accounting policies (cont'd)

2.26 Taxes (cont'd)

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences associated with investments in subsidiaries, associates and joint ventures to the extent that it is probable that the temporary differences will not reverse in the foreseeable future and no taxable profit will be available against which the temporary differences can be utilised; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Where investment properties are carried at their fair values in accordance with the accounting policy set out in Note 2.13, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plans of individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

2.27 Share capital, share premium and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital and share premium in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share premium.

2. Material accounting policies (cont'd)

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.29 Treasury shares

The Group's own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.30 Non-current assets held-for-sale

The Group classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held-for-sale are presented separately as current items in the statements of financial position.

3. Key sources of estimation uncertainty

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Given the rising interest rate, inflationary cost pressures and geopolitical tension have caused and will likely cause significant disruptions to economic activities, the uncertainties associated with accounting estimates and assumptions may also be increased accordingly.

(a) Valuation of investment properties

The Group engaged independent real estate valuation experts to assess the fair value of the Group's investment properties as at the end of each financial year. Such fair values are determined by the real estate valuation experts using recognised valuation techniques. The key assumptions used to determine the fair value of these investment properties and sensitivity analyses and carrying amount are provided in Note 5.

(b) Impairment of non-financial assets

As disclosed in Note 4, the recoverable amounts of property, plant and equipment with indicators of impairment are determined based on value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key unobservable inputs applied in the determination of the value-in-use including an inter-relationship between key unobservable inputs, fair value measurement and the carrying amount are disclosed and further explained in Note 4.

(c) Purchase price allocation exercise for the acquisition of subsidiaries

IFRS 3 *Business Combinations* requires the Group to recognise the identifiable assets, liabilities and contingent liabilities if any at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values recognised as goodwill. The assets, liabilities and contingent liabilities if any are identified and valued through a purchase price allocation ("PPA") exercise. A significant degree of judgement is required in the PPA in identifying all intangible assets and determining the fair values of all identifiable assets acquired and liabilities assumed as at the date of acquisition. As such, management will engage an external professional firm to perform the PPA if necessary.

The key assumptions applied in the determination of the PPA are disclosed and further explained in Note 29 of the financial statements.

4. Property, plant and equipment

	Interests in leasehold land and leased assets (Note 33) $'000	Freehold land $'000	Buildings $'000	Plant and machinery $'000	Equipment and furniture $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Group								
Cost								
At 1 January 2022	98,369	–	323,258	13,042	18,982	2,658	26,774	483,083
Additions	2,543	–	2,281	563	3,168	–	6,172	14,727
Written off during the year	–	–	(223)	(35)	(11)	–	–	(269)
Disposals	–	–	–	–	(19)	–	–	(19)
Acquisition of subsidiaries (Note 29)	62,127	29,141	185,226	4,025	8,166	–	–	288,685
Reclassification	–	–	7,968	28	6	–	(8,002)	–
Translation differences on consolidation	(10,824)	(1,370)	(33,732)	(1,417)	(1,692)	(107)	(1,682)	(50,824)
At 31 December 2022 and 1 January 2023	**152,215**	**27,771**	**484,778**	**16,206**	**28,600**	**2,551**	**23,262**	**735,383**
Additions	**10,178**	**–**	**21,766**	**2,741**	**10,043**	**1,663**	**2,063**	**48,454**
Written off during the year	**–**	**–**	**(2)**	**(81)**	**(33)**	**–**	**–**	**(116)**
Disposals	**–**	**–**	**–**	**–**	**(2)**	**(1,503)**	**–**	**(1,505)**
Disposal of subsidiaries (Note 30(a))	**–**	**–**	**(967)**	**–**	**(2)**	**–**	**–**	**(969)**
Reclassification	**–**	**–**	**2,619**	**4,284**	**(614)**	**–**	**(6,289)**	**–**
Translation differences on consolidation	**1,732**	**535**	**(340)**	**(283)**	**490**	**(40)**	**360**	**2,454**
At 31 December 2023	**164,125**	**28,306**	**507,854**	**22,867**	**38,482**	**2,671**	**19,396**	**783,701**

4. Property, plant and equipment (cont'd)

	Interests in leasehold land and leased assets (Note 33) $'000	Freehold land $'000	Buildings $'000	Plant and machinery $'000	Equipment and furniture $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Group								
Accumulated depreciation, amortisation and impairment loss								
At 1 January 2022	15,913	–	96,011	8,241	5,400	1,460	–	127,025
Charge for the year (Note 26)	4,171	–	7,017	1,851	5,424	247	–	18,710
Impairment loss (Note 26)	4,805	575	22,010	–	–	–	–	27,390
Written off during the year	–	–	(210)	(20)	(10)	–	–	(240)
Disposals	–	–	–	–	(15)	–	–	(15)
Reclassification	–	–	–	29	(29)	–	–	–
Translation differences on consolidation	(799)	(11)	(8,124)	(831)	(765)	(89)	–	(10,619)
At 31 December 2022 and 1 January 2023	**24,090**	**564**	**116,704**	**9,270**	**10,005**	**1,618**	**–**	**162,251**
Reclassification	**–**	**–**	**–**	**2,855**	**(2,855)**	**–**	**–**	**–**
Charge for the year (Note 26)	**4,054**	**–**	**8,083**	**1,462**	**6,547**	**197**	**–**	**20,343**
Written off during the year	**–**	**–**	**(1)**	**(59)**	**(20)**	**–**	**–**	**(80)**
Disposals	**–**	**–**	**–**	**–**	**(2)**	**(777)**	**–**	**(779)**
Disposal of subsidiaries (Note 30(a))	**–**	**–**	**(115)**	**–**	**–**	**–**	**–**	**(115)**
Translation differences on consolidation	**146**	**11**	**(1,968)**	**(134)**	**225**	**(36)**	**–**	**(1,756)**
At 31 December 2023	**28,290**	**575**	**122,703**	**13,394**	**13,900**	**1,002**	**–**	**179,864**
Carrying amounts								
At 31 December 2022	128,125	27,207	368,074	6,936	18,595	933	23,262	573,132
At 31 December 2023	**135,835**	**27,731**	**385,151**	**9,473**	**24,582**	**1,669**	**19,396**	**603,837**

4. Property, plant and equipment (cont'd)

	Interests in leased assets (Note 33) $'000	Equipment and furniture $'000	Motor vehicles $'000	Total $'000
Company				
Cost				
At 1 January 2022	727	560	356	1,643
Additions	441	444	–	885
Written off during the year	(727)	(14)	–	(741)
At 31 December 2022 and 1 January 2023	**441**	**990**	**356**	**1,787**
Additions	**–**	**75**	**588**	**663**
Disposal	**–**	**–**	**(356)**	**(356)**
At 31 December 2023	**441**	**1,065**	**588**	**2,094**
Accumulated depreciation				
At 1 January 2022	623	403	274	1,300
Charge for the year	188	199	49	436
Written off during the year	(727)	(11)	–	(738)
At 31 December 2022 and 1 January 2023	**84**	**591**	**323**	**998**
Charge for the year	**146**	**117**	**54**	**317**
Disposal	**–**	**–**	**(347)**	**(347)**
At 31 December 2023	**230**	**708**	**30**	**968**
Carrying amounts				
At 31 December 2022	357	399	33	789
At 31 December 2023	**211**	**357**	**558**	**1,126**

Impairment of assets

QBN Hotels

Following the Group's acquisition of 95% equity interest in QBN on 2 May 2022, the eleven hotels owned by QBN ("QBN Hotels"), all located in the Netherlands, are consolidated as property, plant and equipment of the Group with effect from that date. Goodwill arising from the acquisition amounted to $40,240,000 (€26,789,000) – see Note 6 and Note 29(a) for more details. For the purposes of impairment testing, such goodwill on acquisition has been allocated to the individual QBN Hotels which are separate cash generating units ("CGUs").

The estimated recoverable amounts of the CGUs were determined based on value-in-use of the individual hotels determined by management. The value-in-use calculation is a discounted cash flow model using cash flow projections for the next 10 years, based on the most recent forecasts approved by management covering five years and five additional years based on a fixed growth rate. The terminal growth rate has been set at 0% for all the CGUs. The discounted cash flow models also took into account the probability of changes to cash flow projection, taking into consideration the rising interest rates, escalating energy costs and shortage of personnel within the hospitality sector. The discount rates applied are the estimated weighted average cost of capital of the CGU, and these are derived by management based on recent external valuation reports and taking into account relevant year-end market developments. The key assumptions are those relating to expected changes in average daily rates, occupancy rates and discount rates.

In 2023, based on the value-in-use of the individual hotels determined by management, the estimated recoverable amounts of QBN Hotels approximated their carrying values as at 31 December 2023. As such, no further impairment losses of the property, plant and equipment and related goodwill were recognised in the year ended 31 December 2023.

4. Property, plant and equipment (cont'd)

Impairment of assets (cont'd)

QBN Hotels (cont'd)

In 2022, the estimated recoverable amount of some of the CGUs was determined to be lower than their carrying amount as at 31 December 2022. Accordingly, an impairment loss on goodwill amounting to $15,763,000 and an impairment loss on property, plant and equipment amounting to $12,599,000 in aggregate, was included as part of other expenses in the profit or loss for the year ended 31 December 2022. The impairment had resulted from the weaker operating performance of the hotels which has been affected by the increase in the energy costs in Europe, higher than budgeted capital expenditure in two hotels and higher discount rates due to increasing interest rates as compared to the outlook as at the date of acquisition.

In determining the value-in-use, the following table shows the key unobservable inputs used in the valuation model:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Hotels		
Discounted cash flow method	• Occupancy rate: 59% to 84% (2022: 54% to 83%) • Average daily rate ("ADR"): €98 to €188 (2022: €97 to €163) • Discount rate: 8% to 12.5% (2022: 8% to 12.5%)	A significant increase in occupancy rate and ADR, and a significant decrease in discount rate would result in a significantly higher fair value measurement and vice versa.

Hampton by Hilton Utrecht Centraal Station & Crowne Plaza Utrecht Centraal Station

In 2023, based on the value-in-use determined by management, the estimated recoverable amount of the Hampton by Hilton Utrecht Centraal Station & Crowne Plaza Utrecht Centraal Station, both located in the Netherlands and deemed to be one CGU, approximated the aggregate carrying value as at 31 December 2023. As such, no further impairment losses were recognised in the year ended 31 December 2023.

In 2022, based on management's assessment, an impairment loss amounting to $5,395,000 included in other expenses, was made in relation to both the hotels, which are deemed to be one CGU. The impairment had resulted from the weaker operating performance of the hotels which have been affected by the increase in energy costs in Europe and higher discount rates due to increasing interest rates. The estimated recoverable amount of the hotels was based on the value-in-use of the hotels determined by management.

In determining the value-in-use, the following table shows the key unobservable inputs used in the valuation model:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Hotel		
Discounted cash flow method	• Occupancy rate: 81% to 87% (2022: 78% to 87%) • ADR: €136 to €143 (2022: €120 to €132) • Discount rate: 10.0% (2022: 10.0%)	A significant increase in occupancy rate and ADR, and a significant decrease in discount rate would result in a significantly higher fair value measurement and vice versa.

4. Property, plant and equipment (cont'd)

Impairment of assets (cont'd)

Bilderberg Bellevue Hotel Dresden

In 2023, based on the value-in-use determined by management, no further impairment losses were recognised in the year ended 31 December 2023.

In 2022, based on management's assessment, an impairment loss amounting $5,833,000 included in other expenses, was made in relation to the hotel. The impairment had resulted from the weaker operating performance of the hotel which had been affected by the increase in energy costs in Europe and higher discount rates due to increasing interest rates. The estimated recoverable amount of the hotel was based on the value-in-use of the hotel determined by management.

In determining the value-in-use, the following table shows the key unobservable inputs used in the valuation model:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Hotel		
Discounted cash flow method	• Occupancy rate: 68% to 73% (2022: 70% to 74%) • ADR: €124 to €136 (2022: €114 to €122) • Discount rate: 10.0% (2022: 10.0%)	A significant increase in occupancy rate and ADR, and a significant decrease in discount rate would result in a significantly higher fair value measurement and vice versa

Bare shell hotel in Milan

In 2023, based on the value-in-use determined by management, no further impairment losses were recognised in the year ended 31 December 2023.

In 2022, based on management's assessment, an impairment loss amounting to $3,563,000 included in other expenses, was made in relation to the bare shell hotel. The impairment had resulted from management's assessment of the recoverable value of the hotel which is based on estimated disposal value less cost of disposal.

In determining the value-in-use, the following table shows the key unobservable inputs used in the valuation model:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Hotel		
Discounted cash flow method	• Occupancy rate: 75% to 83% (2022: Not applicable) • ADR: €210 to €232 (2022: Not applicable) • Discount rate: 9.0% (2022: Not applicable)	A significant increase in occupancy rate and ADR, and a significant decrease in discount rate would result in a significantly higher fair value measurement and vice versa

4. Property, plant and equipment (cont'd)

Impairment of assets (cont'd)

Crowne Plaza Chengdu Wenjiang Hotel, Holiday Inn Express Chengdu Wenjiang Hotspring Hotel and adjoining hotspring facility

In 2023 and 2022, based on the value-in-use determined by management, no impairment losses were recognised in the financial years ended 31 December 2023 and 31 December 2022.

In determining the value-in-use, the following table shows the key unobservable inputs used in the valuation model:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Hotspring facility		
Discounted cash flow method	• Revenue growth rate: 4% to 12% (2022: 2% to 115%) • Discount rate: 7.5% (2022: 8.0%)	A significant increase in revenue growth rate and a significant decrease in discount rate would result in a significantly higher fair value measurement.
Hotels		
Discounted cash flow method	• Occupancy rate: 55% to 82% (2022: 65% to 82%) • ADR: RMB281 to RMB435 (2022: RMB272 to RMB472) • Discount rate: 7.5% (2022: 8.0%)	A significant increase in occupancy rate and ADR, and a significant decrease in discount rate would result in a significantly higher fair value measurement and vice versa

5. Investment properties

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
At 1 January		**175,334**	125,204
Additions		**69**	56,670
Disposal		**–**	(449)
Fair value gain	26	**2,512**	1,271
Lease incentives		**(404)**	5,241
Disposal of a subsidiary	30(a)	**(6,226)**	–
Translation differences on consolidation		**(1,427)**	(12,603)
At 31 December		**169,858**	175,334

The investment properties as at 31 December 2023 and 31 December 2022 comprised two hotels in Amsterdam and adjoining car parks, a retail mall in Pudong, PRC ("FS Han Mai Mall"), and commercial and industrial properties in Dongguan, PRC. The investment properties are leased to third party tenants. Each of the leases contains rent indexed to consumer prices, some on an annual basis whilst others once every two to three years. The leases contain an initial non-cancellable period of one to twenty-five years. No contingent rents are charged on all the investment properties.

5. Investment properties (cont'd)

FS Han Mai Mall was acquired by the Group in 2022 through a foreclosure auction held as part of the Group's debt recovery process in respect of a defaulted property financing loan to a third party secured on the retail mall amongst other collateral.

Measurement of fair value

(i) Fair value hierarchy

The fair value measurement for investment properties of $168,533,000 (2022: $173,957,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. $1,325,000 (2022: $1,377,000) of the investment properties as at 31 December 2023 was categorised as a Level 2 fair value based on contracted sale prices.

The fair values of the investment properties as at 31 December 2023 were based on valuations undertaken by independent valuers. The fair values at the reporting date were based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuation of the investment properties was derived based on the discounted cash flow, income capitalisation and/or market comparable methods. The discounted cash flow method takes into consideration the estimated net rent (using the current and projected average rental rates and occupancy) and a discount rate applicable to the nature, location and type of asset. The income capitalisation approach takes into consideration the estimated net rent and a yield rate applicable to the nature, location and type of asset. The market comparable method takes into consideration the sales of similar properties that have been transacted in the open market adjusted for location, age, size and other factors, if applicable.

Level 3 fair value

The following table shows a reconciliation of the beginning balance to the ending balance of investment properties for which fair value measurements are categorised under Level 3 of the fair value hierarchy.

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
At 1 January		**173,957**	123,222
Additions		**69**	56,670
Disposal of a subsidiary	30(a)	**(6,226)**	–
Fair value gain recognised in profit or loss – unrealised	26	**2,512**	1,271
Lease incentives		**(404)**	5,241
Translation differences on consolidation		**(1,375)**	(12,447)
At 31 December		**168,533**	173,957

(ii) Valuation policies and procedures

Management of the Singapore-based corporate headquarters ("Group management") oversees the Group's financial reporting valuation process and is responsible for setting the Group's valuation policies and procedures. In this regard, Group management reports to the Company's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and IFRS 13 *Fair Value Measurement* guidance to perform the valuation.

5. Investment properties (cont'd)

Measurement of fair value (cont'd)

(ii) Valuation policies and procedures (cont'd)

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(iii) Valuation technique and key unobservable inputs

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow method	● Exit yield of 6.75% (2022: 6.5%) ● Discount rate of 9.25% (2022: 9.25%)	A significant decrease in exit yield and discount rate would result in a significantly higher fair value measurement and vice versa.
Income capitalisation method	● Capitalisation rate of 3.00% to 5.50% (2022: 4.00% to 7.00%) ● Market rent: RMB20 per sq m to RMB312 per sq m (2022: RMB14 per sq m to RMB312 per sq m)	Market rent remains constant. A significant decrease in capitalisation rate would result in a significantly higher fair value measurement and vice versa.
Market comparable method	● Average sales price of RMB1,485 to RMB5,588 per sq m (2022: RMB1,348 to RMB6,220 per sq m)	A significant increase in average sales prices would result in a significantly higher fair value measurement and vice versa.

6. Goodwill

	Note	Group 2023 $'000	Group 2022 $'000
Cost			
At 1 January		**38,348**	–
Acquisition of subsidiaries	29(a)	**–**	40,240
Translation differences on consolidation		**740**	(1,892)
At 31 December		**39,088**	38,348
Accumulated impairment			
At 1 January		**(15,474)**	–
Impairment loss	26	**–**	(15,763)
Translation differences on consolidation		**(299)**	289
At 31 December		**(15,773)**	(15,474)
Net book value			
At 1 January		**22,874**	–
At 31 December		**23,315**	22,874

As disclosed in Note 29(a), goodwill of $40,240,000 (€26,789,000) was recorded on the acquisition of QBN on 2 May 2022, following a change in control over QBN as stipulated in the share purchase agreement. Prior to that, QBN was 95%-owned by FSMC, the Group's 33%-owned associated company.

Impairment assessment of goodwill

For the purposes of impairment testing, such goodwill on acquisition has been allocated to the individual QBN Hotels which are separate CGUs. Please refer to Note 4 for the key assumptions used in the estimation of the recoverable amount.

7. Subsidiaries

	Company 2023 $'000	Company 2022 $'000
Investment in subsidiaries, at cost	**1,768,960**	1,645,549
Less: Impairment loss	**(9,358)**	(9,358)
	1,759,602	1,636,191

7. **Subsidiaries (cont'd)**

Impairment of investment in subsidiaries

Management performed an impairment assessment of its investment in subsidiaries with indicators of impairment and no further impairment loss was recognised by the Company for the year ended 31 December 2023. A reversal of impairment loss of $67,322,000 was made in the prior year ended 31 December 2022.

The Company assessed the recoverable amount of its investment in subsidiaries based on fair value less estimated cost of disposal.

Details of significant subsidiaries are as follows:

	Name of subsidiaries	Principal activity	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
				2023	2022
				%	%
	Held through subsidiaries				
**	Chengdu Gaeronic Real Estate Co., Ltd ("CDRE")	Property development, property investment, and investment holding	PRC	**100**	100
**	Chengdu Millennium Zhong Ren Real Estate Co., Ltd	Property development, hotel ownership and operations, and property investment	PRC	**100**	100
**	Chengdu Yong Chang Real Estate Co., Ltd ("CDYC")	Property development and property investment	PRC	**100**	100
**	Dongguan East Sun Limited ("DGES")	Property investment and investment holding	PRC	**90**	90
**	Dongguan East Sun No. 2 Property Management Co., Ltd. ("East Sun No. 2")	Property investment and property management	PRC	**–(v)**	90
**	Dongguan East Sun No. 6 Property Management Co., Ltd.	Property investment and property management	PRC	**90**	90
****	Concord Focus Development Limited ("Concord")	Investment holding	Singapore/ Hong Kong	**60**	60
**	Dongguan Kanghe Property Management Consulting Services Co., Ltd	Property investment and property development	PRC	**60**	60
**	Dongguan Shouye Investment Consultancy Co., Ltd. ("Shouye")	Property investment and property management	PRC	**49.5(vi)**	49.5(vi)
**	First Sponsor (Guangdong) Group Limited ("FSGD")	Investment holding	PRC	**100**	100
*	FS Euro Pte. Ltd.	Investment holding	Singapore	**100**	100

7. Subsidiaries (cont'd)

	Name of subsidiaries	Principal activity	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
				2023	2022
				%	%
	Held through subsidiaries (cont'd)				
***^	FS Milan Property 1 S.r.l	Hotel ownership and operations	Italy	**100**	100
^	FS NL Amstel Development 16 B.V.	Hotel ownership	The Netherlands	**100**	100
^	FS NL Property 2 B.V.	Property investment	The Netherlands	**100**	100
**	FS NL Zuidoost Property 11 B.V.	Property investment and property development	The Netherlands	**100**	100
^	FS NL Zuid Property 12 B.V.	Property investment and property development	The Netherlands	**100**	100
^	FSE Propco 2 GmbH	Hotel ownership	Germany	**94.9**	94.9
**	Guangzhou Panyu Chuang's Real Estate Development Co., Ltd. ("GZPY")	Property development	PRC	**95**	95
**	Guangzhou Kaixiang Property Management Co., Ltd.	Property management	PRC	**95**	95
**	FS Dongguan No.12 Real Estate Development Co., Ltd. ("FSDG No. 12") (i)	Property development	PRC	**100**	100
**	Shanghai Sigma Enterprise Co., Ltd (ii)	Property financing and property investment	PRC	**100**	100
**	Dongguan Dongfu No.1 Investment Consultancy Co., Ltd. (iii) ("DF No.1")	Investment holding and property management	PRC	**100**	–
**	Dongguan Dongfu No.2 Investment Consultancy Co., Ltd. (iii) ("DF No.2")	Investment holding and property management	PRC	**100**	–
***	Queens Bilderberg (Nederland) B.V. (iv)	Investment holding	The Netherlands	**95**	95
***	Hotel De Bovenste Molen B.V. (iv)	Hotel operations and hotel ownership	The Netherlands	**95**	95
***	RE De Bilderberg B.V. (iv)	Hotel ownership	The Netherlands	**95**	95

7. Subsidiaries (cont'd)

	Name of subsidiaries	Principal activity	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
	Held through subsidiaries (cont'd)				
***	Bilderberg Garderen B.V. (iv)	Hotel operations and hotel ownership	The Netherlands	**95**	95
***	RE – Bilderberg Amsterdam B.V. (iv)	Hotel ownership	The Netherlands	**95**	95
***	RE Keizerskroon B.V. (iv)	Hotel ownership	The Netherlands	**95**	95
***	RE Europa B.V. (iv)	Hotel ownership	The Netherlands	**95**	95
***	RE – Parkhotel B.V. (iv)	Hotel ownership	The Netherlands	**95**	95
***	Bilderberg Barneveld B.V. (iv)	Hotel operations and hotel ownership	The Netherlands	**95**	95
***	Bilderberg Zwolle B.V. (iv)	Hotel operations and hotel ownership	The Netherlands	**95**	95
***	Chateau Holtmühle Beheer B.V. (iv)	Hotel ownership	The Netherlands	**95**	95
***	Dolce Vaalsbroek B.V. (iv)	Hotel ownership	The Netherlands	**95**	95
^	FS NL Property 20 B.V.	Property development and property investment	The Netherlands	**100**	100

* Audited by Ernst & Young Singapore.

** Audited by other member firms of Ernst & Young International for group reporting purpose.

*** Audited by other firms of auditors. Statutory audit requirement applies with effect from FY2023 for FS Milan Property 1 S.r.l.

**** Audited by other member firms of Ernst & Young International.

^ Not subject to audit by law of country of incorporation.

(i) FSDG No. 12 was incorporated on 19 September 2022.

(ii) Held by CDYC, FS Dongguan No. 3 Pte. Ltd., CDRE and FSGD in the proportion of 9.1%, 36.4%, 9.1% and 45.4% respectively.

(iii) DF No.1 and DF No.2 were incorporated on 14 November 2023.

(iv) The 95% effective shareholding interest was acquired from FSMC, an indirect 33%-owned associated company on 2 May 2022. Prior to that, the entity was an associated company of the Group with an effective shareholding of 31.4%. Refer to Note 29(a) for more details.

(v) The 90% equity interest in East Sun No. 2 was fully disposed on 26 September 2023. Refer to Note 30(a) for more details.

(vi) The Group's effective stake in Shouye is held via a 51%-owned subsidiary, FS Dongguan No. 6 Investment Consultancy Co., Ltd. ("FSDG6"), which in turn owns 97% equity interest in Shouye.

7. Subsidiaries (cont'd)

Interest in subsidiaries with material non-controlling interests

The Group has the following subsidiaries that have non-controlling interests ("NCI") that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss) allocated to NCI during the year $'000	Accumulated NCI at the end of the year $'000
2023				
Concord and its subsidiary ("Concord subgroup")	**Singapore**	**40%**	**(1,609)**	**38,608**
FSDG6 and its subsidiary	**PRC**	**49%**	**4,662**	**51,750**
Dongguan Aoshou No. 2 Real Estate Development and Management Co., Ltd. ("Aoshou subgroup")	**PRC**	**32.5%**	**(426)**	**(328)**
DGES and its subsidiaries ("DGES subgroup")	**PRC**	**10.0%**	**(837)**	**3,726**
FS Dongguan No. 6 Ltd and its subsidiaries ("Panyu subgroup")	**PRC**	**5.0%**	**(828)**	**14,626**
2022				
Concord and its subsidiary	Singapore	40%	8,067	42,554

Summarised financial information of subsidiaries with material non-controlling interests

Summarised financial information before intercompany eliminations of the subsidiaries with material NCI are as follows:

Summarised statement of financial position as at 31 December 2023

	Concord subgroup $'000	FSDG6 subgroup $'000	Aoshou subgroup $'000	DGES subgroup $'000	Panyu subgroup $'000
Current					
Assets	**140,564**	**23,034**	**2**	**8,890**	**285,257**
Liabilities	**(44,200)**	**(384,888)**	**(114,606)**	**(37,875)**	**(735)**
Net current assets/(liabilities)	**96,364**	**(361,854)**	**(114,604)**	**(28,985)**	**284,522**
Non-current					
Assets	**156**	**457,915**	**113,595**	**70,785**	**203,977**
Liabilities	**–**	**–**	**–**	**(4,538)**	**(195,983)**
Net non-current assets	**156**	**457,915**	**113,595**	**66,247**	**7,994**
Net assets/(liabilities)	**96,520**	**96,061**	**(1,009)**	**37,262**	**292,516**

7. Subsidiaries (cont'd)

Summarised statement of comprehensive income for 2023

	Concord subgroup $'000	FSDG6 subgroup $'000	Aoshou subgroup $'000	DGES subgroup $'000	Panyu subgroup $'000
Revenue	10,622	–	–	2,792	4,844
Cost of sales	(5,249)	–	–	(836)	(4,267)
Administrative expenses	(431)	(1)	(1)	(427)	(188)
Selling expenses	(599)	–	–	–	(2,717)
Other operating expenses	(1)	(1)	–*	(422)	(14,813)
Other gains/(losses) (net)	15	–	–	(1,145)	–
Share of after-tax profit/(loss) of associates and joint ventures	–	8,597	(1,310)	(8,368)	–
Net finance income	194	67	–*	74	68
Profit/(loss) before tax	4,551	8,662	(1,311)	(8,332)	(17,073)
Tax (expense)/credit	(8,574)	(9)	–	(36)	515
Loss/(profit) after tax	(4,023)	8,653	(1,311)	(8,368)	(16,558)
Other comprehensive income	–	–	–	–	–
Total comprehensive income	(4,023)	8,653	(1,311)	(8,368)	(16,558)

* Amount less than $1,000

Summarised statement of cash flows for 2023

	Concord subgroup $'000	FSDG6 subgroup $'000	Aoshou subgroup $'000	DGES subgroup $'000	Panyu subgroup $'000
Operating	(4,839)	(26,691)	48	(329)	(81,819)
Investing	193	67	(49)	4,594	68
Financing	–	–	49	(10,997)	100,836
Net (decrease)/increase in cash and cash equivalents	(4,646)	(26,624)	48	(6,732)	19,085

Summarised statement of financial position as at 31 December 2022

	Concord subgroup $'000
Current	
Assets	184,115
Liabilities	(84,429)
Net current assets	99,686
Non-current	
Assets	6,711
Liabilities	(13)
Net non-current assets	6,698
Net assets	106,384

7. Subsidiaries (cont'd)

Summarised statement of comprehensive income for 2022

	Concord subgroup $'000
Revenue	164,042
Cost of sales	(93,001)
Administrative expenses	(1,133)
Selling expenses	(1,735)
Other operating expenses	(5,146)
Net finance income	50
Profit before tax	63,077
Tax expense	(42,910)
Profit after tax	20,167
Other comprehensive income	–
Total comprehensive income	20,167

Summarised statement of cash flows for 2022

	Concord subgroup $'000
Operating	(70,055)
Investing	–
Financing	1,618
Net decrease in cash and cash equivalents	(68,437)

8. Interests in and balances with associates and joint ventures

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Interests in associates		**854,738**	840,418	**11**	11
Interests in joint ventures		**401,264**	279,649	**9,669**	9,669
Total interests in associates and joint ventures		**1,256,002**	1,120,067	**9,680**	9,680
Balances with associates and joint ventures					
Financial assets measured at fair value through profit or loss - debt securities	10	**39,963**	120,782	**–**	–
Loans to associates (trade)	12	**327,762**	294,729	**–**	–
Loans to joint ventures (trade)	12	**74,329**	140,621	**–**	–
Amounts due from an associate (trade)	12	**–**	10,082	**–**	–
Amounts due from associates (non-trade)	12	**6,895**	5,522	**16**	5
Loans to joint ventures (non-trade)	12	**255,682**	268,114	**–**	–
Amounts due to associates (non-trade)	18,19	**(692,618)**	(759,457)	**–**	–
Amounts due to joint ventures (non-trade)	18,19	**(111,154)**	(71,491)	**(9,008)**	(9,107)

$324,789,000 (2022: $294,729,000) of the loans to associates (trade) by the Group as at 31 December 2023 are unsecured, interest-bearing with interest rates ranging between 2.85% and 7.5% (2022: 2.85% and 7.5%) per annum and will mature between 2024 to 2027 (2022: 2024 to 2027). The remaining loan receivable amounting to $2,973,000 as at 31 December 2023 (2022: $Nil) is unsecured, interest-free and repayable on demand. This loan has since been fully repaid in February 2024.

The loans to joint ventures (trade) as at 31 December 2023 consist of a loan to an 18%-held joint venture amounting to $74,329,000 (RMB400,050,000) (2022: $86,940,000 (RMB450,000,000)) which is secured by (i) 72% equity interest held by two third party partners in the joint venture, (ii) corporate guarantees from these parties and their related companies, and (iii) personal guarantees from senior management and ultimate beneficial owners of the joint venture partners. The loan as at 31 December 2023 was interest-bearing at 13.0% (2022: 13.8%) per annum and is due to mature on 30 April 2024 at the earliest.

The loans to joint ventures (non-trade) as at 31 December 2023 consist of a loan to a 50%-owned joint venture amounting to $1,694,000 (A$1,880,000) which is unsecured, interest-free and repayable on demand. The other 50% equity interest in the joint venture is indirectly held by Tai Tak Estates Sendirian Berhad, a substantial shareholder of the Company.

The loans to joint ventures (trade) as at 31 December 2022 also consisted of unsecured loans to a 50%-owned joint venture amounting to $47,669,000 (€33,300,000) in aggregate. The loans bore interest ranging from 1.4% to 7.5% per annum.

Other than that as disclosed above, the remaining non-trade amounts due from associates and a joint venture are unsecured, interest-free, and repayable on demand.

The non-trade amounts due to associates and a joint venture are unsecured, interest-free and repayable on demand.

8. Interests in and balances with associates and joint ventures (cont'd)

Details of significant associates are as follows:

	Name of associates	Principal activity	Principal place of business/Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
	Held by the Company				
^	FS Dongguan Investment Holdings Limited ("FSDIH")	Investment holding	British Virgin Islands	**30**	30
	Held through subsidiaries				
*	Dongguan Baozhu Industrial Investment Co., Ltd. ("DGBI")	Property investment and investment holding	PRC	**27**	27
*	Dongguan China Railway Poly Industrial Development Co., Ltd ("DGGT") (i)	Property development, property investment, hotel and property management	PRC	**17.3**	17.3
*	Dongguan East Sun No. 1 Property Management Co., Ltd. ("East Sun No. 1") (ii)	Property investment and property management	PRC	**49.5**	49.5
^	FS GBA JV Limited	Investment holding	British Virgin Islands	**49.9**	49.9
*	FSMC NL Property Group B.V.	Property development, property investment, hotel ownership and operations and investment holding	The Netherlands	**33**	33
^	FSMCR Hilton Rotterdam B.V. ("FSMCR")	Investment holding	The Netherlands	**33**	33
^	NL Property 1 B.V. ("NLP1")	Property investment	The Netherlands	**33**	33
^	v5 Pitt Street Trust	Property development	Australia	**39.9**	39.9
^	NL Coolsingel Property 21 B.V. (formerly known as Rotali B.V.) (ii)	Property investment	The Netherlands	**33**	–

^ Not subject to audit by law of country of incorporation.

* Audited by other firms of auditors.

(i) Proportion of ownership interest held by the Group in DGGT is 35% (2022: 35%) as at 31 December 2023. The Group's effective interest in DGGT is 17.3% (2022: 17.3%) as at 31 December 2023.

(ii) The Group's effective 33% stake in NL Coolsingel Property 21 B.V. was acquired from a third party on 15 September 2023.

The Group has not recognised losses relating to certain associates where its share of losses in these associates exceeds the Group's interest in these companies. The Group's cumulative share of unrecognised losses at the end of the financial year was $3,854,000 (2022: $1,387,000). The Group has no obligation in respect of these losses.

8. Interests in and balances with associates and joint ventures (cont'd)

The following summarises the financial information of each of the Group's material associates based on their respective (consolidated) financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

	Associate DGBI $'000	Associate DGGT $'000	Associate FSDIH $'000	Associate NLP1 $'000	Associate FSMC $'000	Associate FSMCR $'000
2023						
Revenue	202,912	366,606	14,000	5,470	34,108	5,003
Profit/(loss) from continuing operations	55,381	24,564	8,225	(8,020)	(42,168)	3,674
Attributable to investee's shareholders	55,381	24,564	8,225	(8,020)	(42,168)	3,674
Other comprehensive income	(28,912)	(51,077)	(13,838)	498	678	78
Total comprehensive income	26,469	(26,513)	(5,613)	(7,522)	(41,490)	3,752
Non-current assets	96	5	42,197	97,727	456,539	74,122
Current assets	934,751	3,402,910	537,734	1,293	6,756	324
Non-current liabilities	(6,531)	(787,234)	–	(82,514)	(451,278)	(74,453)
Current liabilities	(176,014)	(1,321,490)	(268,855)	(986)	(49,718)	(646)
Net assets/(liabilities)	752,302	1,294,191	311,076	15,520	(37,701)	(653)
Non-controlling interests	–	–	8,645	–	–	–
Net assets/(liabilities) attributable to the owners of the company (100%)	752,302	1,294,191	319,721	15,520	(37,701)	(653)
Proportion of the Group's ownership	27%	35%	30%	33%	33%	33%
Group's share of net assets/(liabilities)	203,122	452,967	95,916	5,122	(12,441)	(215)

8. Interests in and balances with associates and joint ventures (cont'd)

	Associate DGBI $'000	Associate DGGT $'000	Associate FSDIH $'000	Associate NLP1 $'000	Associate FSMC $'000	Associate FSMCR $'000	Immaterial associates $'000	Total $'000
2023								
Group's interest in net assets of investees at beginning of the year	195,975	462,247	97,600	9,760	14,806	383	59,647	840,418
Group's share of:								
- profit/(loss) from continuing operations	14,953	8,597	2,467	(2,646)	(13,915)	1,212	1,317	11,985
- other comprehensive income	(7,806)	(17,877)	(4,151)	164	224	26	(667)	(30,087)
Total comprehensive income	7,147	(9,280)	(1,684)	(2,482)	(13,691)	1,238	650	(18,102)
Group's contribution during the year	–	–	–	–	–	–	36,573	36,573
Capital reduction during the year	–	–	–	(2,156)	–	–	(1,995)	(4,151)
Carrying amount of interest in investees at end of the year	203,122	452,967	95,916	5,122	1,115	1,621	94,875	854,738

8. Interests in and balances with associates and joint ventures (cont'd)

	Associate DGBI $'000	Associate DGGT $'000
2022		
Revenue	726,787	–
Profit/(loss) from continuing operations	143,369	(4,627)
Attributable to investee's shareholders	143,369	(4,627)
Other comprehensive income	(67,496)	(132,791)
Total comprehensive income	75,873	(137,418)
Non-current assets	279	4,023
Current assets	1,074,303	3,238,523
Non-current liabilities	(52)	(851,870)
Current liabilities	(348,698)	(1,069,971)
Net assets	725,832	1,320,705
Non-controlling interests	–	–
Net assets attributable to the owners of the company (100%)	725,832	1,320,705
Proportion of the Group's ownership	27%	35%
Group's share of net assets	195,975	462,247

	Associate DGBI $'000	Associate DGGT $'000	Immaterial associates $'000	Total $'000
2022				
Group's interest in net assets of investees at beginning of the year	175,489	510,343	170,460	856,292
Group's share of:				
- profit/(loss) from continuing operations	38,710	(1,619)	7,956	45,047
- other comprehensive income	(18,224)	(46,477)	(16,534)	(81,235)
Total comprehensive income	20,486	(48,096)	(8,578)	(36,188)
Group's contribution during the year	–	–	20,314	20,314
Carrying amount of interest in investees at end of the year	195,975	462,247	182,196	840,418

8. Interests in and balances with associates and joint ventures (cont'd)

Details of significant joint ventures are as follows:

	Name of joint ventures	Principal activity	Principal place of business/Country of incorporation	Effective equity interest held by the Group 2023 %	2022 %
	Held through subsidiaries				
^	FSCT DE Property 1 Real Estate GmbH & Co. KG	Property investment	Germany	**50**	50
*	Dongguan Tianye Industrial Investment Development Co., Ltd.	Property investment and property development	PRC	**36**	36
*	Dongguan Wan Li Group Limited	Property investment and investment holding	PRC	**44.1**	44.1
*	Dongguan Wan Li No. 1 Property Management Co., Ltd. ("Wan Li No. 1") (iv)	Property investment and investment holding	PRC	**–**	44.1
*	Shenzhen Heshuntongye Industrial Co., Ltd.	Investment holding	PRC	**18**	18
*	Dongguan Jiuyuan Cuilong Property Investment Co., Ltd. ("DGJY") (i)	Property investment and property development	PRC	**46.6**	46.6
*	Dongguan Hongyue Industrial Investment Co., Ltd. ("DGHY") (ii)	Property investment and property development	PRC	**27**	27
*	FS Dongguan Xingcheng Real Estate Development Co., Ltd. ("DGXC") (iii)	Property investment and property development	PRC	**50**	50

^ Not subject to audit by law of country of incorporation.

* Audited by other firms of auditors.

(i) On 26 July 2022, a wholly-owned subsidiary of the Group acquired a 49.0% equity interest in DGJY, a joint venture company which owns and is undertaking the development of a piece of land in Dongguan in the PRC, namely the Exquisite Bay in Dalingshan. The Group's interest in the subsidiary was diluted to 95% on 9 August 2022.

(ii) On 6 September 2022, an indirect 67.5%-owned subsidiary of the Group acquired a 40.0% equity interest in DGHY, a joint venture company which owns and is undertaking the development of a piece of land in Dongguan in the PRC, namely the Egret Bay in Wanjiang.

(iii) On 21 September 2022, the Group acquired a 49% equity interest in DGXC, a joint venture company which owns and is undertaking the development of a piece of land in Dongguan in the PRC, namely the Kingsman Residence in Shijie.

(iv) On 29 November 2023, the Group disposed 44.1% equity interest in Wan Li No. 1, a joint venture company which owned and had undertaken the development of a piece of land in Dongguan in the PRC, namely the Dalingshan Taigongling project.

8. Interests in and balances with associates and joint ventures (cont'd)

The Group has not recognised losses relating to joint ventures where its share of losses of the joint ventures exceeds the Group's interest in these joint ventures. The Group's cumulative share of unrecognised losses at the end of the reporting year was $786,000 (2022: $8,947,000). The Group has no obligation in respect of these losses.

The following summarises, in aggregate, the financial information of the Group's interests in joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	2023 $'000	2022 $'000
Carrying amounts of interests in joint ventures	**401,264**	279,649
Group's share of:		
- loss from continuing operations	**(14,615)**	(4,990)
- other comprehensive income	**(12,309)**	(22,691)
Total comprehensive income	**(26,924)**	(27,681)

9. Derivative assets and liabilities

	Group and Company 2023 $'000	2022 $'000
Derivative assets		
Cross currency swaps	**51,417**	75,136
Foreign currency swaps	**43,277**	63,437
Foreign currency forward contracts	**32,412**	30,809
	127,106	169,382
Non-current	**57,016**	113,440
Current	**70,090**	55,942
	127,106	169,382
Derivative liabilities		
Cross currency swaps	**(5,889)**	(136)
Foreign currency swaps	**(322)**	–
Foreign currency forward contracts	**(2,993)**	(298)
	(9,204)	(434)
Non-current	**(2,870)**	(354)
Current	**(6,334)**	(80)
	(9,204)	(434)

As part of the Group's strategy to hedge its exposure to fluctuation in Euros ("€") and Australian Dollars ("A$") against $ arising from its operations in Europe and Australia respectively, the Group has entered into various financial derivatives involving cross currency swap contracts ("CCSs"), foreign currency swaps ("FCSs") and foreign currency forward contracts ("FXFs") with financial institutions. The Group has managed its currency exposure to € and A$ by financing all its European and Australian acquisitions respectively with a combination of € or A$-denominated borrowings as the case may be, and/or financial derivatives whereby the end result is to achieve a corresponding € or A$ liability as the case may be.

9. Derivative assets and liabilities (cont'd)

The Group has partially hedged its exposure to fluctuation in Renminbi ("RMB") against $ arising from its PRC operations through the execution of offshore Chinese Yuan ("CNH") CCSs, FCSs, FXFs and/or drawing CNH-denominated borrowings whereby the end result is to achieve a corresponding RMB liability.

The total notional amount of the various outstanding financial derivative contracts as at 31 December 2023 amounted to $2,933,372,000 (2022: $1,856,579,000), comprising €875,644,000, A$139,108,000, US$72,709,000 and CNH7,721,103,000 (2022: €807,425,000, A$77,164,000, US$72,709,000 and CNH2,757,870,000) with remaining tenures of between approximately one month to 39 months (2022: four months to 51 months).

Under these contracts, the Group would pay the fixed notional amounts denominated in €, A$, US$ and CNH and receive fixed amounts of $2,881,927,000 and US$58,597,000 in aggregate (2022: $1,925,861,000 and US$88,068,000) on the maturity dates of the financial derivatives. It would also have to pay the fixed notional amount of $Nil (2022: $113,746,000) and receive a fixed amount denominated in €.

10. Other investments

	Note	Group 2023 $'000	Group 2022 $'000
Financial assets measured at fair value through profit or loss			
- equity securities		**27,115**	14,512
- debt securities	8	**39,963**	120,782
		67,078	135,294
Non-current		**27,115**	135,294
Current		**39,963**	–
		67,078	135,294

As at 31 December 2023 and 2022, the financial assets measured at fair value through profit or loss comprised:

(a) four 3-year Singapore Dollar denominated junior convertible bonds ("JCBs") with aggregate principal value of $39,963,000 (2022: $96,818,000) yielding a coupon of 15% per annum due in 2024, which the Group had subscribed from a 49.9%-held associate in 2021. The JCBs are secured, among others, by (a) 50.1% equity interest in the associate, (b) corporate guarantees and funding undertakings from various third parties including the ultimate holding company of the associate, which is a Hong Kong listed company and, (c) equity interest in two holding companies which own a majority stake in two Dongguan development projects;

(b) a 3-year Singapore Dollar denominated senior convertible bond ("SCB") with a principal value of $Nil (2022: $23,964,000) yielding a coupon of 12% per annum due in April 2024, which the Group had subscribed from the same 49.9%-held associate in 2021. The SCB is secured on the same collaterals as those pledged to the holders of the JCBs mentioned in (a) above. The SCB was fully redeemed in January 2023; and

(c) quoted equity investments of $27,115,000 (2022: $14,512,000).

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 32.

11. Deferred tax assets/(liabilities)

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2022	Recognised in profit or loss (Note 27)	Acquisition of subsidiaries (Note 29)	Translation differences on consolidation	At 31 December 2022	Recognised in profit or loss (Note 27)	Disposal of subsidiaries (Note 30)	Reclassifications	Translation differences on consolidation	At 31 December 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
Deferred tax assets										
Development properties	2,026	4,856	–	(381)	6,501	**(4,261)**	**-**	**-**	**(163)**	**2,077**
Property, plant and equipment	17,398	311	–	(1,538)	16,171	**(1,030)**	**212**	**(2,001)**	**(459)**	**12,893**
Contract liabilities	1,075	(617)	–	(65)	393	**5**	**-**	**-**	**(15)**	**383**
Receipts in advance	1,858	(1,725)	–	(82)	51	**(50)**	**-**	**-**	**(1)**	**-**
Trade, other receivables and prepaid taxes	10,436	3,930	–	(1,175)	13,191	**(5,857)**	**-**	**-**	**(388)**	**6,946**
Others	6	–	–	–	6	**(9)**	**-**	**194**	**(59)**	**132**
Tax losses	5,847	840	–	(587)	6,100	**3,252**	**(30)**	**-**	**(301)**	**9,021**
Total	38,646	7,595	–	(3,828)	42,413	**(7,950)**	**182**	**(1,807)**	**(1,386)**	**31,452**
Deferred tax liabilities										
Property, plant and equipment	–	1,419	(47,742)	2,218	(44,105)	**2,067**	**-**	**-**	**(840)**	**(42,878)**
Investment properties	(13,582)	(2,707)	–	1,187	(15,102)	**(2,177)**	**1,571**	**1,807**	**171**	**(13,730)**
Development properties	(1,277)	(430)	–	92	(1,615)	**(592)**	**-**	**-**	**(34)**	**(2,241)**
Others	–	(452)	–	25	(427)	**36**	**-**	**-**	**16**	**(375)**
Total	(14,859)	(2,170)	(47,742)	3,522	(61,249)	**(666)**	**1,571**	**1,807**	**(687)**	**(59,224)**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The nature of temporary differences as at 31 December 2023 and 2022 included differences in depreciation for tax purposes and financial reporting purposes, revaluations to fair value, impairment of property, plant and equipment, contract liabilities and others.

11. Deferred tax assets/(liabilities) (cont'd)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are included in the statements of financial position as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Deferred tax assets	**30,336**	40,414
Deferred tax liabilities	**(58,108)**	(59,250)

Unrecognised temporary differences relating to investments in subsidiaries

At the financial year ended 31 December 2023 and 2022, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries in the PRC as the Group has determined that such undistributed earnings of its subsidiaries in the PRC will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregated to $406,954,000 as at 31 December 2023 (2022: $438,667,000). The deferred tax liability thereon is estimated to be $20,348,000 (2022: $21,933,000).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items as at the end of the financial year ended 31 December:

	Group	
	2023	**2022**
	$'000	**$'000**
Tax losses	**83,525**	93,044
Interest carry-forward	**48,131**	35,928
Other deductible temporary differences	**22,101**	21,683
Total	**153,757**	150,655

The tax losses, interest carry-forward and deductible temporary differences are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

11. Deferred tax assets/(liabilities) (cont'd)

Unrecognised deferred tax assets (cont'd)

According to tax legislation as of 31 December, the expiry dates of the tax losses are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Expiry date:		
- Less than 1 year	**12**	10
- Between 2 to 5 years	**80**	6,786
- More than 5 years	**–**	–
- Indefinite	**83,433**	86,248
	83,525	93,044

With effect from 1 January 2022, under new Dutch tax loss utilisation rules, losses can only be fully deducted (on an annual basis) up to an amount of €1 million plus 50% of the taxable profit that exceeds €1 million.

Interest carry-forward may be carried forward indefinitely and in unlimited amounts. The deductible temporary differences do not expire under current tax legislation in the respective countries.

12. Trade and other receivables

	Note	Group		Company	
		2023	**2022**	**2023**	**2022**
		$'000	$'000	**$'000**	$'000
Trade receivables	(i)	**211,374**	63,317	**–**	–
Loans to associates (trade)	8	**327,762**	294,729	**–**	–
Loans to joint ventures (trade)	8	**74,329**	140,621	**–**	–
Amounts due from an associate (trade)	8	**–**	10,082	**–**	–
Amounts due from associates (non-trade)	8	**6,895**	5,522	**16**	5
Loans to joint ventures (non-trade)	8	**255,682**	268,114	**–**	–
Amount due from an affiliate of a non-controlling interest of a subsidiary (non-trade)	(ii)	**26,477**	34,776	**–**	–
Amounts due from non-controlling interests of subsidiaries (non-trade)	(iii)	**67,419**	59,432	**–**	–
Non-trade amounts due from subsidiaries	(iv)	**–**	–	**1,197,646**	982,937
Security deposits		**202**	234	**8**	8
Advance payment to contractors		**1,236**	13,974	**–**	–
Interest receivables from banks		**4,747**	5,906	**4,747**	5,906
Value-added tax and goods and services tax recoverable		**22,564**	8,249	**26**	28
Other receivables		**3,803**	15,883	**2**	166
		1,002,490	920,839	**1,202,445**	989,050
Less: Impairment losses	(i), (v)	**(24,489)**	(31,495)	**–**	–
		978,001	889,344	**1,202,445**	989,050
Prepayments	(vi)	**39,153**	7,716	**157**	140
		1,017,154	897,060	**1,202,602**	989,190

12. Trade and other receivables (cont'd)

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Non-current	**366,957**	370,017	**–**	–
Current	**650,197**	527,043	**1,202,602**	989,190
	1,017,154	897,060	**1,202,602**	989,190

(i) Trade receivables net of impairment loss amounting to $186,885,000 as at 31 December 2023 (2022: $37,834,000) consist of $168,404,000 secured property financing loan receivables (2022: $24,036,000), bearing fixed interest that ranged from 8.0% to 13.8% (2022: 6.0% to 12.0%) per annum and include interest receivables thereon amounting to $7,860,000 (2022: $4,368,000).

(ii) The amount due from an affiliate of a non-controlling interest of a subsidiary as at 31 December 2023 and 31 December 2022 is unsecured, interest-free and repayable on demand.

(iii) The year-end balance consists of:

- an unsecured loan to a non-controlling interest of a subsidiary amounting to $21,303,000 (2022: $22,152,000). This loan was interest bearing at 9.42% per annum as at 31 December 2022 and became interest-free with effect from 1 January 2023. The loan is due in 2024; and

- unsecured interest-free advances to non-controlling interests of subsidiaries of $46,116,000 (2022: $37,280,000) which are repayable on demand. $15,556,000 (2022: $14,771,000) of these advances are granted to an entity which is wholly owned by a key management personnel of the Group.

(iv) The non-trade amounts due from subsidiaries as at 31 December 2023 and 31 December 2022 are unsecured, interest-free and repayable on demand.

(v) The movements in allowance for impairment in respect of trade and other receivables during the year are follows:

	2023	2022
	$'000	$'000
At 1 January	**31,495**	6,913
Impairment loss recognised (Note 26)	**–**	26,557
Impairment loss reversed (Note 26)	**(6,131)**	–
Translation differences on consolidation	**(875)**	(1,975)
At 31 December	**24,489**	31,495

Please refer to Note 32 for details of the ECL assessment of the Group.

(vi) Prepayments of the Group as at 31 December 2023 included prepaid taxes of $16,969,000 (2022: $6,491,000) and $18,729,000 of prepayment for the bulk purchase of certain inventory from the 27%-held Skyline Garden project company.

13. Development properties

	Group 2023 $'000	Group 2022 $'000
Properties under development-for-sale	**1,102,540**	837,663
Completed properties for sale	**98,510**	105,635
Leasehold land	**17,613**	16,017
	1,218,663	959,315
Allowance for write-down	**(49,977)**	(26,366)
	1,168,686	932,949

The movement in the allowance for write-down in respect of development properties during the year is as follows:

	Group 2023 $'000	Group 2022 $'000
At 1 January	**26,366**	11,955
Allowance made (Note 26)	**25,326**	16,441
Utilised	**(415)**	–
Translation difference	**(1,300)**	(2,030)
At 31 December	**49,977**	26,366
Interest expense capitalised during the year (Note 25)	**12,021**	10,560

The interest capitalised in development properties during the financial year ended 31 December 2023 ranged from 3.25% to 5.8% (2022: 1.7% to 4.8%) per annum and consisted of $1,307,000 (2022: $Nil) capitalised as part of leasehold land. Refer to Note 33 for more details of the leasehold land excluding capitalised interest.

Project-related staff costs amounting to $1,888,000 were also capitalised in development properties during the financial year ended 31 December 2023 (2022: $2,771,000).

During the financial year ended 31 December 2023, development properties recognised in cost of sales amounted to $19,336,000 (2022: $115,123,000).

Management assesses properties under development-for-sale for impairment based on their estimates of selling prices and construction costs or independent professional valuations undertaken, where appropriate. Selling prices are based on recent selling prices and prevailing market conditions. Construction costs are estimated based on contracted amounts and in respect of amounts not yet contracted for, based on management's estimates of the amounts to be incurred. Where independent professional valuations are undertaken, the valuations were based on the market comparable method which took into consideration the sales of similar properties transacted in the open market.

Management also assesses if any write-down of completed properties for sale is required based on their estimates of selling prices which are based on recent selling prices and prevailing market conditions. The write-down is included in "other expenses".

14. Cash and cash equivalents

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits	**62,355**	3,370	**31,066**	840
Cash at bank and in hand	**115,444**	266,893	**14,910**	14,465
	177,799	270,263	**45,976**	15,305

Cash and cash equivalents as at 31 December 2023 included $52,894,000 (2022: $221,169,000) which were deposited with financial institutions in the PRC. The remittance of these funds by the Group out of the PRC is subject to currency exchange restrictions. $20,153,000 (2022: $7,198,000) of these funds were held under PRC development project rules, where the utilisation of the funds is restricted to project related payments.

In addition, $5,472,000 (2022: $5,368,000) of cash at bank is restricted in use to secure a bank guarantee for an equivalent amount granted to a third party energy supplier.

15. Share capital

	Group and Company			
	2023		**2022**	
	Number of shares	**US$'000**	**Number of shares**	**US$'000**
Authorised share capital				
At 1 January and 31 December	2,000,000,000	200,000	2,000,000,000	200,000

	Group			
	2023		**2022**	
	Number of shares	**$'000**	**Number of shares**	**$'000**
Ordinary shares issued and fully paid				
At 1 January	923,849,075	118,802	920,541,204	118,357
Exercise of warrants	185,365,825	25,374	3,307,871	445
At 31 December (i)	1,109,214,900	144,176	923,849,075	118,802

	Company			
	2023		**2022**	
	Number of shares	**$'000**	**Number of shares**	**$'000**
Ordinary shares issued and fully paid				
At 1 January	924,156,757	118,802	920,848,886	118,357
Exercise of warrants	185,365,825	25,374	3,307,871	445
At 31 December	1,109,522,582	144,176	924,156,757	118,802

(i) Excludes 307,682 shares in the Company held by a subsidiary which are accounted for as treasury shares in the consolidated financial statements of the Group in accordance with IAS 32 *Financial Instruments: Presentation.*

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are also entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. Each ordinary share has a par value of US$0.10.

15. Share capital (cont'd)

Issuance of ordinary shares

During the current financial year, 185,365,825 (2022: 3,307,871) ordinary shares were issued as a result of the exercise of warrants.

Perpetual convertible capital securities ("PCCS")

Rights issue of up to $147.6 million in aggregate principal amount of 3.98% Series 2 PCCS in the denomination of $1.30 for each PCCS, on the basis of one PCCS for every seven existing ordinary shares, at an issue price of $1.30 for each PCCS, with up to 113,576,237 free detachable warrants, on the basis of one warrant for every one PCCS subscribed for ("2019 Rights Issue").

Pursuant to the 2019 Rights Issue, the Company issued 113,576,237 PCCS on 31 May 2019. Each PCCS shall entitle the PCCS holder to convert such PCCS into one new ordinary share of the Company at a conversion price of $1.30, subject to adjustments under certain conditions. The PCCS were issued with 113,576,237 warrants ("2019 warrants").

Bonus issue of warrants

On 31 May 2019, 79,221,609 warrants ("2019 bonus warrants") were allotted and issued on the basis of one warrant for every ten existing ordinary shares, pursuant to a bonus issue exercise on 19 April 2018. 2019 warrants and 2019 bonus warrants collectively constitute "Warrants (2019)".

Each warrant shall entitle the warrant holder to exercise such warrant into one new ordinary share of the Company at the exercise price of $1.30, subject to adjustments under certain conditions, from 31 May 2019 to 30 May 2024.

On 22 September 2020, 227,618,864 warrants ("Warrants (2020)") were allotted and issued on the basis of one warrant for every four existing shares, pursuant to a bonus issue exercise on 31 May 2019.

Each warrant shall entitle the warrant holder to exercise such warrant into one new ordinary share of the Company at the exercise price of $1.08, subject to adjustments under certain conditions, from 24 March 2021 to 21 March 2029.

During the current financial year, 185,365,825 (2022: 3,307,871) new ordinary shares were issued pursuant to the exercise of 156,659,322 Warrants (2019) (2022: 6,400) and 28,706,503 Warrants (2020) (2022: 3,301,471).

As at 31 December 2023, 28,294,374 Warrants (2019) (2022: 184,953,696) and 188,348,081 Warrants (2020) (2022: 217,054,584) remain unexercised.

As at 31 December 2023, a subsidiary of the Company held 30,768 Warrants (2019) (2022: 30,768) and 76,920 Warrants (2020) (2022: 76,920).

Capital management

The Group defines "capital" as including all components of equity. The Group's objectives when managing its 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. This will in turn maintain investor and creditor confidence and sustain the future development of the business.

In order to achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings or sell its assets. Excess capital, if any, may also be returned to shareholders.

The Group's capital structure is regularly reviewed and managed with due regard to its capital management objectives and practices. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Company.

There were no changes in the Group's approach to capital management during the financial year.

15. Share capital (cont'd)

Capital management (cont'd)

The Company is not subject to any externally imposed capital requirements. However, the subsidiaries incorporated in the PRC are subject to currency exchange restrictions on the remittance of funds out of the PRC.

The quantitative information are as provided in the Statement of Changes in Equity.

16. Share premium

The share premium account represents the excess of the issue price over the par value of ordinary shares issued by the Company and may be applied only for the purposes specified in the Cayman Islands Companies Law.

17. Reserves

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Statutory reserve	**53,117**	59,204	**–**	–
Capital reserve	**245**	245	**(5,988)**	(5,988)
Distributable reserve	**655,029**	655,029	**655,029**	655,029
Foreign currency translation reserve	**(113,310)**	(64,103)	**–**	–
Retained earnings	**727,818**	744,316	**407,953**	457,670
	1,322,899	1,394,691	**1,056,994**	1,106,711

Statutory reserve

In accordance with the Company Law applicable to the subsidiaries in the PRC, wholly-owned subsidiaries are required to make appropriations to a statutory reserve. 10.0% of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the statutory reserve until the cumulative total of the reserve reaches 50.0% of the subsidiaries' registered capital. The statutory reserve may be used to offset any accumulated losses, for business expansion or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution, other than in the event of liquidation of the PRC subsidiaries.

Capital reserve

The capital reserve of the Group comprises:

(a) interest waived on intercompany loans; and

(b) the difference between the fair value and the cost of treasury shares reissued.

The capital reserve of the Company comprises:

(a) interest waived on intercompany loans;

(b) the difference between the fair value and the cost of treasury shares reissued; and

(c) accrued dividend income on the redeemable preference shares waived by a subsidiary of the Company during the year ended 31 December 2015.

17. Reserves (cont'd)

Distributable reserve

Distributable reserve arose from the capital reduction carried out by the Company in August 2017, of which $7,735,000 was utilised for the issuance of bonus shares in 2018.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Dividends

The following dividends were declared and paid or payable by the Group and Company:

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Declared and paid:				
Interim tax-exempt (one-tier) ordinary dividend paid of 1.10 cents (2022: 1.10 cents) per ordinary share in respect of the financial year ended 31 December 2023 (2022: 31 December 2022)	**10,162**	10,161	**10,166**	10,166
Second interim tax-exempt (one-tier) ordinary dividend declared of 2.35 cents per ordinary share in respect of the financial year ended 31 December 2021	**–**	21,710	**–**	21,717
Final tax-exempt (one-tier) ordinary dividend declared of 3.10 cents (2022: Nil cents) per ordinary share in respect of the financial year ended 31 December 2022 (2022: 31 December 2021)	**24,945**	–	**24,952**	–
	35,107	31,871	**35,118**	31,883

In February 2024, the directors proposed a final tax-exempt (one-tier) ordinary dividend of 3.10 cents per qualifying ordinary share which is payable in May 2024. The estimated total final dividend of $44,552,000 and $44,561,000 for the Group and Company respectively was not provided for as at 31 December 2023.

18. Loans and borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Secured bank loans	**151,799**	–	**–**	–
Unsecured bank loans	**770,091**	828,834	**770,091**	828,834
Unsecured notes				
- third parties	**77,958**	77,921	**77,958**	77,921
- subsidiary	**–**	–	**22,000**	22,000
	999,848	906,755	**870,049**	928,755
Current liabilities				
Unsecured bank loans	**250,705**	101,631	**250,705**	101,631
Total loans and borrowings	**1,250,553**	1,008,386	**1,120,754**	1,030,386

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Secured bank loans				
Repayable:				
- After 1 year but within 5 years	**151,799**	–	**–**	–
Unsecured bank loans				
Repayable:				
- Within 1 year	**250,705**	101,631	**250,705**	101,631
- After 1 year but within 5 years	**770,091**	828,834	**770,091**	828,834
	1,172,595	930,465	**1,020,796**	930,465
Unsecured notes				
Repayable:				
- After 1 year but within 5 years	**77,958**	77,921	**99,958**	99,921
	1,250,553	1,008,386	**1,120,754**	1,030,386

The secured bank loans as at the end of the financial year bear interest ranging from 4.20% to 4.50% per annum. These development loans are secured on certain development properties under construction and the Group's equity in the project companies. In addition, two indirect wholly-owned subsidiaries of the Group provided corporate guarantees for these loans.

The unsecured bank loans of the Group and Company as at the end of the financial year bear interest ranging from 3.29% to 6.89% (2022: 2.42% to 5.79%) per annum.

The unsecured notes pertain to the issuance of $100.0 million in principal amount of 3.29% fixed rate notes due 2025 by the Company in February 2020 ("Notes") which were issued pursuant to a $1.0 billion Multicurrency Debt Issuance Programme established in 2015.

During the financial year ended 31 December 2020, a wholly-owned subsidiary of the Company repurchased $22.0 million in aggregate principal amount of the Notes from unrelated third parties by way of a married deal.

18. Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities								
	Loans and borrowings $'000	Loans from non-controlling interests of subsidiaries $'000	Non-trade amounts due to associates $'000	Loans from an affiliate of a non-controlling interest of a subsidiary $'000	Lease liabilities $'000	Non-trade amounts due to joint ventures $'000	Non-trade amounts due to non-controlling interests of subsidiaries $'000	Interest payable $'000	Total $'000
Balance at 1 January 2023	1,008,386	3,727	759,457	34,665	90,536	71,491	68,798	10,677	2,047,737
Changes from financing cash flows									
Advances from associates (net)	–	–	5,546	–	–	–	–	–	5,546
Advances from joint ventures (net)	–	–	–	–	–	39,646	–	–	39,646
Interest paid	–	–	–	–	–	–	–	(77,017)	(77,017)
Advances from/(repayment to) non-controlling interests of subsidiaries (net)	–	5,263	–	–	–	–	(11,974)	–	(6,711)
Payment of transaction costs related to borrowings	(2,816)	–	–	–	–	–	–	–	(2,816)
Proceeds from bank borrowings	2,058,313	–	–	–	–	–	–	–	2,058,313
Repayment of bank borrowings	(1,798,381)	–	–	–	–	–	–	–	(1,798,381)
Payment of lease liabilities	–	–	–	–	(6,411)	–	–	–	(6,411)
	257,116	5,263	5,546	–	(6,411)	39,646	(11,974)	(77,017)	212,169
The effect of changes in foreign exchange rates	(1,028)	285	(28,193)	(1,327)	1,696	1,821	3,027	–	(23,719)
Other changes									
Liability-related									
Additions	–	–	–	–	10,177	–	–	87,659	97,836
Amortisation of transaction costs	4,888	–	–	–	3,816	–	–	–	8,704
Capitalisation of borrowing costs	–	–	–	–	542	–	–	–	542
Repayment of advances from associates in operating cash flows	–	–	(44,192)	–	–	–	–	–	(44,192)
Repayment to joint ventures (net) in investing cash flows	–	–	–	–	–	(1,804)			(1,804)
Interest paid in operating cash flows	–	–	–	–	–	–	–	(11,051)	(11,051)
Net repayment of bank borrowings in operating cash flows	(18,809)	–	–	–	–	–	–	–	(18,809)
Total liability-related other changes	(13,921)	–	(44,192)	–	14,535	(1,804)	–	76,608	31,226
Balance at 31 December 2023	1,250,553	9,275	692,618	33,338	100,356	111,154	59,851	10,268	2,267,413

18. Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities								
	Loans and borrowings $'000	**Loans from non-controlling interests of subsidiaries $'000**	**Non-trade amounts due to associates $'000**	**Loans from an affiliate of a non-controlling interest of a subsidiary $'000**	**Lease liabilities $'000**	**Non-trade amounts due to joint ventures $'000**	**Non-trade amounts due to non-controlling interests of subsidiaries $'000**	**Interest payable $'000**	**Total $'000**
Balance at 1 January 2022	1,088,907	3,992	557,015	38,146	70,881	105,525	21,151	6,174	1,891,791
Changes from financing cash flows									
Advances from associates (net)	–	–	212,426	–	–	–	–	–	212,426
Advances from joint ventures	–	–	–	–	–	14,015	–	–	14,015
Interest paid	–	–	–	–	–	–	–	(35,108)	(35,108)
Advances from non-controlling interests of subsidiaries	–	–	–	–	–	–	3,887	–	3,887
Payment of transaction costs related to borrowings	(4,050)	–	–	–	–	–	–	–	(4,050)
Proceeds from bank borrowings	1,367,480	–	–	–	–	–	–	–	1,367,480
Repayment of bank borrowings	(1,372,893)	–	–	–	–	–	–	–	(1,372,893)
Payment of lease liabilities	–	–	–	–	(9,767)	–	–	–	(9,767)
	(9,463)	–	212,426	–	(9,767)	14,015	3,887	(35,108)	175,990
The effect of changes in foreign exchange rates	(13,803)	(265)	(66,051)	(3,481)	(5,742)	(7,941)	(2,153)	–	(99,436)
Other changes									
Liability-related									
Additions	–	–	–	–	30,730	–	–	54,019	84,749
Amortisation of transaction costs	3,343	–	–	–	4,434	–	–	–	7,777
Advances from associates in operating cash flows	–	–	56,067	–	–	–	–	–	56,067
Repayment to joint ventures (net) in investing cash flows	–	–	–	–	–	(40,108)	–	–	(40,108)
Interest paid in operating cash flows	–	–	–	–	–	–	–	(14,408)	(14,408)
Advances from non-controlling interests of subsidiaries in operating cash flows	–	–	–	–	–	–	45,913	–	45,913
Net repayment of bank borrowings in operating cash flows	(60,598)	–	–	–	–	–	–	–	(60,598)
Total liability-related other changes	(57,255)	–	56,067	–	35,164	(40,108)	45,913	39,611	79,392
Balance at 31 December 2022	1,008,386	3,727	759,457	34,665	90,536	71,491	68,798	10,677	2,047,737

19. Trade and other payables

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Trade payables		**69,984**	44,811	**–**	–
Accruals		**34,275**	36,959	**4,527**	9,606
Value added tax, business tax and other taxes payable		**6,006**	7,659	**84**	222
Non-trade amounts due to:					
- former shareholders and affiliates of subsidiaries		**1,476**	1,564	**–**	–
- subsidiaries		**–**	–	**282,330**	235,818
- associates	8	**692,618**	759,457	**–**	–
- joint ventures	8	**111,154**	71,491	**9,008**	9,107
- non-controlling interests of subsidiaries		**59,851**	68,798	**–**	–
Loans from non-controlling interests of subsidiaries		**9,275**	3,727	**–**	–
Loans from an affiliate of a non-controlling interest of a subsidiary		**33,338**	34,665	**–**	–
Dividend payables		**256**	214	**256**	214
Deferred consideration		**4,622**	4,806	**–**	–
Deferred income		**375**	385	**–**	–
Interest payable		**10,268**	10,677	**7,982**	8,439
Deferred wage taxes		**9,942**	12,287	**–**	–
Deposits received		**6,402**	3,320	**–**	–
Other payables		**4,177**	107,327	**206**	2
		1,054,019	1,168,147	**304,393**	263,408
Non-current		**21,212**	17,219	**–**	–
Current		**1,032,807**	1,150,928	**304,393**	263,408
		1,054,019	1,168,147	**304,393**	263,408

Trade payables are unsecured and interest-free.

The non-trade amounts due to former shareholders and affiliates of subsidiaries, subsidiaries, associates, joint ventures, and non-controlling interests of subsidiaries are unsecured, interest-free and repayable on demand. The non-trade amounts due to non-controlling interests of subsidiaries include $27,106,000 (2022: $21,675,000) due to an entity which is wholly owned by a key management personnel of the Group.

The loans from non-controlling interests of subsidiaries as at 31 December 2023 and 31 December 2022 are unsecured, interest-bearing at rates ranging from 3.6% to 4.8% per annum and due between 2026 to 2032.

19. Trade and other payables (cont'd)

The loans from an affiliate of a non-controlling interest of a subsidiary as at 31 December 2023 were unsecured, interest-free (2022: 6.5% per annum) and due in 2024.

Deferred wage taxes relate to wage taxes incurred in respect of periods May 2020 to July 2022, which are deferred as permitted by the Dutch tax authority. The Group expects that out of total deferred wage taxes of $9,942,000 (2022: $12,287,000), $6,958,000 (2022: $9,292,000) would be paid beyond 12 months after the year-end and are hence classified as non-current liability in the consolidated statement of financial position. These amounts bear interest at 3.0% per annum (2022: 2.0% per annum - 3.0% per annum).

The other payables of the Group as at 31 December 2022 included the final instalment of the Group's acquisition of the land site in Shilong, Dongguan in the PRC for The Brilliance project which amounted to $101.5 million (RMB525.5 million). This has been fully paid in March 2023.

20. Lease liabilities

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current	**97,228**	87,940	**69**	217
Current	**3,128**	2,596	**147**	145
	100,356	90,536	**216**	362

The incremental borrowing rates applied to the lease liabilities ranged from 2.2% to 6.0% (2022: 2.2% to 6.0%) per annum for the Group and 2.2% (2022: 2.2%) per annum for the Company.

21. Contract liabilities

Contract liabilities relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of development properties. See Note 2.25 for more details.

Contract liabilities are recognised as revenue as the Group performs its obligations under the contract. The significant changes in contract liabilities during the financial year are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Revenue recognised that was included in contract liabilities at the beginning of the year	**(12,227)**	(168,521)
Increase due to cash received, excluding amounts recognised as revenue during the year	**58,651**	18,059

The aggregate amount of transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 31 December 2023 is $61,357,000 (2022: $16,334,000).

The Group expects to recognise $61,357,000 (2022: $16,334,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 31 December 2023 in the next five years.

22. Receipts in advance

Receipts in advance comprise rental payments received in advance of due date from tenants and other income collected in advance. The liability is transferred to rental income within profit or loss as and when the service of providing lettable space to a tenant is provided.

23. Revenue

	Group	
	2023	**2022**
	$'000	**$'000**
Sale of properties	**36,974**	205,898
Rental income from investment properties	**16,639**	12,984
Property financing revenue in respective of:		
- loans to third parties	**12,860**	18,966
- loan to an affiliated corporation	**–**	75
- loans and debt securities to associates and joint ventures	**39,518**	54,255
	52,378	73,296
Hotel operations	**176,937**	135,315
	282,928	427,493

The following tables provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Property development

Nature of goods or services	The Group constructs residential, commercial and mixed development properties for sale in the PRC and Europe.
When revenue is recognised	**Properties under development for which revenue is recognised at a point in time** For the contracts to sell residential properties and commercial properties in the PRC, the Group assessed that revenue is recognised when (a) the construction of the relevant property has been completed; (b) the property is ready for handover to the purchasers; and (c) collectability of the proceeds is reasonably assured and the Group has present right to the proceeds. **Completed properties for which revenue is recognised at a point in time** Where contracts relate to the sale of completed properties, revenue is recognised when collectability of the proceeds is reasonably assured and the Group has present right to the proceeds.
Significant payment terms	**Properties under development and completed properties** Billings to customers are based on terms set out in the sale and purchase agreement.

23. Revenue (cont'd)

Property financing

Nature of goods or services	The Group generates interest income, establishment fee income and/or commitment fee income from property financing and vendor financing. Property financing may be via interest-bearing loans or subscription of convertible bonds, secured on real estate collateral.
When revenue is recognised	Interest income and commitment fee income are recognised as revenue using the effective interest method over the tenure of loans or instruments.
Significant payment terms	Property financing revenue is received according to the terms set out in the loan agreement or convertible bonds.

Hotel operations

Nature of goods or services	The Group generates hotel income from owning and operating hotels.
When revenue is recognised	Hotel income is recognised at the point at which the accommodation and related services are provided.
Significant payment terms	For hotel room income, payment is received when the accommodation and related services are provided to the customers and recognised over the period of hotel room stay. For hotel banquet sales, contract consideration will be billed in stages with the final payment to be received when the goods and services are provided to the customers (i.e. at the end of the event). For credit risk management purposes, a portion of the contract consideration is received upfront upon signing of the contract, and the remaining consideration will be billed in stages with the final payment to be received from the customers when goods and services are provided to the customers. As such, no financing component has been recognised as the payment terms are for reasons other than financing. For hotel food and beverages sales, payment is received when the goods are provided to the customers.

23. Revenue (cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Property development		Property financing		Hotel operations		Total*	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets								
PRC	**30,971**	201,072	**29,123**	48,758	**20,387**	15,796	**80,481**	265,626
Europe	**5,997**	4,820	**19,181**	22,340	**156,550**	119,519	**181,728**	146,679
Others	**6**	6	**4,074**	2,198	**–**	–	**4,080**	2,204
	36,974	205,898	**52,378**	73,296	**176,937**	135,315	**266,289**	414,509
Timing of revenue recognition								
At a point in time	**36,974**	205,898	**–**	–	**176,937**	135,315	**213,911**	341,213
Over time	**–**	–	**52,378**	73,296	**–**	–	**52,378**	73,296
	36,974	205,898	**52,378**	73,296	**176,937**	135,315	**266,289**	414,509

Revenue contribution from a single region is disclosed separately when it exceeds 10% of the Group's revenue respectively.

* This excludes rental income from investment properties and unallocated revenue.

24. Other gains (net)

Other gains (net) comprise:

	Note	Group 2023 $'000	Group 2022 $'000
Gain/(loss) on disposal of:			
- assets and liabilities held-for-sale		**–**	15,158
- a subsidiary	30(a)	**(508)**	–
- a joint venture		**4,364**	–
- property, plant and equipment (net)		**53**	(1)
- investment properties		**–**	80
Loss on dilution of interest in a subsidiary	30(b)	**–**	(3)
Property, plant and equipment written off		**(36)**	(29)
Goodwill on acquisition of a subsidiary written off	29(c)	**–**	(114)
		3,873	15,091

25. Net finance costs

	Note	Group 2023 $'000	Group 2022 $'000
Finance income			
Interest income under the effective interest method on bank deposits		**2,197**	4,717
Interest income on:			
- structured deposits		**487**	2,805
- financial derivatives		**50,550**	27,314
- loan to a non-controlling interest of a subsidiary		**20**	2,023
		53,254	36,859
Finance costs			
Amortisation of transaction costs		**(4,888)**	(3,342)
Interest expense on:			
- bank loans		**(47,675)**	(15,038)
- financial derivatives		**(36,155)**	(27,744)
- loans from non-controlling interests		**(163)**	(156)
- a loan from an affiliate of a non-controlling interest of a subsidiary		**–**	(2,390)
- accrued interest on significant financing component of contract liabilities		**(671)**	(5,887)
- lease liabilities to an associate	33	**(3,298)**	(3,339)
- lease liabilities to third parties	33	**(518)**	(1,095)
		(93,368)	(58,991)
Less: Amount capitalised	13	**12,021**	10,560
		(81,347)	(48,431)
Net finance costs		**(28,093)**	(11,572)

26. Profit before tax

Profit before tax is after debiting/(crediting) the following:

	Note	Group 2023 $'000	Group 2022 $'000
Audit fees paid/payable to:			
- auditors of the Company		**301**	277
- other auditors		**681**	681
Non-audit fees paid/payable to:			
- auditors of the Company		**5**	6
Depreciation of property, plant and equipment	4	**20,343**	18,710
Direct operating expenses arising from rental of investment properties		**1,597**	2,059
Exchange (gain)/loss (net)		**(63,183)**	51,777
Fair value (gain)/loss on:			
- investment properties	5	**(2,512)**	(1,271)
- derivative assets/liabilities (net)		**51,046**	(146,364)
- other investments (net)		**3,127**	1,290
Write-down of development properties	13	**25,326**	16,441
Impairment loss on:			
- goodwill	6	**–**	15,763
- property, plant and equipment	4	**–**	27,390
- financial assets – third parties	12	**–**	26,557
Reversal of impairment loss on financial assets:			
- loan receivable from a joint venture	12	**(6,098)**	–
- third parties (net)	12	**(33)**	–
Expenses relating to short-term leases	33	**234**	114
Staff costs		**78,935**	66,172
Government grants – wage-related*		**65**	(956)
Government grants – non wage-related		**(148)**	(1,880)
Staff costs			
Wages and salaries		**69,270**	61,565
Contributions to defined contribution plans		**11,214**	7,189
Termination benefits		**339**	189
		80,823	68,943
Less: Amounts capitalised in development properties	13	**(1,888)**	(2,771)
		78,935	66,172

* These relate to various Covid-19 wage support schemes available to the Group entities. The credit balance had been deducted from the payroll costs recorded in the profit or loss account. The debit balance in the current year has arisen as the previously estimated government grants were higher than the final audited amounts. These amounts have been added back to the payroll costs recorded in the profit or loss account in the current year.

27. Tax expense

	Group 2023 $'000	Group 2022 $'000
Current tax expense		
Current year	**3,620**	23,826
Over-provision in respect of prior years	**(1,256)**	(234)
	2,364	23,592
Land appreciation tax expense	**2,046**	39,660
Withholding tax	**1,591**	16
	6,001	63,268
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	**10,031**	(5,425)
Over-provision in respect of prior years	**(1,415)**	–
	8,616	(5,425)
Total tax expense	**14,617**	57,843
Reconciliation of effective tax rate		
Profit for the year	**13,079**	137,873
Tax expense	**14,617**	57,843
Profit before tax	**27,696**	195,716
Tax calculated using tax rate of 25% (2022: 25%)	**6,924**	48,929
Effect of different tax rates in other jurisdictions	**(5,587)**	(6,805)
Utilisation of deferred tax assets not recognised	**3,491**	8,758
Effect of deferred tax assets not recognised	**(2,361)**	(909)
Expenses not deductible for tax purposes	**21,742**	15,341
Income not subject to tax	**(11,496)**	(27,240)
Land appreciation tax expense	**2,046**	39,660
Effect of tax deduction on land appreciation tax	**(512)**	(9,915)
Over-provision in respect of prior years	**(2,671)**	(234)
Withholding tax	**1,591**	16
Effect of share of results of associates and joint ventures	**658**	(10,014)
Others	**792**	256
	14,617	57,843

The Company is established under the laws of the Cayman Islands and is not subject to income tax in that jurisdiction. The Company is a Singapore tax resident from the Year of Assessment 2015 onwards. The Group's operations are mainly in the PRC and the Netherlands. Pursuant to the PRC and Dutch Corporate Income Tax Law, the statutory tax rates applicable to the Group's subsidiaries is 25.0% (2022: 25.0%) in the PRC, whereas the statutory tax rate applicable to the Group's subsidiaries in the Netherlands is 19.0% for the first taxable bracket up to €200,000 and 25.8% for the taxable income beyond that amount (2022: 15.0% for the first taxable income bracket up to €395,000 and 25.0% for the taxable income beyond that amount).

27. Tax expense (cont'd)

Withholding tax arising from the distribution of dividends

Pursuant to the tax law in the Netherlands, a 15% withholding tax is in principle levied on dividends declared to foreign investors from the foreign investment enterprises established in the Netherlands.

A 10% withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

The Group's determination as to whether to accrue for withholding taxes arising from the distribution of dividends by certain subsidiaries is subject to judgement on the timing of the payment of the dividends. The Group considered the applicable withholding tax rate to be 5% (2022: 5%).

PRC Land Appreciation Tax ("LAT")

LAT is levied on properties developed by the Group for sale in the PRC, at prevailing progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of the sale of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant development expenditures. However, the implementation and settlement of LAT varies amongst different tax jurisdictions in the various cities of the PRC and certain projects of the Group have not finalised their LAT calculations and payments with the local tax authorities. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related provision in the period in which the differences realise. Accordingly, judgement is required in determining the amount of land appreciation and the related LAT provision.

The Group finalised its LAT settlement for the Chengdu City spring project and Plots A and B of the Millennium Waterfront project during the financial year ended 31 December 2022. This had resulted in additional aggregate LAT expense of $7,212,000 (RMB35,199,000) recorded in the profit or loss account for the financial year ended 31 December 2022.

28. Earnings per share

Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders as set out below, and the weighted average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2023	**2022**
	$'000	**$'000**
Profit attributable to ordinary shareholders	**12,522**	131,256

Weighted average number of ordinary shares

	Group	
	2023	**2022**
Weighted average number of ordinary shares	**923,849,075**	920,541,204
Effect of exercise of warrants	**46,228,760**	2,844,646
Weighted average number of ordinary shares during the year	**970,077,835**	923,385,850

28. Earnings per share (cont'd)

Weighted average number of ordinary shares (cont'd)

	Group	
	2023	**2022**
Weighted average number of ordinary shares (diluted)	**1,112,197,156**	1,328,702,001
Effect of exercise of warrants	**46,228,760**	(2,844,646)
Weighted-average number of ordinary shares (diluted) during the year	**1,158,425,916**	1,325,857,355
Weighted-average number of ordinary shares (diluted) during the year	**1,158,425,916**	1,325,857,355
Weighted average number of unexercised warrants	**(188,348,081)**	(402,471,505)
Weighted average number of ordinary shares (basic) [i] during the year	**970,077,835**	923,385,850

[i] Adjusted for the effect of 307,682 (2022: 307,682) shares in the Company held by a subsidiary.

29. Acquisition of and gain in control of subsidiaries

Acquisitions of subsidiaries in FY2022

(a) On 2 May 2022, FSNLHG, an indirect wholly-owned subsidiary of the Company, acquired 95% equity interest in QBN from FSMC, an indirect 33%-owned associated company of the Company, for a consideration amounting to approximately $135.2 million (€89.9 million). QBN and its subsidiaries ("QBN group") owns and operates a portfolio of eleven hotels in the Netherlands. On the same day, FSNLHG took over the rights and benefits to and in the shareholder loans owing by QBN group to FSMC for a consideration of $108.8 million (€72.5 million), being the amount of the shareholder loans outstanding on that day. $243.8 million (€162.3 million) of the total purchase consideration was settled by the Group via a set off against loans and interest receivable owing by FSMC to the Group of an equivalent amount.

The Group recognised its 33% share of FSMC's gain on disposal of QBN group amounting to $21.7 million (€14.9 million) under share of profits of associates in the profit or loss. QBN group have become 95%-owned indirect subsidiaries of the Company from 2 May 2022. A goodwill on acquisition of $40.2 million (€26.8 million) was derived based on a purchase price allocation exercise carried out by FSNLHG.

From the acquisition date to 31 December 2022, the QBN group acquired contributed revenue of $65.4 million (€44.9 million) and net loss before tax and non-controlling interests of $22.5 million (€15.4 million) to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been $82.9 million (€56.9 million), and consolidated loss before tax and non-controlling interests for the year would have been $30.9 million (€21.2 million).

(b) On 28 April 2022, FSGD, an indirect wholly-owned subsidiary of the Company, acquired the remaining 70% equity interest in Dongguan Aoshou No. 2 Real Estate Development and Management Co., Ltd ("Aoshou No. 2"), a 30%-owned indirect associated company of the Company, from a third party seller for a cash consideration of $441 (RMB2,069). On 9 August 2022, the Group further diluted its equity interest in Aoshou No. 2 from 100% to 67.5% as a result of capital contributions made by a third party of an aggregate amount of $335,000 (RMB1,600,000).

(c) On 1 August 2022, Chengdu Zhong Ren No. 1 Management Consultancy Co., Ltd, an indirect wholly-owned subsidiary of the Company, entered into an agreement with an unrelated third party to acquire 70% beneficiary interest in CDFQ, for a purchase consideration of $144,000 (RMB700,000). The Group has written off the goodwill amounting to $114,000 (RMB555,000) arising from this acquisition and recorded this under "Other gains (net)" in profit or loss for the financial year ended 31 December 2022.

Except for (a) and (c), the acquisitions were accounted for as acquisitions of assets and are out of scope of IFRS 3 *Business Combinations.*

29. Acquisition of and gain in control of subsidiaries (cont'd)

Identifiable assets acquired and liabilities assumed

The following table summarises the aggregated recognised amounts of assets acquired and liabilities assumed at the respective dates of acquisition.

	Note	Asset acquisitions 2022 $'000	Business combinations 2022 $'000	Total 2022 $'000
Property, plant and equipment (including right-of-use assets)	4	–	288,685	288,685
Inventories		–*	936	936
Trade and other receivables		–	5,645	5,645
Cash and cash equivalents		1	6,995	6,996
Trade and other payables		–	(33,411)	(33,411)
Deferred tax liabilities	11	–	(47,742)	(47,742)
Shareholder's loan		–	(108,918)	(108,918)
Lease liabilities		–	(11,889)	(11,889)
Contract liabilities		–	(405)	(405)
Net identifiable assets acquired		1	99,896	99,897
Shareholder's loan acquired		–	108,918	108,918
Non-controlling interests (based on share of net assets)		–	(5,005)	(5,005)
Goodwill arising from acquisition		–	40,353	40,353
Net identifiable assets owned		–*	–	–
Total consideration		1	244,162	244,163
Less: Deferred consideration		–	–	–
Total consideration paid		1	244,162	244,163
Less:				
- Cash and cash equivalents acquired		(1)	(6,995)	(6,996)
- Set off against loans and interest receivable from vendor		–	(243,967)	(243,967)
Net cash outflow		–*	(6,800)	(6,800)

* Amount less than $1,000

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired in FY2022 were as follows:

Asset acquired	Valuation technique
Property, plant and equipment, and investment properties	*Market comparison and discounted cash flow methodology:* The market comparison method considers recent quoted market prices for similar properties. Under the discounted cash flow methodology, future cash flows are estimated based on the present value of expected payment, which is determined by considering the fair value at the time of exit and discounted to their present value.

30. Disposal of subsidiaries

FY2023

(a) Disposal of East Sun No. 2

On 26 September 2023, FSGD and a non-controlling equity holder disposed of their respective 90% and 10% equity stake in East Sun No. 2, to a third party. The Group's 90% attributable share of the cash consideration amounted to $4,382,000 (RMB23,002,000). The consideration was arrived at on a willing-buyer willing-seller basis, taking into account, amongst other things, the assets and liabilities of East Sun No. 2. Based on the unaudited management accounts of East Sun No. 2 as at 26 September 2023, the net asset value attributable to the Group amounted to approximately $4,890,000 (RMB25,668,000).

The net assets and cash flows of the subsidiary disposed of are provided below:

	Note	2023 $'000
Property, plant and equipment	4	**854**
Investment property	5	**6,226**
Prepayments		**2**
Cash at bank		**253**
Deferred tax liabilities	11	**(1,753)**
Other payables		**(122)**
Contract liabilities		**(7)**
Accruals		**(11)**
Current tax payable		**(9)**
Non-controlling interest		**(543)**
Identified net assets disposed		**4,890**
Total consideration		**4,382**
Less: Cash and cash equivalents disposed		**(253)**
Net cash inflow		**4,129**
Total consideration		**4,382**
Less: Net identified assets on disposal		**(4,890)**
Loss on disposal	24	**(508)**

The loss on disposal of the subsidiary is recognised in other gains (net) in the consolidated statement of profit or loss.

30. Disposal of subsidiaries (cont'd)

FY2022

(b) Dilution of interest in subsidiaries

On 26 July 2022, FS Pitt Street Pte. Ltd. ("FSPS"), an indirect wholly-owned subsidiary of the Company, issued 1 ordinary share to Tai Tak Industries Pte. Ltd., a wholly-owned subsidiary of Tai Tak Estates Sendirian Berhad, for a subscription price of approximately AUD3,492. Following the issuance of the ordinary share, the Company's shareholding interest in FSPS decreased from 100% to 50%. FSPS has therefore ceased to be a subsidiary of the Company with effect from that date and is now a 50%-owned joint venture company of the Company.

The aggregate cash flows and net assets of the above-mentioned subsidiary in which the Group diluted its interest during the financial year ended 31 December 2022 are provided below:

	2022 **$'000**
Other receivables	10
Cash at bank	–*
Trade and other payables	(4)
Identified net assets disposed	6
Total consideration	–
Less: Cash and cash equivalents disposed	–
Net cash inflow	–
Total consideration	–
Less: Net identified assets on disposal	(6)
Add:	
Fair value of retained interests in an associate and joint ventures	3
Loss on dilution of interests in subsidiaries	(3)

* Amount less than $1,000

The loss on dilution was recognised under other gains in the consolidated statement of profit or loss in 2022.

31. Operating segments

Information reported to the Group CEO and Group CFO (collectively the Group's chief operating decision makers ("CODM")) for the purpose of resource allocation and assessment of performance is specifically focused on the functionality of services provided. The following summary describes the operations in each of the Group's reportable segments:

- Property development – development and/or purchase of properties for sale
- Property investment – development and/or purchase of investment properties (including hotels) for rental income
- Property financing – provision of interest-bearing loans to associates, joint ventures and third parties, subscription of debt securities, and vendor financing arrangements
- Hotel operations – hotels and hotspring owner

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

31. Operating segments (cont'd)

Information about reportable segments

	Property development $'000	Property investment $'000	Property financing $'000	Hotel operations $'000	Total reportable segments $'000	Unallocated $'000	Total $'000
2023							
Segment revenue	37,244	23,703	63,106	178,949	303,002	10,588	313,590
Elimination of inter-segment revenue	(270)	(9,252)	(10,728)	(2,012)	(22,262)	(8,400)	(30,662)
External revenue	36,974	14,451	52,378	176,937	280,740	2,188	282,928
Profit/(loss) from operating activities	13,130	3,017	26,059	22,465	64,671	(6,252)	58,419
Finance income	40,908	23	1,207	10,437	52,575	679	53,254
Finance costs	(55,190)	(769)	(8)	(18,123)	(74,090)	(7,257)	(81,347)
Share of after-tax profit/(loss) of associates and joint ventures	18,044	(20,670)	–	–	(2,626)	(4)	(2,630)
Segment profit/(loss) before tax	16,892	(18,399)	27,258	14,779	40,530	(12,834)	27,696
Other material non-cash items (debit)/credit:							
Depreciation	(1,336)	(435)	(41)	(18,029)	(19,841)	(502)	(20,343)
Fair value gain/(loss) on:							
- other investments (net)	–	–	–	–	–	(3,127)	(3,127)
- investment properties (net)	–	2,512	–	–	2,512	–	2,512
- derivatives (net)	916	(662)	(36,534)	(14,766)	(51,046)	–	(51,046)
Reversal of impairment loss on financial assets:							
- third party trade receivables (net)	–	–	–	33	33	–	33
- loan receivable from a joint venture	–	–	6,098	–	6,098	–	6,098
Property, plant and equipment written off	–	–	–	(36)	(36)	–	(36)
Write-down of development properties	(25,326)	–	–	–	(25,326)	–	(25,326)
Assets							
Segment assets	1,691,418	197,706	663,424	722,957	3,275,505	111,214	3,386,719
Interests in associates and joint ventures	1,182,685	64,223	–	2	1,246,910	9,092	1,256,002
	2,874,103	261,929	663,424	722,959	4,522,415	120,306	4,642,721
Liabilities							
Segment liabilities	(1,785,345)	(21,321)	(366,081)	(355,381)	(2,528,128)	(26,104)	(2,554,232)
Other segment information:							
Capital expenditure*	164	594	1	45,660	46,419	2,104	48,523

* Includes property, plant and equipment and investment properties.

31. Operating segments (cont'd)

Information about reportable segments (cont'd)

	Property development $'000	Property investment $'000	Property financing $'000	Hotel operations $'000	Total reportable segments $'000	Unallocated $'000	Total $'000
2022							
Segment revenue	207,020	15,300	82,354	139,022	443,696	15,250	458,946
Elimination of inter-segment revenue	(1,122)	(4,419)	(9,058)	(3,707)	(18,306)	(13,147)	(31,453)
External revenue	205,898	10,881	73,296	135,315	425,390	2,103	427,493
Profit/(loss) from operating activities	102,984	18,738	66,128	(10,698)	177,152	(9,921)	167,231
Finance income	26,491	116	–	7,791	34,398	2,461	36,859
Finance costs	(35,152)	(1,470)	(51)	(7,447)	(44,120)	(4,311)	(48,431)
Share of after-tax profit/(loss) of associates and joint ventures	39,233	(19,537)	–	20,369	40,065	(8)	40,057
Segment profit/(loss) before tax	133,556	(2,153)	66,077	10,015	207,495	(11,779)	195,716
Other material non-cash items (debit)/credit:							
Depreciation	(1,419)	(219)	(90)	(16,171)	(17,899)	(811)	(18,710)
Fair value gain/(loss) on:							
- other investments	–	–	–	–	–	(1,290)	(1,290)
- investment properties (net)	–	1,271	–	–	1,271	–	1,271
- derivatives (net)	47,251	10,462	45,895	42,756	146,364	–	146,364
(Impairment loss)/reversal of impairment loss on:							
- financial assets – third party trade receivables	–	–	(26,550)	(7)	(26,557)	–	(26,557)
- property, plant and equipment	–	–	–	(27,390)	(27,390)	–	(27,390)
- goodwill	–	–	–	(15,763)	(15,763)	–	(15,763)
Property, plant and equipment written off	(15)	–	–	–	(15)	(14)	(29)
Write-down of development properties	(16,441)	–	–	–	(16,441)	–	(16,441)
Assets							
Segment assets	1,626,768	202,956	666,317	667,811	3,163,852	54,194	3,218,046
Interests in associates and joint ventures	1,085,893	24,995	–	1	1,110,889	9,178	1,120,067
	2,712,661	227,951	666,317	667,812	4,274,741	63,372	4,338,113
Liabilities							
Segment liabilities	(1,393,068)	(55,054)	(475,206)	(390,899)	(2,314,227)	(97,900)	(2,412,127)
Other segment information:							
Capital expenditure*	318	56,677	258	301,787	359,040	1,042	360,082

* Includes property, plant and equipment and investment properties (including those acquired via acquisition).

31. Operating segments (cont'd)

Geographical information

The Group's main businesses are those relating to property development, property investment, property financing and hotel operations.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2023 $'000	2022 $'000
Revenue		
PRC	**88,399**	270,063
Europe	**190,449**	155,226
Other countries	**4,080**	2,204
	282,928	427,493
Non-current assets*		
PRC	**1,295,060**	1,245,350
Europe	**671,252**	588,566
Other countries	**86,700**	57,491
	2,053,012	1,891,407

* Include goodwill, property, plant and equipment, investment properties and interests in associates and joint ventures.

32. Financial assets and financial liabilities

32.1 Financial instruments risk management objectives and policies

Overview

Risk management is integral to the whole business of the Group. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Risk management framework

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk, market risk, interest rate risk and foreign currency risk.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Credit risk

Credit risk is the risk of potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

It is the Group's policy that receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The trade receivables mainly arise from its property financing business and also consist of hotel related trade receivables and rental receivables from its property investment business.

Trade and other receivables – property development business

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. The Group assesses the credit risk in respect of its property development operations to be relatively low as payments are usually received from property buyers in advance of the handover by the Group. Vendor financing may be extended to property buyers from time to time although there is nil receivable related to vendor financing as at 31 December 2023.

Trade and other receivables – hotel trade receivables

The Group has a credit policy in place which establishes credit limits for its hotel customers and monitors their balances on an ongoing basis. The Group does not have any significant concentrations of credit risk from its hotel operations. Goods and services are sold subject to payment deadlines ranging from zero to 90 days. A different payment term may apply to major customers, in which case additional securities are required, including guarantees. The ECL allowance in respect of these balances amounted to $414,000 (2022: $449,000) as at 31 December 2023.

Trade and other receivables – property investment business

In respect of the credit risk arising from its property investment operations, the Group manages the risk by collecting rental deposits in advance or obtains bankers' guarantee in lieu of cash deposits. The Group monitors the outstanding balances on an ongoing basis, therefore, the credit risk is relatively low.

Trade and other receivables – property financing

The Group assesses the credit risk in respect of the property financing operations, including entrusted loans to third parties to be relatively low as such loans are generally secured by a first legal mortgage of land use rights and/or property as well as personal guarantees and/or corporate guarantees. The loan disbursed is capped at a pre-set loan to value ratio of the property collateral.

In April 2022, the foreclosure auctions of the Pudong Villa loan and Pudong Mall loan were completed as part of the Group's debt recovery process and the Group received total net auction proceeds of $61,628,000 (RMB300,772,000). The outstanding Pudong Villa loan principal and interest accrued of $11,991,000 (RMB62,063,000) in aggregate was fully repaid and the excess net auction proceeds of Pudong Villa of $996,000 (RMB5,156,000) was applied toward the partial settlement of the outstanding Pudong Mall loan principal and interest accrued up to the auction date on 22 April 2022. After set off with the net auction proceeds, the outstanding Pudong Mall loan principal and interest receivable amounted to $25,185,000 (RMB130,359,000) in aggregate as at 31 December 2022. The Shanghai court has, on behalf of the Group, placed several legal caveats on the remaining properties of the borrower group. In view of the uncertainty in the recovery process, the Group fully impaired this exposure as at 31 December 2022. There is no further development on the recovery process during 2023. No further impairment was necessary in 2023 since the exposure has been impaired to nil.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Trade and other receivables – property financing (cont'd)

The Group also disburses interest-bearing unsecured property financing loans to its associates and joint ventures as part of its property financing business. The Group assesses the credit risk in respect of such loan receivables to be low as interest on the loans are generally serviced on a regular basis and the borrower entities are in a healthy cash flow position. The Group reversed an impairment loss amounting to $6,098,000 in the year ended 31 December 2023 relating to a loan to a 50%-owned joint venture, upon the capitalisation of the loan to equity by the joint venture during the year.

Non-trade amounts due from subsidiaries

The Company had non-trade receivables from its subsidiaries amounting to $1,197,646,000 (2022: $982,937,000) as at 31 December 2023. These balances represent amounts loaned to its subsidiaries to satisfy their long and short-term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposure. No allowance of these balances is required at the reporting date.

Derivatives

Derivatives are only entered into with banks and financial institutions with sound credit ratings.

Financial guarantees

As at 31 December 2023, the Group provided guarantees amounting to $33,435,000 (2022: $143,044,000) to banks in connection with mortgage loans granted to purchasers to finance their purchase of the properties developed by the Group in the PRC. Pursuant to the terms of the guarantees, if a purchaser defaults on the payment of his or her mortgage loan during the term of the guarantee, the Group is responsible to repay the outstanding amount under the loan and any accrued interest and penalty thereon owed by the defaulting purchaser to the bank. The guarantees will terminate upon the earlier of (i) the completion of the registration of the relevant property mortgages and the issuance of the relevant property ownership certificates of the properties to the purchasers; and (ii) the satisfaction of the mortgage loans by the purchasers of the properties.

The Group had also executed guarantees amounting to $415,388,000 as at 31 December 2023 (2022: $209,938,000) in favour of banks in respect of secured development loan facilities granted to certain subsidiaries, joint ventures and an associate of the Group. In addition, the Group also provided a counter indemnity amounting to $19,301,000 as at 31 December 2022 for a guarantee issued by a bank of an associate to the Dongguan property bureau in lieu of the associate placing pre-sale proceeds in the project escrow account.

The Group computes ECL for financial guarantees using the probability of default approach. In determining ECL for financial guarantees, the Group considers events such as default on instalment payments by purchasers of the properties if any and determines that a significant increase in credit risk would occur when there are changes in the risk that the specified debtor would default on the contract. As at the reporting date, the Group did not recognise any liabilities in respect of the financial guarantees granted in view of the remote default risk.

Credit risk concentration profile

At the end of the reporting year, approximately:

- 80% (2022: 75%) of the Group's trade receivables net of impairment losses were due from two (2022: two) major customers located in the PRC and Australia respectively.

- 65% (2022: 79%) of the Group's trade and other receivables were due from associates and joint ventures, while almost all the Company's receivables were balances with subsidiaries.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group and the Company ensure that they maintain sufficient reserves of cash on demand and adequate committed lines of funding from major financial institutions and its shareholders to meet its liquidity requirements in the short and longer term. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

The Group has contractual commitments to incur expenditure on its development properties, investment properties and property, plant and equipment (see Note 34).

Analysis of financial liabilities by remaining contractual maturities

The expected undiscounted cash outflows of financial liabilities, including interest payments, if any, and excluding netting agreements are as follows:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows within 1 year $'000	Cash flows after 1 year but within 5 years $'000	Cash flows after 5 years $'000
Group					
2023					
Non-derivative financial liabilities					
Loans and borrowings	**1,250,553**	**(1,276,079)**	**(251,231)**	**(1,024,848)**	**–**
Lease liabilities	**100,356**	**(154,623)**	**(6,680)**	**(25,173)**	**(122,770)**
Trade and other payables*	**1,047,638**	**(1,063,347)**	**(1,041,669)**	**(19,830)**	**(1,848)**
Recognised financial liabilities	**2,398,543**	**(2,494,049)**	**(1,299,580)**	**(1,069,851)**	**(124,618)**
Financial guarantees	**–**	**(448,823)**	**(448,823)**	**–**	**–**
	2,398,543	**(2,942,872)**	**(1,748,403)**	**(1,069,851)**	**(124,618)**
Derivative financial instruments					
Derivative assets					
CCSs, FCSs and FXFs (gross settled)	**(127,106)**				
- Outflow		**(2,299,746)**	**(1,747,264)**	**(552,482)**	**–**
- Inflow		**2,406,946**	**1,824,977**	**581,969**	**–**
Derivative liabilities					
CCSs, FCSs and FXFs (gross settled)	**9,204**				
- Outflow		**(708,844)**	**(509,656)**	**(199,188)**	**–**
- Inflow		**708,779**	**491,485**	**217,294**	**–**

* Excluding value added tax, business tax and other taxes payables and deferred income.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturities (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows within 1 year $'000	Cash flows after 1 year but within 5 years $'000	Cash flows after 5 years $'000
Group					
2022					
Non-derivative financial liabilities					
Loans and borrowings	1,008,386	(1,036,444)	(107,679)	(927,396)	(1,369)
Lease liabilities	90,536	(136,298)	(5,995)	(22,933)	(107,370)
Trade and other payables*	1,160,103	(1,160,925)	(1,151,699)	(7,425)	(1,801)
Recognised financial liabilities	2,259,025	(2,333,667)	(1,265,373)	(957,754)	(110,540)
Financial guarantees	–	(372,283)	(372,283)	–	–
	2,259,025	(2,705,950)	(1,637,656)	(957,754)	(110,540)
Derivative financial instruments					
Derivative assets					
CCSs, FCSs and FXFs (gross settled)	(169,382)				
- Outflow		(790,420)	(189,005)	(601,415)	–
- Inflow		843,853	220,605	623,248	–
Derivative liabilities					
CCSs, FCSs and FXFs (gross settled)	434				
- Outflow		(531,755)	(359,001)	(172,754)	–
- Inflow		569,195	393,408	175,787	–

* Excluding value added tax, business tax and other taxes payables and deferred income.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturities (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows within 1 year $'000	Cash flows after 1 year but within 5 years $'000	Cash flows after 5 years $'000
Company					
2023					
Non-derivative financial liabilities					
Loans and borrowings	**1,120,754**	**(1,132,186)**	**(251,231)**	**(880,955)**	**–**
Lease liabilities	**216**	**(219)**	**(149)**	**(70)**	**–**
Trade and other payables*	**304,309**	**(304,309)**	**(304,309)**	**–**	**–**
Recognised financial liabilities	**1,425,279**	**(1,436,714)**	**(555,689)**	**(881,025)**	**–**
Derivative financial instruments					
Derivative assets					
CCSs, FCSs and FXFs (gross settled)	**(127,106)**				
- Outflow		**(2,299,746)**	**(1,747,264)**	**(552,482)**	**–**
- Inflow		**2,406,946**	**1,824,977**	**581,969**	**–**
Derivative liabilities					
CCSs, FCSs and FXFs (gross settled)	**9,204**				
- Outflow		**(708,844)**	**(509,656)**	**(199,188)**	**–**
- Inflow		**708,779**	**491,485**	**217,294**	**–**
Company					
2022					
Non-derivative financial liabilities					
Loans and borrowings	1,030,386	(1,061,084)	(108,398)	(950,934)	(1,752)
Lease liabilities	362	(368)	(149)	(219)	–
Trade and other payables*	263,186	(263,186)	(263,186)	–	–
Recognised financial liabilities	1,293,934	(1,324,638)	(371,733)	(951,153)	(1,752)
Derivative financial instruments					
Derivative assets					
CCSs, FCSs and FXFs (gross settled)	(169,382)				
- Outflow		(790,420)	(189,005)	(601,415)	–
- Inflow		843,853	220,605	623,248	–
Derivative liabilities					
CCSs, FCSs and FXFs (gross settled)	434				
- Outflow		(531,755)	(359,001)	(172,754)	–
- Inflow		569,195	393,408	175,787	–

* Excluding value added tax, business tax and other taxes payables and deferred income.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturities (cont'd)

The maturity analyses show the contractual undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates change. Except for these financial liabilities and the cash flows arising from the financial guarantees issued, it is not expected that the cash flows included in the maturity analyses above could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk relates to the fluctuation risk of the fair value or future cash flow of the Group's financial instruments due to inter alia changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and certain financial derivative contracts. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with fixed and floating interest rates and contracting fixed rate CCSs.

The Group's financial assets comprise cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's financial liabilities comprise mainly bank loans which expose the Group to interest rate risk. The Group enters into fixed rate CCSs to achieve a natural hedge on part of its foreign currency and interest rate risk exposure for its variable rate loans and borrowings. As at 31 December 2023, approximately 68% (2022: 73%) of the Group's borrowings were at fixed rates of interest or hedged through fixed rate CCSs.

Sensitivity analysis for interest rate risk

At the end of the reporting period, an increase/decrease of 100 (2022: 100) basis points ("bps") in interest rates, with all other variables, in particular foreign currency rates, remain constant, would have (decreased)/increased the Group's and Company's profit before tax by $4,056,000 (2022: $2,728,000) as a result of increased/decreased interest expense on floating rate bank loans. There is no impact on other components of equity.

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the €, Singapore Dollar, RMB, US Dollar, Malaysian Ringgit and A$.

Please refer to Note 9 for details of the financial derivatives that the Group has entered into. The Group does not apply hedge accounting.

The exposure of the Group and Company to foreign currencies based on nominal amounts is as follows:

	€	Singapore Dollar	RMB	US Dollar	Malaysian Ringgit	A$
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2023						
Cash and cash equivalents	**3,840**	**320**	**28,050**	**2,872**	**–**	**765**
Trade and other receivables	**–**	**–**	**15,556**	**688**	**–**	**–**
Trade and other payables	**(713)**	**(146)**	**(2,024)**	**(242)**	**(1,476)**	**(9,319)**
Intercompany balances	**816,273**	**(5,688)**	**303,673**	**–**	**–**	**93,006**
Loans and borrowings	**(46,253)**	**–**	**(23,411)**	**(75,215)**	**–**	**–**
Net statement of financial position exposure	**773,147**	**(5,514)**	**321,844**	**(71,897)**	**(1,476)**	**84,452**
CCSs, FCSs and FXFs	**(1,277,652)**	**–**	**(1,434,581)**	**(95,831)**	**–**	**(125,308)**
Net exposure	**(504,505)**	**(5,514)**	**(1,112,737)**	**(167,728)**	**(1,476)**	**(40,856)**
Group						
2022						
Cash and cash equivalents	6,046	333	4,374	1,912	–	203
Trade and other receivables	–	10	14,771	584	–	911
Trade and other payables	(1,021)	(92)	(3,578)	(596)	(1,564)	(9,271)
Intercompany balances	737,916	(2,234)	127,490	–	–	51,248
Loans and borrowings	(141,833)	–	(128,323)	(116,230)	–	(911)
Net statement of financial position exposure	601,108	(1,983)	14,734	(114,330)	(1,564)	42,180
CCSs, FCSs and FXFs	(1,155,829)	–	(532,821)	(97,656)	–	(70,273)
Net exposure	(554,721)	(1,983)	(518,087)	(211,986)	(1,564)	(28,093)

32. Financial assets and financial liabilities (cont'd)

32.1 Financial instruments risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

	€ $'000	RMB $'000	US Dollar $'000	A$ $'000
Company				
2023				
Cash and cash equivalents	**3,839**	**6,684**	**2,584**	**682**
Trade and other receivables	**–**	**–**	**681**	**–**
Trade and other payables	**(712)**	**(2,024)**	**(242)**	**(9,319)**
Intercompany balances	**818,724**	**181,305**	**64**	**92,105**
Loans and borrowings	**(46,253)**	**(23,411)**	**(75,215)**	**–**
Net statement of financial position exposure	**775,598**	**162,554**	**(72,128)**	**83,468**
CCSs, FCSs and FXFs	**(1,277,652)**	**(1,434,581)**	**(95,831)**	**(125,308)**
Net exposure	**(502,054)**	**(1,272,027)**	**(167,959)**	**(41,840)**
Company				
2022				
Cash and cash equivalents	5,811	1,988	1,713	166
Trade and other receivables	–	–	578	–
Trade and other payables	(1,021)	(3,578)	(592)	(9,271)
Intercompany balances	738,165	89,062	71	51,713
Loans and borrowings	(141,833)	(128,323)	(116,230)	(911)
Net statement of financial position exposure	601,122	(40,851)	(114,460)	41,697
CCSs, FCSs and FXFs	(1,155,829)	(532,821)	(97,656)	(70,273)
Net exposure	(554,707)	(573,672)	(212,116)	(28,576)

Sensitivity analysis for foreign currency risk

A 10% (2022: 10%) strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date would impact the profit before tax of the Group and the Company by the amounts shown below. A 10% weakening of the above major currencies against the functional currency of each of the Group's entities at the reporting date would have an equal but opposite effect. There is no impact on other components of equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Increase/(decrease) in profit before tax		Company Increase/(decrease) in profit before tax	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
€	**(50,451)**	(55,472)	**(50,206)**	(55,471)
Singapore Dollar	**(551)**	(198)	**–**	–
RMB	**(111,274)**	(51,809)	**(127,203)**	(57,367)
US Dollar	**(16,773)**	(21,199)	**(16,796)**	(21,211)
Malaysian Ringgit	**(148)**	(156)	**–**	–
A$	**(4,086)**	(2,809)	**(4,184)**	(2,858)

32. Financial assets and financial liabilities (cont'd)

32.2 Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount: Financial assets at amortised cost $'000	Carrying amount: Financial liabilities at amortised cost $'000	Carrying amount: Designated at fair value through profit or loss $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
2023								
Financial assets not measured at fair value								
Trade and other receivables*	12	955,437	–	–	955,437			
Cash and cash equivalents	14	177,799	–	–	177,799			
		1,133,236	–	–	1,133,236			
Financial assets measured at fair value								
Derivative assets	9	–	–	127,106	127,106	–	127,106	–
Other investments:								
- Equity securities	10	–	–	27,115	27,115	27,115	–	–
- Debt securities	10	–	–	39,963	39,963	–	–	39,963
		–	–	194,184	194,184			
Financial liabilities not measured at fair value								
Loans and borrowings	18	–	(1,250,553)	–	(1,250,553)			
Trade and other payables**	19	–	(1,047,638)	–	(1,047,638)			
Lease liabilities	20	–	(100,356)	–	(100,356)			
		–	(2,398,547)	–	(2,398,547)			
Financial liabilities measured at fair value								
Derivative liabilities	9	–	–	(9,204)	(9,204)	–	(9,204)	–

* Excluding value added tax and goods and services tax recoverable, and prepayments.
** Excluding value added tax, business tax and other taxes payable and deferred income.

32. Financial assets and financial liabilities (cont'd)

32.2 Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value		
Group	**Note**	**Financial assets at amortised cost $'000**	**Financial liabilities at amortised cost $'000**	**Designated at fair value through profit or loss $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
2022								
Financial assets not measured at fair value								
Trade and other receivables*	12	881,095	–	–	881,095			
Cash and cash equivalents	14	270,263	–	–	270,263			
		1,151,358	–	–	1,151,358			
Financial assets measured at fair value								
Derivative assets	9	–	–	169,382	169,382	–	169,382	–
Other investments:								
- Equity securities	10	–	–	14,512	14,512	14,512	–	–
- Debt securities	10	–	–	120,782	120,782	–	–	120,782
		–	–	304,676	304,676			
Financial liabilities not measured at fair value								
Loans and borrowings	18	–	(1,008,386)	–	(1,008,386)			
Trade and other payables**	19	–	(1,160,013)	–	(1,160,013)			
Lease liabilities	20	–	(90,536)	–	(90,536)			
		–	(2,258,935)	–	(2,258,935)			
Financial liabilities measured at fair value								
Derivative liabilities	9	–	–	(434)	(434)	–	(434)	–

* Excluding value added tax and goods and services tax recoverable, and prepayments.
** Excluding value added tax, business tax and other taxes payable and deferred income.

32. Financial assets and financial liabilities (cont'd)

32.2 Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

		Carrying amount				Fair value
Company	**Note**	**Financial assets at amortised cost $'000**	**Financial liabilities at amortised cost $'000**	**Designated at fair value through profit or loss $'000**	**Total $'000**	**Level 2 $'000**
2023						
Financial assets not measured at fair value						
Trade and other receivables*	12	**1,202,419**	**–**	**–**	**1,202,419**	
Cash and cash equivalents	14	**45,976**	**–**	**–**	**45,976**	
		1,248,395	**–**	**–**	**1,248,395**	
Financial assets measured at fair value						
Derivative assets	9	**–**	**–**	**127,106**	**127,106**	**127,106**
Financial liabilities not measured at fair value						
Loans and borrowings	18	**–**	**(1,120,754)**	**–**	**(1,120,754)**	
Lease liabilities	20	**–**	**(216)**	**–**	**(216)**	
Trade and other payables**	19	**–**	**(304,309)**	**–**	**(304,309)**	
		–	**(1,425,279)**	**–**	**(1,425,279)**	
Financial liabilities measured at fair value						
Derivative liabilities	9	**–**	**–**	**(9,204)**	**(9,204)**	**(9,204)**

* Excluding value added tax and goods and services tax recoverable, and prepayments.
** Excluding value added tax, business tax and other taxes payable and deferred income.

32. Financial assets and financial liabilities (cont'd)

32.2 Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Company	Note	Carrying amount: Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Designated at fair value through profit or loss $'000	Total $'000	Fair value: Level 2 $'000
2022						
Financial assets not measured at fair value						
Trade and other receivables*	12	989,022	–	–	989,022	
Cash and cash equivalents	14	15,305	–	–	15,305	
		1,004,327	–	–	1,004,327	
Financial assets measured at fair value						
Derivative assets	9	–	–	169,382	169,382	169,382
Financial liabilities not measured at fair value						
Loans and borrowings	18	–	(1,030,386)	–	(1,030,386)	
Lease liabilities	20	–	(362)	–	(362)	
Trade and other payables**	19	–	(263,186)	–	(263,186)	
		–	(1,293,934)	–	(1,293,934)	
Financial liabilities measured at fair value						
Derivative liabilities	9	–	–	(434)	(434)	(434)

* Excluding value added tax and goods and services tax recoverable, and prepayments.
** Excluding value added tax, business tax and other taxes payable and deferred income.

Measurement of fair value

Level 2 fair value measurements - derivatives

CCSs, FCSs and FXFs are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates.

Level 3 fair value measurements – information about unobservable inputs used

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

32. Financial assets and financial liabilities (cont'd)

32.2 Accounting classifications and fair values (cont'd)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Group			
Debt securities – at fair value through profit or loss	Discounted cash flow	Probability of default: 0.0% (2022: 0.0%)	An increase in the probability of default would result in a higher fair value measurement and vice versa.

Financial instruments not measured at fair value

Determination of fair value – Trade and other receivables, excluding prepayments

The fair values disclosed are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the end of the reporting period.

Level 3 fair values

The following table shows a reconciliation of the opening balances to the ending balances for Level 3 fair values:

	Group Unquoted equity and debt securities - at fair value through profit or loss	
	2023	**2022**
	$'000	**$'000**
At 1 January	**120,782**	186,206
Redemption of debt securities by issuer	**(57,022)**	(65,424)
Sale of debt securities	**(23,797)**	–
At 31 December	**39,963**	120,782

Valuation policies and procedures

Please refer to Note 5(ii) for the valuation policies and procedures of the Group.

33. Leases

Leases as lessee

The Group leases land, properties and motor vehicles. The leases typically run for a period of 2 to 29 years, with an option to renew the lease after that date. Lease payments are renegotiated before the maturity of the lease to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The property leases which include office and hotel leases were entered into many years ago as combined leases of land. Previously, these leases were classified as operating leases under IAS 17.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term (i.e. equal to or less than twelve months) and/or leases of low-value items.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Group

	Leasehold land	Leased properties	Motor vehicles	Interests in leasehold land and leased assets (Note 4)	Development properties (Note 13)	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2022	17,526	64,841	89	82,456	–	82,456
Acquisition of subsidiaries	–	62,127	–	62,127	–	62,127
Additions	–	2,543	–	2,543	16,316	18,859
Amortisation for the year	(563)	(3,539)	(69)	(4,171)	–	(4,171)
Impairment charge for the year	–	(4,805)	–	(4,805)	–	(4,805)
Translation differences on consolidation	(2,938)	(7,083)	(4)	(10,025)	(299)	(10,324)
Balance at 31 December 2022 and 1 January 2023	**14,025**	**114,084**	**16**	**128,125**	**16,017**	**144,142**
Additions	**–**	**9,897**	**281**	**10,178**	**–**	**10,178**
Amortisation for the year	**(521)**	**(3,451)**	**(82)**	**(4,054)**	**–**	**(4,054)**
Translation differences on consolidation	**(670)**	**2,255**	**1**	**1,586**	**289**	**1,875**
Balance at 31 December 2023	**12,834**	**122,785**	**216**	**135,835**	**16,306**	**152,141**

Company

	Note	Leased properties
		$'000
Balance at 1 January 2022		104
Additions		441
Amortisation for the year		(188)
Balance at 31 December 2022 and 1 January 2023	4	**357**
Amortisation for the year		**(146)**
Balance at 31 December 2023	4	**211**

33. Leases (cont'd)

Group	2023 $'000	2022 $'000
Amounts recognised in profit or loss		
Leases under IFRS 16		
Expenses relating to short-term leases (Note 26)	**234**	114
Interest expense on lease liabilities (Note 25)	**3,816**	4,434
Amounts recognised in statement of cash flows		
Total cash outflow for leases	**(6,411)**	(9,767)

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Group as a lessor

The Group leases out its investment properties consisting of its owned commercial properties. The Group has classified these leases as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. These leases have terms of between one and 25 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Note 5 sets out information about the operating leases of the investment properties.

Rental income from investment properties recognised by the Group amounted to $14,451,000 (2022: $10,881,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received by the Group after the reporting date.

	2023 $'000	2022 $'000
Operating leases		
Within one year	**16,229**	19,662
After one year but within five years	**59,721**	59,417
After five years	**87,771**	103,432
Total	**163,721**	182,511

34. Commitments

The Group has the following commitments as at the reporting date:

Capital commitments

	Group	
	2023	**2022**
	$'000	**$'000**
Contracted but not provided for in the financial statements:		
- Expenditure in respect of investment properties and development properties	**207,292**	478,551
- Expenditure in respect of property, plant and equipment	**117**	19,285

35. Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or entities.

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between the parties are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Associates and joint ventures		
Consultancy fees received and receivable	**2,114**	1,354
Service income received and receivable	**2,949**	2,052
Affiliated corporations		
Service income received and receivable	**29**	29

Transactions with key management personnel

The key management personnel compensation comprises:

	Group	
	2023	**2022**
	$'000	**$'000**
Directors' fees	**413**	371
Short-term employee benefits	**3,640**	8,062
Defined contribution plans	**90**	63
	4,143	8,496

36. Employee share option scheme

On 19 May 2014, the shareholders of the Company adopted a share option scheme known as the First Sponsor Employee Share Option Scheme (the "Share Option Scheme") that entitles eligible participants (which include the non-executive directors) to purchase shares in the Company. The Share Option Scheme shall continue in operation for a maximum period of 10 years commencing from 19 May 2014, and may continue for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Share Option Scheme is administered by the Administration Committee, comprising members of the Remuneration Committee and the Nominating Committee.

The aggregate number of shares which may be offered by way of grant of options to all controlling shareholders of the Company and their respective associates under the Share Option Scheme shall not exceed 25% of the total number of shares available under the Share Option Scheme, with the number of shares which may be offered by way of granting options to each controlling shareholder of the Company and his respective associate not exceeding 10% of the total number of shares available under the Share Option Scheme.

The exercise price of the options granted under the Share Option Scheme shall be determined at the discretion of the Administration Committee and may be:

(a) set at a discount to a price (the "Market Price") equal to the average of the last dealt prices for the shares on the SGX-ST for the five consecutive market days immediately preceding the relevant date of grant of the relevant option (subject to a maximum discount of 20.0%), in which event, such options may be exercised after the second anniversary from the date of grant of the options; or

(b) fixed at the Market Price, in which event such options may be exercised after the first anniversary of the date of grant of that option.

Options granted under the Share Option Scheme will have a life span of 10 years.

During the years ended 31 December 2023 and 2022, no options have been granted under the Share Option Scheme.

37. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 11 March 2024.

STATISTICS OF
ORDINARY SHAREHOLDING

As at 11 March 2024

Number of Issued Shares [1] (excluding treasury shares)	:	1,110,622,582 ordinary shares of US$0.10 each
Voting Rights	:	1 vote per share
Number of Treasury Shares	:	Nil

Note:

(1) This includes 307,682 shares held by a wholly-owned subsidiary of the Company

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	45	2.38	707	0.00
100 - 1,000	735	38.95	374,167	0.03
1,001 - 10,000	846	44.83	2,733,765	0.25
10,001 - 1,000,000	236	12.51	16,076,594	1.45
1,000,001 and above	25	1.33	1,091,437,349	98.27
Total	**1,887**	**100.00**	**1,110,622,582**	**100.00**

TWENTY LARGEST SHAREHOLDERS REGISTERED WITH THE CENTRAL DEPOSITORY (PTE) LIMITED

No.	Name	No. of Shares	%
1	REPUBLIC HOTELS & RESORTS LIMITED	351,436,987	31.64
2	FIRST SPONSOR CAPITAL LIMITED	344,121,000	30.98
3	CITIBANK NOMINEES SINGAPORE PTE LTD	132,172,270	11.90
4	TAI TAK ASIA PROPERTIES LTD	57,244,770	5.15
5	M&C HOSPITALITY INTERNATIONAL LIMITED	44,138,222	3.97
6	PHILLIP SECURITIES PTE LTD	40,736,642	3.67
7	DBS NOMINEES PTE LTD	29,569,468	2.66
8	DBS VICKERS SECURITIES (S) PTE LTD	25,393,203	2.29
9	ARARAT HOLDINGS LIMITED	10,537,587	0.95
10	MAGNIFICENT OPPORTUNITY LIMITED	9,808,562	0.88
11	HO HAN LEONG CALVIN	8,500,000	0.77
12	HOCKSONS PTE LTD	6,304,571	0.57
13	NEO TECK PHENG	6,109,907	0.55
14	HO HAN KHOON ALVIN	4,390,000	0.40
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,234,656	0.29
16	JCL CAPITAL PTE LTD	3,223,000	0.29
17	RAFFLES NOMINEES (PTE) LIMITED	2,580,326	0.23
18	HO HAN SIONG CHRISTOPHER	2,072,500	0.19
19	LEE SAU HUN	1,800,000	0.16
20	KGI SECURITIES (SINGAPORE) PTE. LTD	1,710,200	0.15
	Total:	**1,085,083,871**	**97.69**

SHAREHOLDING IN THE HANDS OF THE PUBLIC AS AT 11 MARCH 2024

The percentage of shareholding in the hands of the public was approximately 10.23% of the total number of issued and fully paid-up ordinary shares of the Company. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities has been complied with.

STATISTICS OF
ORDINARY SHAREHOLDING

As at 11 March 2024

SUBSTANTIAL SHAREHOLDERS

	Shares			
	Direct Interest		Deemed Interest	
	Number of Shares	% of Issued Shares	Number of Shares	% of Issued Shares
Mr Ho Han Leong Calvin [(1)]	8,500,000	0.77	538,237,263	48.46
Mr Ho Han Khoon Alvin [(2)]	4,390,000	0.40	344,121,000	30.98
Mr Neo Teck Pheng [(3)]	11,176,907 [(4)]	1.01	364,467,149	32.82
First Sponsor Capital Limited	344,121,000	30.98	–	–
Tai Tak Asia Properties Ltd [(5)]	172,244,770 [(6)]	15.51	365,992,493	32.95
Tai Tak Industries Pte. Ltd. [(7)]	–	–	538,237,263	48.46
Tai Tak Estates Sendirian Berhad [(8)]	–	–	538,237,263	48.46
SG Investments Pte. Ltd. [(9)]	–	–	538,237,263	48.46
First Sponsor Management Limited [(10)]	–	–	344,121,000	30.98
TT Properties (Asia) Ltd [(11)]	–	–	344,121,000	30.98
Republic Hotels & Resorts Limited	351,436,987	31.64	–	–
M&C Hotel Investments Pte. Ltd. [(12)]	–	–	351,436,987	31.64
M&C Hospitality International Limited [(13)]	44,138,222	3.97	351,436,987	31.64
M&C Singapore Holdings (UK) Limited [(14)]	–	–	395,575,209	35.62
Millennium & Copthorne Hotels Limited [(15)]	–	–	395,575,209	35.62
Agapier Investments Limited [(16)]	–	–	395,575,209	35.62
Singapura Developments (Private) Limited [(17)]	–	–	395,575,209	35.62
City Developments Limited [(18)]	–	–	395,575,209	35.62
Hong Leong Investment Holdings Pte. Ltd. [(19)]	–	–	395,575,209	35.62

Notes:

(1) Mr Ho Han Leong Calvin, the Company's Non-Executive Chairman, is treated as having an interest under Section 4 of the SFA in (a) the Shares held directly by First Sponsor Capital Limited ("FSCL"), (b) the Shares held directly by Tai Tak Asia Properties Ltd ("TTAPL") and in which TTAPL is treated as having an interest under Section 4 of the SFA and (c) the Shares in which Chengdu Tianfu Properties Ltd. ("CTF") is treated as having an interest under Section 4 of the SFA, which are 344,121,000 Shares, 538,237,263 Shares and 21,871,493 Shares respectively. These three entities are entities in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof. Please refer to note 5 below for the details on the Shares in which TTAPL and CTF are treated as having an interest under Section 4 of the SFA. He is also treated as having an interest in the Shares held indirectly by Tai Tak Industries Pte. Ltd. ("TTI"), Tai Tak Estates Sendirian Berhad ("TTESB"), SG Investments Pte. Ltd. ("SGI"), First Sponsor Management Limited ("FSML") and TT Properties (Asia) Ltd ("TTPA"), in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof.

(2) Mr Ho Han Khoon Alvin, an alternate director to the Company's Non-Executive Chairman, is treated as having an interest under Section 4 of the SFA in the Shares held directly by FSCL and indirectly by FSML and TTPA, in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 344,121,000 Shares.

(3) Mr Neo Teck Pheng, the Group Chief Executive Officer and Executive Director, is treated as having an interest under Section 4 of the SFA in the Shares held directly by FSCL, Ararat Holdings Limited and Magnificent Opportunity Limited, which are 344,121,000 Shares, 10,537,587 Shares and 9,808,562 Shares, respectively. These three entities are entities in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof. He is also treated as having an interest under Section 4 of the SFA in the Shares held indirectly by FSML, in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof.

(4) Includes 2,067,000 Shares held via United Overseas Bank Nominees (Private) Limited.

(5) TTAPL is treated as having an interest under Section 4 of the SFA in (a) the Shares held by FSCL directly and (b) the Shares held by CTF via DBS Vickers Securities (S) Pte Ltd, which are 344,121,000 Shares and 21,871,493 Shares, respectively. TTAPL is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares of FSCL and CTF.

(6) Includes 115,000,000 Shares held via Citibank Nominees Singapore Pte Ltd.

(7) TTI is treated as having an interest under Section 4 of the SFA in the Shares held directly and indirectly by TTAPL, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 538,237,263 Shares.

(8) TTESB is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by TTI, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 538,237,263 Shares.

(9) SGI is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by TTESB, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 538,237,263 Shares.

(10) FSML is treated as having an interest under Section 4 of the SFA in the Shares held directly by FSCL, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 344,121,000 Shares.

(11) TTPA is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by FSML, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 344,121,000 Shares.

(12) M&C Hotel Investments Pte. Ltd. ("MHIPL") is treated as having an interest under Section 4 of the SFA in the Shares held directly by Republic Hotels & Resorts Limited, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 351,436,987 Shares.

(13) M&C Hospitality International Limited ("MHIL") is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by MHIPL, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 351,436,987 Shares.

(14) M&C Singapore Holdings (UK) Limited ("MSH") is treated as having an interest under Section 4 of the SFA in the Shares held directly and indirectly by MHIL, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 395,575,209 Shares.

(15) Millennium & Copthorne Hotels Limited ("M&C") is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by MSH, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 395,575,209 Shares.

(16) Agapier Investments Limited ("AIL") is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by M&C, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 395,575,209 Shares.

(17) Singapura Developments (Private) Limited ("SDP") is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by AIL, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 395,575,209 Shares.

(18) City Developments Limited ("CDL") is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by SDP, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 395,575,209 Shares.

(19) Hong Leong Investment Holdings Pte. Ltd. is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by CDL, in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 395,575,209 Shares.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

At the 10th Annual General Meeting

	Ms Low Beng Lan
Date of Appointment	15 March 2024
Date of last re-appointment (if applicable)	Not applicable
Age	60
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Ms Low Beng Lan has continued to discharge her duties as Independent Director well and to contribute positively to the Company. The process of succession planning for the Board, appointment of Directors and the re-nomination and re-election of Directors are set out on pages 65 to 66 and 70 of the Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director
Professional qualifications	• Bachelor of Laws (Lower Second-Class Honours), University of London • CoreStates Advanced Management Program for Overseas Bankers, Wharton School, University of Pennsylvania, USA • Bachelor of Accountancy (Second-Class Honours), National University of Singapore
Working experience and occupation(s) during the past 10 years	November 2023 to Present Managing Director Finance (Part-time), R Vantage Pte Ltd February 2013 to November 2020 Chief Financial Officer, Changi Airports International Pte Ltd April 2013 to July 2021 Director and Audit Committee Chairperson, Basel Aero
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

	Ms Low Beng Lan
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	
● *Past (for the last 5 years)*	● Changi Airports China Ltd., Director ● Changi Airport Consultants Pte. Ltd., Director ● Changi Airports Europe Pte. Ltd., Director ● Changi Airports India Pte. Ltd., Director ● Changi Airports International Capital Pte. Ltd., Director ● Changi Airports Kyushu Pte. Ltd., Director ● Changi Airports MENA Pte. Ltd., Director ● Changi Airports Philippines (I) Pte. Ltd., Director ● Goldenhorn Gate Pte. Ltd., Director ● GSN Philippines Pte. Ltd., Director ● SCAE Alterra Pte. Ltd., Director ● Singapore Changi Airport Enterprise Pte. Ltd., Director ● Theta Enterprise Pte. Ltd., Director ● Alterra Partners, Director ● Alterra Partners Costa Rica Holding, Ltd, Director ● Bengal Aerotropolis Projects Limited, Director ● Aerodynamics LLC, Director ● Concessionária Aeroporto Rio de Janeiro S.A., Director ● Rio de Janeiro Aeroporto S.A., Director
● *Present*	Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against her or against a partnership of which she was a partner at the time when she was a partner or at any time within 2 years from the date she ceased to be a partner?	No

		Ms Low Beng Lan
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which she was a director or an equivalent person or a key executive, at the time when she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgement against her?	No
(d)	Whether she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which she is aware) for such purpose?	No
(e)	Whether she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which she is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgement has been entered against her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on her part, or she has been the subject of any civil proceedings (including any pending civil proceedings of which she is aware) involving an allegation of fraud, misrepresentation or dishonesty on her part?	No
(g)	Whether she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

		Ms Low Beng Lan
(i)	Whether she has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining her from engaging in any type of business practice or activity?	No
(j)	Whether she has ever, to her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when she was so concerned with the entity or business trust?	No
(k)	Whether she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		Not Applicable

FIRST SPONSOR GROUP LIMITED
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